

# LONDON FILM SCHOOL LIMITED

England & Wales · Charity number 270302

## Details

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Other names	THE LONDON INTERNATIONAL FILM SCHOOL LIMITED, THE LONDON FILM SCHOOL
Status	Registered
Legal form	Charitable company
Company number	<a href="#">01197026</a>
Registered	1975-11-14
Register	<a href="#">View on the Charity Commission register</a>

## Contact

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Phone	02078369642
Email	<a href="mailto:info@lfs.org.uk">info@lfs.org.uk</a>
Website	<a href="http://www.lfs.org.uk">www.lfs.org.uk</a>

## Activities

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**Objects:** TO PROVIDE TRAINING AND EDUCATION IN THE ART AND TECHNIQUE OF THE PRODUCTION OF MOTION PICTURES FILMS AND TELEVISION AND ELECTRONIC AND OTHER RECORDINGS OF SOUND AND VISUAL IMAGES IN ALL THEIR ASPECTS. (FOR FURTHER DETAILS SEE CLAUSE 3 OF MEMORANDUM AND ARTICLES).

**Activities:** Film School - Training students in the art and technique of filmmaking

## Classification

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- **How:** Makes Grants To Individuals, Provides Human Resources, Provides Buildings/facilities/open Space, Other Charitable Activities
- **What:** Education/training, Arts/culture/heritage/science, Other Charitable Purposes
- **Who:** Children/young People, The General Public/mankind

## Geography

- Throughout London

## Finances

Period end	Income	Expenditure	Assets	Employees
2025-08-31	£7,885,192	£7,803,961	£2,298,779	63
2024-08-31	£7,470,179	£7,867,245	£2,217,548	57
2023-08-31	£7,954,707	£6,473,928	£2,614,614	64
2022-08-31	£6,583,827	£6,339,340	£902,625	63
2021-08-31	£5,561,877	£5,983,135	£658,138	62

## Trustees

Name	Role	Appointed
<b>GREGORY DYKE</b>	Chair	2018-04-01
Amanda Elizabeth Nevill CBE		2020-12-17
Joan Watson		2020-12-17
Nicholas Wayne Humby		2018-12-19
Olivier Jonathan Kaempfer		2017-06-28
Sophia Wellington		2020-09-28
Suzy Black		2020-12-17
William Robert George Macpherson		2020-12-17

**LONDON FILM SCHOOL LIMITED**

England & Wales - Charity number 270302

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# Accounts

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**London  
Film  
School  
Limited**

**Annual Report and Financial  
Statements**

31 August 2025

Company Limited by Guarantee  
Registration Number  
01197026 (England and Wales)

Charity Registration Number  
270302

**London Film School Year ended 31 August 2025**  
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**London Film School Year ended 31 August 2025**  
**Reference and administrative information**

<b>Governors</b>	Greg Dyke (Chair) Amanda Nevill CBE (Vice Chair) Kemal Akhtar (resigned 13/03/2025) Suzy Black Neil Blair (appointed 06/03/2025) Nicholas Humby Olivier Kaempfer Jane Lush (appointed 06/03/2025) William MacPherson Elinor Olinder (Student Governor resigned 05/12/2025) Tony Chuka (Student Governor appointed 05/12/2025) Anne Sheehan (appointed 06/03/2025) Joan Watson Sophia Wellington (Staff Governor)
<b>Senior Leadership Team</b>	Chris Auty (Director and Chief Executive Officer) Helen Wright (Chief Operating Officer) Charis Coke (MA Filmmaking Course Leader) Mark Prescott (Head of New Business & Training) Kate Renwick (Director of HR)
<b>Company Secretary</b>	Iain Thomson
<b>Registered office</b>	24 Shelton Street London WC2H 9UB
Telephone	0207 836 9642
Website	<a href="http://www.lfs.org.uk">www.lfs.org.uk</a>
E-mail	<a href="mailto:info@lfs.org.uk">info@lfs.org.uk</a>
<b>Company registration number</b>	01197026 (England and Wales)
<b>Charity registration number</b>	270302
<b>Auditor</b>	HaysMac LLP 10 Queen Street Place London EC4R 1AG
<b>Bankers</b>	Royal Bank of Scotland London Drummonds Branch 49 Charing Cross London SW1A 2DX

**London Film School Year ended 31 August 2025**  
**Reference and administrative information**

**Solicitors** Shakespeare Martineau  
1 Colmore Square  
Birmingham  
B4 6AA

**Chair's Introduction to Annual Report and Financial Statements, 31 August 2025**

The past year has been remarkably successful for the London Film School in that we have achieved many of the ambitions the School has nurtured for many years. These include:

- We have moved into our new headquarters in Holborn. After many years of hoping to move into a range of different buildings in different locations, ranging from the Barbican to London City Island, we have finally moved into a fully modernised building in Parker Street which is just walking distance from our historic home in Covent Garden. Our new home is a bit special because we are based on the top three floors of a building which has three art house cinema screens on the ground floor. What could be more appropriate for a film school?
- We have started two new MA courses. It's more than ten years since the LFS last started a new course so to start two in a single year is some achievement. Both courses – one for training producers and the other for marketeers – started in September 25 and so far reports from the students are very positive.
- We have renovated our historic home in Covent Garden. The Board, on the Management's recommendation, decided that instead of vacating an historic building we have occupied for nearly 60 years we would expand the school's activities and renovate the old building. That expansion includes the new courses, doing more training work with the local community and selling our facilities to the commercial sector.

These additions reflect our commitment to evolving alongside the industry and ensuring that LFS continues to equip its students with the breadth of skills, vision, and creativity required to thrive in a global screen landscape.

I would like to pay tribute to the School's management team, and particularly to our Director and Chief Executive Officer, Chris Auty, for achieving so much in a 12 month period.

I am equally delighted to welcome Helen Wright as our new Chief Operating Officer. Helen's appointment strengthens the School's leadership team, and I am confident that her expertise and energy will play a vital role in shaping the next phase of our development.

As ever, our alumni continue to be our proudest ambassadors. Their recognition on the world stage, from Cannes to festivals and awards across the globe, is a testament to the quality of the education and community we nurture at LFS. This year we have celebrated the achievements of alumnus filmmakers such as Carla Simón and Oliver Hermanus in competing for the coveted Palme d'Or, whose success underscores the enduring international impact of our School.

None of these milestones would have been possible without the extraordinary talent, dedication, and vision of our staff, students, and supporters. On behalf of the Board, I extend my thanks for their commitment to excellence and to the values of creativity, collaboration, and innovation that define LFS.

What all this means is that at a time when the higher education sector in Britain has been facing major issues leading to cuts in many universities, London Film School is one of the few institutions which has been expanding.

Looking ahead, we remain focused on our mission: to foster the next generation of bold, original storytellers and to ensure that London Film School continues to be a world-leading home for cinematic education and artistry. With strong leadership, expanded facilities, and a growing portfolio of courses, we face the future with confidence and optimism.

**London Film School Year to 31 August 2025**  
**Chair's Introduction**

Financially, the School has worked with diligence to strengthen its position, ensuring sustainability and transparency in all areas. These accounts reflect both the resilience of our institution and our determination to build for the long term.

It is a privilege to serve as Chair during such an exciting period of growth and renewal. I look forward to working with my fellow Governors, staff, and supporters as we continue to shape a thriving future for London Film School.

*Gregory Dyke*

**Greg Dyke**  
Chair of the Board  
27 January 2026

## London Film School Year to 31 August 2025 Governors' Report

The Governors present their annual report together with the financial statements of London Film School Limited for the year ended 31 August 2025.

The financial statements have been prepared in accordance with the accounting policies set out on pages 22 to 25 and comply with the charitable company's memorandum and articles of association, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), section edition effective 1 January 2019.

The 2024-2025 financial year has been a period of significant progress and transformation for London Film School (LFS). Building on its reputation as one of the UK's leading centres for postgraduate film education, the School has taken major steps to expand its facilities, diversify its academic offer, and strengthen its leadership team. These developments reflect LFS's ongoing commitment to nurturing future generations of filmmakers and ensuring the School continues to thrive in a rapidly evolving screen industry.

The School's achievements were also recognised externally, most notably through a feature in Screen International (March 2025), which highlighted LFS's expansion, new leadership, and strategic vision. This coverage underscored the School's position at the forefront of film education in the UK and beyond.

### Objectives and Activities

The School's principal purpose is the provision of professional-level training in the art, technique, production, and business of filmmaking and the wider film industry. Our core provision includes:

- A two-year MA Filmmaking degree covering all of film's craft and interpretative departments
- A one-year MA degree in Screenwriting
- A one-year MA degree in Film Producing
- A one-year MA degree in Film Marketing
- A one-year MA degree in International Film Business in partnership with Exeter University.

From September 2024 until August 2025 a total of 162 students graduated from the three MA programmes: 43 for MA Screenwriting, 86 for MA Filmmaking and 33 for MA International Film Business.

The School has offered 31 short course workshops for film and television professionals in the past year.

The School also offers an expanding programme of outreach projects, bringing filmmaking training and education to young audiences who could not normally access such opportunities for reasons of cost or geography.

The Governors confirm that they have referred to the Charity Commission's general guidance on public benefit when reviewing the School's objectives and aims and in planning future activities.

The School's main objectives for the year were:

1. To maintain and develop high quality teaching and learning outcomes, exporting best-practice around the world and bringing new global perspectives to our pedagogy.
  - 1.1. The School continues to be a member of CILECT (the International Association of Film and Television Schools) and its regional division GEECT (European Grouping of Film and Televisions Schools)
2. To ensure LFS staff are enabled to support our goals and mission

## London Film School Year to 31 August 2025 Governors' Report

- 2.1. The School has a professional development leave (PDL) scheme for staff to help our workforce to continually improve their professional skills, practice and learning. This enhances their ability to teach / support our students.
- 2.2. LFS benefits from a staff body with extensive professional experience across the screen industries, ensuring that teaching, student support, and institutional decision-making are informed by current industry practice.
3. Increase access to LFS' exceptional education and skills training
  - 3.1. London Film School's outreach programmes connect local young people with world-class filmmaking through inclusive, co-created courses. Warm, creative classes led by expert tutors encourage self-expression, build confidence, and develop practical filmmaking skills.
4. Ensure that the School is appropriately resourced and situated in contemporary facilities matching the excellence of our teaching and delivering a peerless experience.
  - 4.1. The new purpose-built premises at Parker Street, alongside extensive renovations at Shelton Street, together created an integrated, modern campus and representing the School's largest investment in physical infrastructure in recent decades.

### ***Achievements and Performance***

#### ***Campus expansion***

A major highlight of the year was the long-awaited move into the new premises at Parker Street, marking a milestone in the School's growth. This relocation provides modern, purpose-built facilities designed to meet the needs of both staff and students, ensuring the School can deliver world-class teaching, production, and research opportunities.

Alongside the Parker Street move, extensive renovations have been carried out at the existing Shelton Street building. These upgrades have modernised teaching, cinemas and studio spaces, creating an integrated campus that enhances both the learning and creative environments. Together, these developments mark the largest investment in the School's physical infrastructure in recent decades.

The School's recent expansion into the London Borough of Camden has marked an important new chapter in its relationship with the local community. Since the move, LFS has worked to ensure tangible local benefit, including the introduction of an HR apprenticeship opportunity that prioritises Camden residents, supporting skills development, employment pathways, and engagement within the borough.

#### ***Senior leadership appointments***

The year also saw important additions to the School's senior leadership team. Helen Wright was appointed Chief Operating Officer in summer 2025, bringing with her a wealth of sector experience and operational expertise. In addition, two new academic appointments strengthened the leadership of LFS's expanding course portfolio:

- Lia Devlin, appointed as Course Leader for the newly launched MA Film Marketing,
- Sarah Sulick, appointed as Course Leader for the new MA Film Producing.

These appointments reinforce the School's strategic direction and ensure continued excellence in both programme delivery and institutional management.

#### ***Launch of new courses***

Reflecting its ambition to broaden the scope of specialist postgraduate study, LFS successfully launched two new Master's programmes during the year: the MA Film Marketing and the MA Film Producing. Both courses were developed in close consultation with industry stakeholders to reflect current and future needs of the film sector. Both are validated by the University of Warwick.

## London Film School Year to 31 August 2025 Governors' Report

The response from applicants has been extremely encouraging, with a significant number of applications received, underscoring the demand for these programmes and affirming LFS's position as an institution of choice for aspiring film professionals.

### ***Expansion of short courses***

In addition to its postgraduate provision, LFS has continued to grow its short course portfolio, offering a wide range of training opportunities to filmmakers at different stages of their careers. This expansion has broadened the School's reach and impact, providing accessible, high-quality learning experiences for industry entrants, mid-career professionals, and international participants.

### ***Outreach***

It has been a transition year for LFS Outreach with the departure of our longstanding Outreach Manager following many years running our successful Saturday film club in our Shelton Street premises. With the recruitment of Charlotte Bill as the new Outreach manager we have been able to develop a more holistic Outreach Strategy which recognises our new context (with a new Parker Street premises and relationship with Camden) as follows:

LFS Outreach aims to nurture talent broaden horizons and inspire young people to have a life-long engagement and appreciation of film. Our activities will provide learning opportunities for young people from all backgrounds, helping them to participate in our industry as audience members or as part of the screen industries' workforce. We will work with primary and secondary schools, college and community groups as well as with a wide range of industry organisations. We will actively work with Camden and their 'Steam' learning programme which will result in a number of local school visits to LFS from September '25 onwards.

As a result we will be carrying out a number of pilot projects with local communities and organisations including Holborn Library, Coram's Youth Group, the Dragon Hall Community Centre, The Crick Institute and the Donmar Warehouse.

### ***Conversations With***

The 'Conversations With' series bring leading filmmakers and industry experts to London Film School, offering students and staff a unique chance to engage, learn, and be inspired. These sessions provide insight into current industry practices, opportunities to connect with professionals, and a window into high-profile productions. Recent guests have included Mia Bays, Director of the BFI National Lottery Filmmaking Fund; Affonso Gonçalves, Editor; Christopher Andrews, Screenwriter; Dominique Green, Artistic Director of Dinard Film Festival; Stephen Frears, Director and Producer; and Eric Fellner, Producer and Co-Chair of Working Title Films.

### ***Other achievements***

During 2024–2025 we celebrated ten years of our MA programme in partnership with the University of Exeter, the MA in International Film Business, with alumni celebrations in both London and Exeter. The School also marked 21 years of the MA Screenwriting course, whose graduates have gone on to make a remarkable contribution to storytelling on screen.

The past year has brought further recognition of the extraordinary impact LFS alumni are making across the global industry. At the 2025 Cannes Film Festival, two of our alumni – Carla Simón and Oliver Hermanus – had their films selected for competition, a remarkable achievement that underlines the artistic excellence and vision nurtured here at LFS. We are also immensely proud to share that another alumnus, Simón Mesa Soto, has already seen his film chosen to represent his country in the Best International Feature Film category at the Academy Awards – a testament to the reach and influence of the stories that begin at this school.

## London Film School Year to 31 August 2025 Governors' Report

We have also seen several graduates achieve remarkable individual milestones on the international stage. Leslie Lin was selected as a cinematography fellow for the prestigious CHANEL X BIFF Asian Film Academy, a 20-day programme held as part of the Busan International Film Festival. Aboozar Amini premiered his film *Kabul Between Prayers* at the Venice Film Festival in the main programme, Out of Competition. Zhannat Alshanova's debut feature *Becoming* premiered at Locarno Film Festival, while Leticia Tonos' *AIRE, Just Breathe* was officially selected for Sci-Fi London Film Festival 2025. Mireia Graell Vivancos produced *The Fury*, which screened in the Official Competition at SXS London. These achievements underscore the global reach, ambition, and creativity of this graduating cohort.

The School was named one of the best film schools internationally by both *The Hollywood Reporter* and *The Wrap* magazines, noting senior appointments including Helen Wright.

The School also announced its new partnership with the Academy Nicholl Fellowships in Screenwriting, one of the world's most prestigious and competitive screenwriting programmes run by the Academy of Motion Picture Arts and Sciences. This collaboration recognises the depth of screenwriting talent cultivated at LFS and represents a major opportunity for emerging UK writers to gain exposure on an international stage.

### Financial review

A summary of the year's results can be found on page 19 of the attached financial statements. Total income for the year was £7,885,192 (2024 - £7,470,179). Over two thirds of the tuition fee income is from the MA Filmmaking course. The London Film School received grant funding of £0.7m, from the Office for Students, in recognition as a World Leading Specialist Provider.

Total expenditure for the year amounted to £7,803,962 (2024 - £7,867,245).

The net movement in funds for the year was a surplus of £81,231 (2024 – deficit £397,066). There was a return to a surplus as the move to the new premises was completed in the prior year.

### Reserves Policy and financial position

The reserves policy is to maintain unrestricted reserves appropriate to ensure financial stability, continuity of activities and effective management of risks. Governors will have regard to the School's future plans, liquidity requirements, and proportionate contingency funds against unexpected adverse events. The reserves policy is continually kept under review.

On 31 August 2025, the School had total funds of £2,298,779 (2024 - £2,217,548). Included in total funds is an amount of £19,619 (2024 - £22,028) which is restricted. These monies have either been raised for, and their use restricted to specific purposes, or they comprise of donations subject to donor-imposed conditions. Full details of these restricted funds can be found in note 13 to the financial statements together with an analysis of movements in the year.

Unrestricted funds of the charity at 31 August 2025 amounted to £2,279,160 (2024 - £2,195,520). These funds include tangible fixed assets with a net book value of £2,110,608 (2024 – £1,692,660) which are needed for the School's day-to-day operations. At the end of the financial year, the level of free reserves of the School stood at £168,552 (2024 - £502,860) which is a result of investment in the Fixed Assets. Our intention is to rebuild a free reserve of a minimum of £750,000 or one term's operating costs to protect the interests of the school and its students.

## London Film School Year to 31 August 2025 Governors' Report

### **Governance, structure and management**

#### ***Constitution***

London Film School Limited ("LFS" or "the School") is a registered charity (Charity Registration No. 270302) and a company limited by guarantee (Company Registration No. 01197026). The charitable company's memorandum and articles of association dated 20 January 1975 (as amended by special resolution of 21 July 1975 and 13 May 2008) are its primary governing documents.

#### ***Members' liability***

The liability of the members in the event of winding up is limited to 50 pence per member.

#### ***Governors***

Some of the Governors of the School also constitute directors of the charitable company for the purposes of company law and trustees for charity law. This report is also a directors' report as required by section 415 of the Companies Act 2006. The Governors who held office during the financial year and at the date of signing this report are set out on page 1.

Governors are appointed by election at the Annual General Meeting (AGM). The Student Governor is elected by students, and the Staff Governor is elected by the staff.

Members of the Senior Leadership Team, as set out on page 1, cannot be appointed as Governors of the School.

The size of the Governing Body is set between 8 and 25 Governors. Approximately one third of the Governing Body retire annually, by rotation in order of seniority, and can offer themselves for re-election at the AGM.

The Nominations Committee undertakes a skills analysis of the Governing Body and role profiles are agreed, against which the School recruits new Governors. Governors must have empathy with film and the creative industries. Newly appointed Governors receive a full induction to the School, bespoke to their needs. The Governing Body regularly holds an away day, joined by members of the Management Team.

#### ***Organisation***

The Governing Body met seven times in the year, from 1st September 2024 until 31st August 2025.

Its governance structure includes four committees:

- ◆ a Nominations Committee to oversee the appointment, induction and development of its governors;
- ◆ a Remuneration Committee to decide and agree the remuneration for the Director and senior members of staff,
- ◆ an Audit & Risk Committee to advise on risk, internal control, governance and promoting value for money; and
- ◆ a Relocation Committee, to review the School's estates strategy and oversee progress on renewing its facilities. This was disbanded at the end of the period under review following the successful relocation of the School.

The Governing Body also receives minutes from the Academic Board as a line of sight on all academic matters.

The strategic priorities are focused on by the Director and the Senior Leadership Team. The day-to-day running of the School is delegated to the Chief Operating Officer and the Senior Leadership Team. See note 7 for disclosures about SLT remuneration.

## London Film School Year to 31 August 2025 Governors' Report

### ***Statement of governors' responsibilities***

The Governors (who are also directors of The London Film School Limited for the purposes of company law) are responsible for preparing the governors' report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Governors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the income and expenditure of the charitable company for that period. In preparing these financial statements, the Governors are required to:

- ◆ select suitable accounting policies and then apply them consistently;
- ◆ observe the methods and principles in Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102);
- ◆ 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 an going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The Governors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company 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 charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Each of the Governors confirms that:

- ◆ as far as they are aware, there is no relevant audit information of which the charitable company's auditor is unaware; and
- ◆ they have taken all the steps that they ought to have taken as a governor in order to make themselves aware of any relevant audit information and to establish that the charitable company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

### ***Risk management***

The Governors have assessed the major risks to which the charity is exposed, in particular those relating to the specific operational areas of the School and its finances. The Governors believe that by monitoring reserves levels, by ensuring controls exist over key financial systems, and by examining the operational and business risks faced by the School, they have established effective systems to mitigate those risks. Our keys risks include:

### ***Regulatory Environment***

As a registered Higher Education Provider under the Office for Students, LFS is subject to considerable regulatory oversight aimed at ensuring its courses offer high levels of quality and value for money. In order to ensure ongoing compliance with the regulatory environment the School has made further progress in reviewing and updating the School's policy frameworks, with an emphasis on quality assurance, and regular internal monitoring and reviews.

LFS' continued membership of CILECT, the confederation of international film schools, and also of Guild HE, ensures it has a supportive network of providers in the same field with whom to share and learn best practice.

LFS is also subject to considerable regulatory oversight from our validating partner the University of Warwick and delivery partner (for the MA International Film Business the

**London Film School Year to 31 August 2025  
Governors' Report**

University of Exeter) to ensure that its courses offer a high level of quality and student outcomes.

**Relationship with other organisations**

In pursuit of its strategic objectives of building new connections, the School works with several organisations across screen industries, training partners and public bodies: including training partners such as the University of Exeter, University of Warwick, NAHEMI, CILECT, the Deutsche Film und Fernsehakademie Berlin (DFFB), and UGC Series Mania.

Screen industry partners such as Panalux, many film festivals, plus platforms including MUBI and Omeleto, support the distribution work of LFS's fresh filmmaking talent around the world.

The appointment of the new head of New Business and Training has increased and expanded London Film School's relationships and partnerships. These have included: A partnership with Sony around content creation, a partnership with the BFI around international partnerships, agreements and MOUs with international film commissions in India, Doha and Panama. A deal with the Middle East /Saudi/Egyptian conglomerate Rotana, and engagement with a number of other potential partners including international film schools, are both in hand.

Approved by the Governing Body and signed on its behalf by:

A handwritten signature in black ink that reads "Gregory Dyke". The signature is written in a cursive, flowing style.

Greg Dyke  
Chair of Governors  
Approved by the Governors on: 27 January 2026

## London Film School Year to 31 August 2025 Statement of corporate governance and internal control

### Statement of corporate governance and internal control

The following statement is provided to enable readers of the annual report and financial statements of London Film School Limited to obtain a better understanding of its governance and legal structure. The statement covers the period from 1 September 2024 to 31 August 2025 and up to the date of the approval of the annual report and financial statements.

The School endeavours to conduct its business:

1. Having due regard to the UK Corporate Governance Code 2024 in so far as it is applicable to the Higher Education Sector; and
2. Complying with Office for Students on-going conditions or regulations and terms of conditions of funding as well as other regulatory responsibilities.

We have adopted the UK Corporate Governance Code. We have reported on our Corporate Governance arrangements by drawing upon best practice available, including those aspects of the UK Corporate Governance Code that we consider relevant to the Higher Education Sector.

The Governors recognise that the School, as a body entrusted with both public and private funds, has a particular duty to observe the highest standards of corporate governance at all times.

### Legal Status

The London Film School is a Registered Charity and a Private Limited Company by guarantee without share capital.

The Governors confirm that they have due regard for the Charity Commission's guidance on public benefit and that the required statement appears elsewhere within these financial statements.

### Governors

The members who served as Governors during the year and up to the date of signature of this report are listed below.

<b>Governor</b>	<b>Appointed/Resigned</b>
Greg Dyke (Chair)	
Amanda Nevill (Vice Chair)	
Kemal Akhtar	Resigned 13/03/2025
Suzy Black	
Neil Blair	Appointed 06/03/2025
Tony Chuka (Student Governor)	Appointed 05/12/2025
Nicholas Humby	
Olivier Kaempfer	
Jane Lush	Appointed 06/03/2025
William MacPherson	
Ellinor Olinder (Student Governor)	Resigned 05/12/2025
Anne Sheehan	Appointed 06/03/2025
Joan Watson	
Sophia Wellington (Staff Governor)	

### Meeting procedures

Formal agendas, papers and reports are supplied to the Governors in a timely manner, prior to Governing Body meetings. Briefings are also provided on an ad hoc basis. Reports include overall financial performance of the School together with other information such as performance against funding targets, proposed capital expenditure, quality matters and personnel related matters such as health and safety issues. The Governing Body met 7 times

## London Film School Year to 31 August 2025 Statement of corporate governance and internal control

in 2024/25.

The Governing Body receives advice on the conduct of its business from five committees. Each committee has its own terms of reference which have been approved by the Governing Body. These committees are: Audit and Risk; Nominations; Remuneration; Relocation; and the Academic Board.

London Film School has a strong and independent non-executive element, and no individual or group dominates its decision-making process. The School considers that each of its non-executive members is independent of management and free from any business or other relationship which could materially interfere with exercise of their independent judgement. There is a clear division of responsibility in that the roles of the Chair and Accounting Officer are separate.

### **Appointment to the Governing Body**

The Nominations Committee undertakes a skills analysis of the Governing Body and role profiles are agreed, against which the School recruits new Governors. New Governors must have empathy with film and creative art industries. Their induction includes a tour of the School, screenings and from time to time an away day attended by the Governing Body, the principal officers and the wider Management Team. An information pack about the School is also given to each new Governor.

### **Governing Body performance**

The Governing Body has made a strong contribution to the improvements made in 2024/25 through the setting of challenging targets with regular scrutiny of performance. There is strong performance management at Governing Body meetings. The Governors provide robust scrutiny and challenge. Governors are pro-active in their oversight of the School and are involved in the planning and discharging of Governing Body business.

### **Committees**

#### ***Audit and Risk Committee***

The Audit and Risk Committee is responsible to the Governing Body in discharging its responsibilities for monitoring the integrity of the School's financial statements, the effectiveness of financial controls with regard to internal risk assessment and the performance and objectivity of external auditors.

The members who served on the committee during the year and up to the date of signature of this report are listed below.

#### **Governor**

Nicholas Humby (Interim Committee Chair)  
Anne Sheehan (Committee Chair)  
William McPherson  
Joan Watson

#### **Appointed/Resigned**

From 31/07/2024 to 07/03/2025  
Appointed 07/03/2025

The Audit & Risk Committee is responsible for the following:

- ◆ To appoint external auditors and agree the audit fee, meet with the external auditors to discuss the scope and nature of the audit and to discuss the findings included within the management letter and management responses.
- ◆ To satisfy itself that all public funds received by the School are managed in line with regularity, propriety, and value for money.
- ◆ To satisfy itself that satisfactory arrangements are in place to promote best value, and to monitor other performance as shall be deemed to be reliable and appropriate measures of effectiveness.

**London Film School Year to 31 August 2025**  
**Statement of corporate governance and internal control**

**Internal Control**

***Scope of responsibility***

The Governing Body is ultimately responsible for the organisations' system of internal control and for reviewing its effectiveness. However, such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives and can only provide reasonable and not absolute assurance against material misstatement or loss.

The Governing Body has delegated the day-to-day responsibility to the Director & CEO, as Accounting Officer, for maintaining a sound system of internal control that supports the achievement of the organisations policies, aims and objectives, whilst safeguarding the public funds and assets. The Accounting Officer is also responsible for reporting to the Governing Body any material weaknesses or breakdowns in internal control.

***The purpose of the system of internal control***

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure and can only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of organisation policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place at the organisation for the year ended 31 August 2025 and up to the date of approval of the annual report and financial statements.

***Capacity to handle risk***

The Governors have reviewed the key risks to which the organisation is exposed, together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Governors are of the view that there was a formal on-going process for identifying, evaluating and managing the School's significant risks that had been in place for the year ended 31 August 2025 and up to the date of approval of the annual report and financial statements.

***The risk and control framework***

The system of internal control is based on a framework of regular management information, administrative procedures including the segregation of duties, and a system of delegation and accountability. It includes:

- ◆ comprehensive budgeting systems with an annual budget which is reviewed and agreed by the Governors
- ◆ regular reviews by the Governing Body of periodic and annual financial reports which indicate financial performance against forecasts
- ◆ setting targets to measure financial performance
- ◆ the adoption of formal project management disciplines, where appropriate.

***Review of effectiveness***

The Accounting Officer delegates to the Chief Operating Officer the responsibility for reviewing the effectiveness of the system of internal control. The COO's review of the effectiveness of the system of internal control is informed by:

- ◆ the work of the external auditors;
- ◆ the work of the senior managers within the organisation who have responsibility for the development and maintenance of the internal control framework; and
- ◆ the management letters and other reports.

There are no significant internal control weaknesses reported for the period.

The Senior Leadership Team receives reports setting out key performance and risk indicators and considers possible control issues brought to their attention by early warning mechanisms, which are embedded within the departments. The Senior Leadership Team and the Audit and Risk Committee also receive regular reports, which include recommendations for improvement.

**London Film School Year to 31 August 2025**  
**Statement of corporate governance and internal control**

The Audit and Risk Committee's role in this area is confined to a high-level review of the arrangements for internal control. The Governors' agenda includes a regular item for consideration of risk and control and receives reports thereon from the Senior Leadership Team and the Audit and Risk Committee.

Based on above and reports by the Director & CEO, the Governing Body is of the opinion that the organisation has an adequate and effective framework for governance, risk management and control to manage the achievements of the School's objectives for the year ended 31 August 2025 and it has fulfilled its statutory responsibility for "the effective and efficient use of resources, the solvency of the institution and the safeguarding of their assets".

**Regularity, propriety, and compliance**

The School has considered its responsibility to notify the Office for Students of material irregularity, impropriety and non-compliance with Office for Students terms and conditions of funding.

We confirm, on behalf of the School, that after due enquiry and to the best of its knowledge, the Governing Body believes it is able to identify any material irregularity or improper use of funds by the School, or material non-compliance with terms and conditions of funding under the organisations financial regulations. As part of our consideration we have had due regard to our financial regulations. We confirm that no instances of material irregularity, impropriety or funding non-compliance have been discovered to date. If any instances are identified after the date of this statement these will be notified to the Office for Students.

**Going Concern**

Details on Governors' going concern assessment are set out on pages 22 and 23.

Approved by the Governing Body and signed on its behalf by:

*Gregory Dyke*

Greg Dyke  
Chair of Governors  
Date: 27 January 2026

*Chris Auty*

Chris Auty  
Director & CEO: (Accounting Officer)

**London Film School Year to 31 August 2025**  
**Independent auditor's report**

**Independent auditor's report to the members of The London Film School Limited**  
**Opinion**

We have audited the financial statements of London Film School Limited for the year ended 31 August 2025 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash flows 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).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2025 and of the charitable company's net movement in funds, including the income and expenditure, for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2001 and the Office for Students Accounts Direction.

**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 that are 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 relating 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 Governors' Report. 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.

In connection with our audit of the financial statements, 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.

**London Film School Year to 31 August 2025**  
**Independent auditor's report**

**Opinions on other matters prescribed by the Companies Act 2006**

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

- the information given in the Governors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report included within the Governors' Report has been prepared in accordance with applicable legal requirements.

**Matters on which we are required to report by exception**

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 Governors' Report (which incorporates the directors' 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 by the charitable company; or
- the charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

**Matters on which we are required to report in respect of the Office for Students**

In our opinion, in all material respects:

- funds administered by the charitable company for specific purposes during the year ended 31 August 2025 as disclosed in note 13, have been applied to those purpose and managed in accordance with relevant legislation;
- funds provided by the OfS have been applied in accordance with the terms and conditions attached to them during the year ended 31 August 2025; and

We have nothing to report in respect of the following matter in relation to which the Office to Students requires us to report where:

- grant and fee income, as disclosed in the note 2 to the accounts, has been materially misstated.

**Responsibilities of trustees for the financial statements**

As explained more fully in the Statement of Governors' Responsibilities statement set out on page 10, 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 group or 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**

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.

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

**London Film School Year to 31 August 2025**  
**Independent auditor's report**

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 environment in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to the Office for Students and Charity Law, health and safety, GDPR and employment law, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006, Charities Act 2011 and the Office for Students Accounts Direction.

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 potential for management to post inappropriate journal entries and to manipulate accounting estimates. Audit procedures performed by the engagement team included:

- Inspecting correspondence with regulators and tax authorities;
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Evaluating management's controls designed to prevent and detect irregularities;
- Identifying and testing journals, in particular journal entries posted with unusual account combinations, postings by unusual users or with unusual descriptions; and
- Challenging assumptions and judgements made by management in their accounting estimates

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://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.



Tracey Young  
Senior Statutory Auditor  
For and on behalf of HaysMac LLP  
Statutory Auditors  
Date:

2 February 2026

10 Queen Street Place  
London, EC4R 1AG

**London Film School Year to 31 August 2025**  
**Statement of Financial Activities**

		<b>Unrestricted funds</b>	<b>Restricted funds</b>	<b>Year to 2025 Total funds</b>	<b>Unrestricted funds</b>	<b>Restricted funds</b>	<b>Year to 2024 Total funds</b>
	<b>Notes</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Income from:</b>							
Donations	1	1	—	1	—	—	—
Charitable activities	2	7,631,865	35,940	7,667,805	7,179,927	83,707	7,263,634
Investments		49,183	—	49,183	80,092	—	80,092
- Miscellaneous income		168,203	—	168,203	126,453	—	126,453
<b>Total income</b>		<b>7,849,252</b>	<b>35,940</b>	<b>7,885,192</b>	<b>7,386,472</b>	<b>83,707</b>	<b>7,470,179</b>
<b>Expenditure on:</b>							
Raising funds	3	—	—	—	—	—	—
Charitable activities							
- Provision of education	4	7,765,612	38,349	7,803,961	7,783,538	83,707	7,867,245
<b>Total expenditure</b>		<b>7,765,612</b>	<b>38,349</b>	<b>7,803,961</b>	<b>7,783,538</b>	<b>83,707</b>	<b>7,867,245</b>
<b>Net movement in funds</b>	6	<b>83,640</b>	<b>(2,409)</b>	<b>81,231</b>	<b>(397,066)</b>	<b>—</b>	<b>(397,066)</b>
<b>Reconciliation of funds</b>							
Fund balances brought forward 1 September		2,195,520	22,028	2,217,548	2,592,586	22,028	2,614,614
Fund balances carried forward at 31 August		2,279,160	19,619	2,298,779	2,195,520	22,028	2,217,548

There is no difference between the net movement in funds stated above and the historical cost equivalent.

All of the charitable company's activities are derived from continuing operations during the above two financial periods. Income from charitable activities includes the Office for Students World Leading Specialist Provider funding.

The charitable company has no recognised gains and losses other than those shown above.

**London Film School Year to 31 August 2025**  
**Balance sheet**

	Notes	2025 £	2025 £	2024 £	2024 £
<b>Fixed assets</b>					
Tangible fixed assets	9		<u>2,110,608</u>		<u>1,692,660</u>
<b>Current assets</b>					
Debtors	10	526,038		682,863	
Cash at bank and in hand		<u>2,338,558</u>		<u>3,358,622</u>	
		<b>2,864,596</b>		<b>4,041,485</b>	
<b>Liabilities</b>					
Creditors: amounts falling due within one year	11	<u>(2,476,425)</u>		<u>(3,016,597)</u>	
<b>Net current assets</b>			<u>388,171</u>		<u>1,024,888</u>
<b>Total assets less current liabilities</b>			<u>2,498,779</u>		<u>2,717,548</u>
<b>Creditors:</b> amounts falling due after more than one year	12		<u>(200,000)</u>		<u>(500,000)</u>
<b>Net assets</b>			<u>2,298,779</u>		<u>2,217,548</u>
<b>The funds of the charity</b>					
Restricted funds	13		19,619		22,028
Unrestricted funds					
- General fund			168,552		502,860
Designated fund					
- Tangible fixed assets fund	14		<u>2,110,608</u>		<u>1,692,660</u>
<b>Total funds</b>	17		<u>2,298,779</u>		<u>2,217,548</u>

Approved by the governors and signed on their behalf by:

*Gregory Dyke*

Greg Dyke  
Chair of Governors

Approved on: 27 January 2026  
London Film School Limited  
Company Limited by Guarantee  
Registration Number 01197026 (England and Wales)

## London Film School Year to 31 August 2025

### Statement of cash flows

	Notes	2025 £	2024 £
<b>Cash flows from operating activities:</b>			
Net cash (used in)/provided by operating activities	A	<b>(16,258)</b>	479,352
<b>Cash inflow from investing activities:</b>			
Investment income		49,183	80,092
Payments to acquire tangible fixed assets		<b>(742,352)</b>	(1,529,894)
<b>Net cash used in investing activities</b>		<b>(693,169)</b>	(1,449,802)
<b>Cash flows from financing activities:</b>			
Repayment of loan		<b>(300,000)</b>	(300,000)
Interest payable		<b>(10,637)</b>	(33,000)
<b>Net cash used in financing activities</b>		<b>(310,637)</b>	(333,000)
<b>Change in cash and cash equivalents in the year</b>		<b>(1,020,064)</b>	(1,303,450)
<b>Cash and cash equivalents at 1 September</b>	B	<b>3,358,622</b>	4,662,072
<b>Cash and cash equivalents at 31 August</b>	B	<b>2,338,558</b>	3,358,622

### Notes to the statement of cash flows for the year ended 31 August 2025

#### A Reconciliation of net movement in funds to net cash provided by operating activities

	2025 £	2024 £
<b>Net movement in funds (as per the statement of financial activities)</b>	<b>81,231</b>	(397,066)
Adjustments for:		
Depreciation	324,404	140,084
Investment income	<b>(49,183)</b>	(80,092)
Interest payable	10,637	33,000
Decrease/(increase) in debtors	156,825	39,485
(Decrease)/increase in creditors	<b>(540,172)</b>	743,941
<b>Net cash inflow from operating activities</b>	<b>(16,258)</b>	479,352

#### B Analysis of changes in net cash

	2024 £	Cash flows £	Non-cash flows £	2025 £
Cash at bank and in hand	3,358,622	(1,020,064)	—	<b>2,338,558</b>
CBILS loan < 1 year	(300,000)	300,000	(300,000)	<b>(300,000)</b>
CBILS loan > 1 year	(500,000)	—	300,000	<b>(200,000)</b>
<b>Total net cash</b>	<b>2,558,622</b>	<b>(720,064)</b>	<b>—</b>	<b>1,838,558</b>

## London Film School Year to 31 August 2025

### Principal accounting policies

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are laid out below.

#### **Basis of preparation**

These financial statements have been prepared for the year to 31 August 2025 and are presented in sterling and are rounded to the nearest pound.

The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant accounting policies below or the notes to these financial statements.

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) (Charities SORP FRS 102) second edition effective 1 January 2019, the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

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

#### **Critical accounting estimates and areas of judgement**

Preparation of the financial statements requires the Governors and management to make significant judgements and estimates.

The items in the financial statements where these judgements and estimates have been made include:

- estimating the useful economic life of tangible fixed assets;
- determining the provision for bad and doubtful debts; and
- determining the value of provisions for liabilities.

#### **Assessment of going concern**

The Governors have assessed whether the use of the going concern assumption is appropriate in preparing these financial statements. The Governors have made this assessment in respect to a period of one year from the date of approval of these financial statements.

In the course of preparing these accounts the Governing Body have had regard to the School's financial forecasts, including a series of 'reasonable worst case' scenarios such as shortfalls in student recruitment, overruns in capital project costs, and delay or cancellation of the launch of new course offerings. The likely impact of inflation on running costs and knock-on effects of cost-of-living pressures on operational matters including pay, recruitment and retention have also been modelled.

## London Film School Year to 31 August 2025

### Principal accounting policies

#### **Assessment of going concern** (continued)

Balanced against these downside pressures are improvements in several key aspects of the School's operating environment. The award of World-Leading Specialist Provider status carries a significant funding commitment from the Office for Students. The move to Parker Street has been reviewed by the Relocation Committee on an ongoing basis through scenario modelling to ensure that the School has sufficient resources to meet its liabilities as they fall due. The outturn was an improvement on in-year forecasts and largely reflecting considerable improvements in financial control, monitoring and forecasting.

The Governing Body have concluded that there are no material uncertainties relating to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern.

#### **Income recognition**

Income is recognised in the period in which the charity has entitlement to the income, the amount of income can be measured reliably and it is probable that the income will be received.

Income comprises grants and donations, tuition fees and charges, interest received and other income.

Donations are recognised when the charity has confirmation of both the amount and settlement date. In the event of donations pledged but not received, the amount is accrued for where the receipt is considered probable. In the event that a donation is subject to conditions that require a level of performance before the charity 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 charity and it is probable that those conditions will be fulfilled in the reporting period.

Income from charitable activities includes tuition fees and grants. The income is generally recognised in the period to which the fees or grants relate.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

#### **Expenditure recognition**

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to make a payment to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis and includes attributable VAT which cannot be recovered.

Expenditure comprises the costs of charitable activities including expenditure on the provision of education and associated support and governance costs.

#### **Tangible fixed assets**

All assets costing more than £2,000 and with an expected useful life exceeding one year are capitalised.

Some depreciation rates changed on 1 September 2024.

## London Film School Year to 31 August 2025

### Principal accounting policies

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided to write off the cost less estimated residual value of each asset on a straight line basis over its expected useful life as follows:

Leasehold improvements	- ten years
Technical and Cinema equipment	- ten years (previously five years)
Fixtures, fittings and equipment	- ten years (previously five years)
IT and software	- five years

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments.

#### Debtors

Debtors are recognised at their settlement amount, less any provision for non-recoverability. Prepayments are valued at the amount prepaid. They have been discounted to the present value of the future cash receipt where such discounting is material.

#### Cash at bank and in hand

Cash at bank and in hand represents such accounts and instruments that are available on demand or have a maturity of less than three months from the date of acquisition.

#### Creditors and provisions

Creditors and provisions are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Creditors and provisions are recognised at the amount the charity anticipates it will pay to settle the debt.

#### Financial instruments

The School only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the School and their measurement basis are as follows:

*Financial assets* – other debtors are basic financial instruments and are debt instruments measured at amortised cost. Prepayments are not financial instruments.

*Cash at bank* – classified as a basic financial instrument and is measured at face value.

*Financial liabilities* – accruals and other creditors are financial instruments and are measured at amortised cost.

#### Pension costs

Contributions by the School in respect to a defined contribution pension scheme are charged to the Statement of Financial Activities in the period in which they are payable.

#### Leased assets

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged on a straight-line basis over the lease term.

#### Fund structure

Restricted funds comprise monies raised for, or their use restricted to, a specific purpose, or contributions subject to donor imposed conditions.

## **London Film School Year to 31 August 2025**

### **Principal accounting policies**

Designated funds comprise those resources which may be used towards meeting the charitable objectives of the School, but which have been set aside out of the general funds and designated for specific purposes by the Governors.

The tangible fixed assets fund comprises non-liquid funds represented by the net book value of tangible fixed assets.

The unrestricted general fund represents those monies which are freely available for application towards achieving any charitable purpose that falls within the School's charitable objects.

## London Film School Year to 31 August 2025

### Notes to the financial statements

#### 1 Donations

	Unrestricted funds £	Restricted funds £	Total funds 2025 £
<b>2025 Total funds: Donations</b>	1	—	1
<i>2024 Total funds: Donations</i>	—	—	—

#### 2 Income from charitable activities

	Unrestricted funds £	Restricted funds £	2025 Total funds £
Tuition fees and charges	6,944,495	—	<b>6,944,495</b>
Less: bursaries awarded	(41,639)	—	<b>(41,639)</b>
	6,902,856	—	<b>6,902,856</b>
Grant income from the Office for Students	729,009	—	<b>729,009</b>
Grant from Leverhulme Trust	—	35,940	<b>35,940</b>
	<b>7,631,865</b>	<b>35,940</b>	<b>7,667,805</b>
	<i>Unrestricted funds £</i>	<i>Restricted funds £</i>	<i>2024 Total funds £</i>
<i>Tuition fees and charges</i>	<i>6,547,097</i>	<i>—</i>	<i>6,547,097</i>
<i>Less: bursaries awarded</i>	<i>(82,160)</i>	<i>—</i>	<i>(82,160)</i>
	<i>6,464,927</i>	<i>—</i>	<i>6,464,927</i>
<i>Grant income from the Office for Students</i>	<i>715,000</i>	<i>4,744</i>	<i>719,744</i>
<i>Grant from Leverhulme Trust</i>	<i>—</i>	<i>78,963</i>	<i>78,963</i>
	<b>7,179,927</b>	<b>83,707</b>	<b>7,263,634</b>

During the year ended 31 August 2025, two students (2024 – four students) received a bursary to support their tuition fees. The amounts shown above include £3,290 (2024 - £3,051) directly from the School, in 2025, and £32,588 (2024 - £78,963) from funding received from the Leverhulme Trust.

## London Film School Year to 31 August 2025

### Notes to the financial statements

#### 3 Expenditure on raising funds

	Unrestricted funds £	Restricted funds £	Total funds £
<b>2025 Total Funds</b>	—	—	—
2024 Total funds	—	—	—

#### 4 Expenditure on charitable activities – provision of education

	Unrestricted funds £	Restricted funds £	2025 Total funds £
Direct costs			
- Staff costs	2,564,705	13,156	2,577,861
- Visiting lecturers	519,809	2,666	522,475
- Premises	1,036,528	5,317	1,041,845
- Production allowances and costs	481,034	2,467	483,501
- Repairs and technical maintenance	161,314	827	162,141
- Depreciation (note 9)	322,748	1,656	324,404
- IT costs	233,713	—	233,713
- Marketing costs	45,027	—	45,027
- Other costs	328,819	1,687	330,506
.- Studio & Space Hire	102,548	526	103,074
	<b>5,796,245</b>	<b>28,302</b>	<b>5,824,547</b>
Support costs			
- Staff costs	1,216,991	6,242	1,223,233
- Legal and professional	366,836	1,882	368,718
- Other costs	326,977	1,677	328,654
- Interest payable	10,637	—	10,637
- Governance costs (note 5)	47,926	246	48,172
	<b>1,969,367</b>	<b>10,047</b>	<b>1,979,414</b>
<b>2025 Total expenditure</b>	<b>7,765,612</b>	<b>38,349</b>	<b>7,803,961</b>

## London Film School Year to 31 August 2025

### Notes to the financial statements

#### 4 Expenditure on charitable activities – provision of education (continued)

	<i>Unrestricted funds</i>	<i>Restricted funds</i>	<i>2024 Total funds</i>
	£	£	£
<i>Direct costs</i>			
- Staff costs	2,373,381	26,571	2,399,952
- Visiting lecturers	519,186	5,812	524,998
- Premises	476,699	5,337	482,036
- Production allowances and costs	461,642	5,168	466,810
- Repairs and technical maintenance	217,231	2,432	219,663
- Depreciation	138,533	1,551	140,084
- IT costs	237,786	—	237,786
- Marketing costs	68,826	—	68,826
- Other costs	565,837	6,335	572,172
- Studio & space hire	853,388	9,554	862,942
	<u>5,912,509</u>	<u>62,760</u>	<u>5,975,269</u>
<i>Support costs</i>			
- Staff costs	1,171,130	13,112	1,184,242
- Legal and professional	269,142	890	270,032
- Other costs	329,181	3,685	332,866
- Interest Cost	33,000	—	33,000
- Governance costs (note 5)	68,576	3,260	71,836
	<u>1,871,029</u>	<u>20,947</u>	<u>1,891,976</u>
<i>2024 Total expenditure</i>	<u>7,783,538</u>	<u>83,707</u>	<u>7,867,245</u>

#### 5 Governance costs

	<i>Unrestricted funds</i>	<i>Restricted funds</i>	<b>2025 Total funds</b>
	£	£	£
Audit and advisory fees	<b>41,087</b>	<b>211</b>	<b>41,298</b>
Other professional costs	<b>6,839</b>	<b>35</b>	<b>6,874</b>
<b>2025 Total funds</b>	<b><u>47,926</u></b>	<b><u>246</u></b>	<b><u>48,172</u></b>
	<u>£</u>	<u>£</u>	<u>£</u>
<i>Audit and advisory fees</i>	26,584	453	27,037
<i>Other professional costs</i>	41,992	2,807	44,799
<i>2024 Total funds</i>	<u>68,576</u>	<u>3,260</u>	<u>71,836</u>

## London Film School Year to 31 August 2025

### Notes to the financial statements

#### 6 Net movement in funds

This is stated after charging:

	2025 £	2024 £
Depreciation – owned assets	324,404	140,084
Operating lease rentals – Land and buildings	579,761	148,727
Operating lease rentals – Equipment hire	57,391	245,953
Auditor’s remuneration (including VAT)		
. Statutory audit	30,420	28,200
. Other services	4,200	3,960
Staff costs (including visiting lecturers) (note 7)	<b>4,323,569</b>	4,109,190

#### 7 Staff costs

	2025 £	2024 £
Wages and salaries	2,974,103	2,826,614
Other staff costs	386,212	370,608
Social security costs	349,206	302,857
Pension costs	91,573	84,113
	<b>3,801,094</b>	3,584,192

In addition to the staff costs disclosed above, the amount paid to visiting lecturers used by the School in year was £522,475 (2024 – £524,998).

Included in staff costs above, during the year, termination payments of £118,669 (2024: £114,989) were made.

The average number of employees, excluding visiting lecturers and temporary staff, during the year was as follows:

	2025 Number	2024 Number
Provision of education		
Academic staff	40	39
Support staff	23	18
	<b>63</b>	57

## London Film School Year to 31 August 2025

### Notes to the financial statements

#### 7 Staff costs (continued)

The number of employees who earned £60,000 per annum or more (including taxable benefits but excluding employer pension contributions) during the year was as follows:

	<b>2025</b>	2024
	<b>Number</b>	Number
£60,001 - £65,000	1	3
£65,001 - £70,000	4	2
£70,001 - £75,000	2	—
£75,001 - £80,000	1	—
£80,001 - £85,000	1	—
£95,001 - £100,000	1	1
£105,001 - £110,000	—	1
£120,001 - £125,000	—	1
£135,001 - £140,000	1	—
	<b>11</b>	<b>8</b>

During the year to August 2025 the key management personnel of the charity was reorganised. A Senior Leadership Team (SLT) replaced the Management Team to be in charge of directing and controlling, running and operating the charity with the governors. The members of the SLT are detailed on Page 1. The total remuneration (including taxable benefits and employer's pension contributions) of the key management personnel for the year was £665,179 (2024 – £1,093,077).

During the year, staff governors received remuneration only in relation to their roles as staff members. No member(s) of the governing body received any remuneration in respect of their services as governors during the year (2024 – £nil).

No expenses were reimbursed to the governing body members during the year (2024 - £nil).

#### **Remuneration of Director and Chief Executive Officer**

	<b>2025</b>	2024
	<b>£</b>	<b>£</b>
Basic Salary	<b>135,200</b>	146,526
Pension Contribution	<b>1,174</b>	440
	<b>136,374</b>	146,966

The remuneration package of senior members of staff, including the Director and Chief Executive Officer, is subject to review by the Remuneration Committee who use benchmarking information to provide objective guidance.

The Director and Chief Executive Officer reports to the Chair of the Board, who undertakes an annual review of his performance against the School's overall objectives using both qualitative and quantitative measures of performance.

## London Film School Year to 31 August 2025

### Notes to the financial statements

	2025 £	2024 £
Chief Executive's basic salary as a multiple of the median of all staff	2.98	3.68
Chief Executive's total remuneration as a multiple of the median of all staff	3.01	3.69

#### 8 Taxation

The London Film School Limited is a registered charity and therefore is not liable to income tax or corporation tax derived from its charitable activities, as it falls within the various exemptions available to registered charities.

#### 9 Tangible fixed assets

	Leasehold improvements and in construction £	Technical and Cinema equipment £	Fixtures, fittings and computer equipment £	Total £
<b>Cost</b>				
At 1 September 2024	401,753	728,781	942,662	2,073,196
Additions	516,832	113,050	112,470	742,352
Transfer	276,328	—	(276,328)	—
At 31 August 2025	1,194,913	841,831	778,804	2,815,548
<b>Depreciation</b>				
At 1 September 2024	—	288,110	92,426	380,536
Charge for the year	117,854	106,305	100,245	324,404
Transfer	4,605	—	(4,605)	—
At 31 August 2025	122,459	394,415	188,066	704,940
<b>Net book values</b>				
At 31 August 2024	401,753	440,671	850,236	1,692,660
At 31 August 2025	1,072,454	447,416	590,738	2,110,608

## London Film School Year to 31 August 2025

### Notes to the financial statements

#### 10 Debtors

	2025	2024
	£	£
Trade debtors	2,910	62,792
Other debtors	6,008	57,733
Prepayments and accrued income	517,120	562,338
	<b>526,038</b>	<b>682,863</b>

#### 11 Creditors: amounts falling due within one year

	2025	2024
	£	£
Trade creditors	409,410	657,855
Accruals and deferred income	1,630,310	1,653,594
Sundry creditors	136,705	405,148
CBILS Loan (see note 12)	300,000	300,000
	<b>2,476,425</b>	<b>3,016,597</b>

Deferred income consists principally of fee income received in advance

	2025	2024
	£	£
Deferred income at 1 September	963,159	853,308
Released during the year	(963,159)	(853,308)
Resources deferred in the year	920,106	963,159
Deferred income at 31 August	<b>920,106</b>	<b>963,159</b>

#### 12 Creditors: amounts falling due in more than one year

	2025	2024
	£	£
CBILS Loan	<b>200,000</b>	500,000

#### Maturity of debt

	2025	2024
	£	£
CBILS loan repayable within one year	300,000	300,000
CBILS loan repayable between one and two years	200,000	300,000
CBILS loan repayable between two and five years	-	500,000
	<b>500,000</b>	<b>800,000</b>

The CBILS loan was drawn down in full in April 2021 with a fixed interest rate of 2.42% per annum. The first year is interest and repayment free; the balance is then to be repaid over five years at £25,000 per month plus interest from May 2022. The bank has a debenture charge over the property and undertakings of the company.

## London Film School Year to 31 August 2025

### Notes to the financial statements

#### 13 Restricted funds

The income funds of the School include restricted funds comprising the following unexpended balances of grants and donations to be applied for specific purposes.

	At 1 September 2024 £	Income £	Expenditure £	Transfer between funds £	At 31 August 2025 £
Skillset Academy Fund	5,692	—	—	—	5,692
Adam Sedgwick Award	5,010	—	—	—	5,010
Leverhulme fund	11,326	35,940	(38,349)	—	8,917
	<b>22,028</b>	<b>35,940</b>	<b>(38,349)</b>	<b>—</b>	<b>19,619</b>

	At 1 September 2023 £	Income £	Expenditure £	Transfer between funds £	At 31 August 2024 £
Office for Students	—	4,744	(4,744)	—	—
Skillset Academy Fund	5,692	—	—	—	5,692
Adam Sedgwick Award	5,010	—	—	—	5,010
Leverhulme fund	11,326	78,963	(78,963)	—	11,326
	<b>22,028</b>	<b>83,707</b>	<b>(83,707)</b>	<b>—</b>	<b>22,028</b>

#### Office for Students fund

The Office for Students fund is restricted to supporting teaching through spend related to the delivery of course costs.

#### Skillset Academy fund

The Skillset Academy fund is restricted to the funding of bursaries for the Skillset Screen Academy Project, specific new teaching and associated overheads.

#### Adam Sedgwick Award

The Adam Sedgwick Award is restricted to the funding of a grant to help a graduating student after the completion of the course.

#### Leverhulme fund

The Leverhulme Trust has donated to this fund which is dedicated to applicants of high academic standard who could not otherwise continue their studies throughout the academic year and beyond without funding assistance.

## London Film School Year to 31 August 2025

### Notes to the financial statements

#### 14 Tangible fixed asset fund

	2025 £	2024 £
At 1 September	1,692,660	302,851
Net movements in year	417,948	1,389,809
At 31 August	<u>2,110,608</u>	<u>1,692,660</u>

The tangible fixed assets fund represents the net book value of the School's fixed assets. A decision was made to separate this fund from the other unrestricted funds of the School in recognition of the fact that the tangible fixed assets are essential to the day-to-day operation of the School. The fund value, therefore, cannot be easily realised without jeopardising the ongoing operation of the School.

#### 15 Operating lease commitments

At 31 August the School had the following future minimum commitments under non-cancellable operating leases:

	Equipment		Land and buildings	
	2025 £	2024 £	2025 £	2024 £
Operating lease payable:				
Within one year	—	—	252,308	89,400
Within two to five years	—	—	<u>1,196,209</u>	—
	<u>—</u>	<u>—</u>	<u>1,448,517</u>	<u>89,400</u>

#### 16 Related and connected parties disclosure

The School paid £1,900 to a supplier for services provided during the year ended 31 August 2025 (2024 £840). The supplier is the partner of a Governor.

None of the Governors received any fee or expenses for their services to the School.

Note 7 details further disclosures.

## London Film School Year to 31 August 2025

### Notes to the financial statements

#### 17 Analysis of Net Assets between funds

	Unrestricted funds £	Restricted funds £	2025 Total funds £
	<i>Unrestricted funds £</i>	<i>Restricted funds £</i>	<i>2024 Total funds £</i>
Fixed Assets	2,110,608	-	2,110,608
Net current assets	368,552	19,619	388,171
Long term liabilities	(200,000)	-	(200,000)
<b>2025 Total</b>	<b>2,279,160</b>	<b>19,619</b>	<b>2,298,779</b>
<i>Fixed Assets</i>	1,692,660	-	1,692,660
<i>Net current assets</i>	1,002,860	22,028	1,024,888
<i>Long term liabilities</i>	(500,000)	-	(500,000)
<b>2024 Total</b>	<b>2,195,520</b>	<b>22,028</b>	<b>2,217,548</b>

#### 18 Capital commitments

At 31 August 2025, there were commitments for capital expenditure contracted for, but not incurred, of £74,000 (2024: £0), principally relating to leasehold improvements.

**LONDON FILM SCHOOL LIMITED**

England & Wales - Charity number 270302

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# Accounts

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**London  
Film  
School  
Limited**

**Annual Report and Financial  
Statements**

31 August 2024

Company Limited by Guarantee  
Registration Number  
01197026 (England and Wales)

Charity Registration Number  
270302

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## Reference and administrative information

**Governors**

Greg Dyke (Chair)  
Amanda Nevill CBE (Vice Chair)  
Kemal Akhtar  
Suzy Black  
Peter Holliday (resigned 17/7/2024)  
Nicholas Humby  
Olivier Kaempfer  
William MacPherson  
Ellinor Olinder (Student Governor) (appointed 21/2/2024)  
Cindy Rampersaud (resigned 17/7/2024)  
Gregory Randolph (Student Governor) (resigned 21/2/2024)  
Joan Watson  
Sophia Wellington (Staff Governor)

**Management Team**

Neil Peplow (Director and Chief Executive) appointed 30/1/2023 and resigned 5/11/2023  
Christopher Auty (Director and Chief Executive Officer) appointed 6/11/2023  
Femi Kolade (Director of Studies) retired 22/12/2023  
Dan Lawson (Chief Operating Officer) resigned 6/11/2023  
Rodney Jones (interim Chief Operating Officer) joined 16/10/2023  
Veronique Fricke (Head of Marketing & Student Recruitment) resigned 1/11/2023  
Holly Blake (Head of Marketing) appointed 2/11/2023  
Margaret Glover (interim MA Filmmaking Course Leader) joined 26/3/2023, retired 31/10/2023  
Charis Cloke (MA Filmmaking Course Leader) appointed 4/9/2023  
Michele Maher (Academic Registrar)  
Anita O'Connor (Head of Finance)  
Victoria Thomas (MA International Film Business Course Leader)  
Claudia Lana (Head of HR)  
Sophia Wellington (MA Screenwriting Course Leader)  
Mark Prescott (Head of New Business & Training) appointed 13/5/2024

**Principal address and registered office**

24 Shelton Street  
London  
WC2H 9UB

Telephone 0207 836 9642

Facsimile 0207 497 3718

Website [www.lfs.org.uk](http://www.lfs.org.uk)

E-mail [info@lfs.org.uk](mailto:info@lfs.org.uk)

## Reference and administrative information

**Company registration number** 01197026 (England and Wales)

**Charity registration number** 270302

**Auditor** HaysMac LLP  
10 Queen Street Place  
London  
EC4R 1AG

**Bankers** Royal Bank of Scotland  
London Drummonds Branch  
49 Charing Cross  
London  
SW1A 2DX

**Solicitors** Pinsent Masons LLP  
30 Crown Place  
London  
EC2A 4ES

**Chair's Introduction to Annual Report and Financial Statements, 31 August 2024**

These are the accounts for the London Film School for the year ending 31 August 2024.

London Film School has seen significant development over the past 12 months with the appointment of senior leadership positions, including School Director, Chris Auty and the development of the School's magnificent new principal teaching building in Covent Garden, which has been made possible with the support and philanthropy of Michael Chambers. The School continues to grow and is preparing to launch a range of new courses and to expand its UK outreach and short course offering.

The School continues to consolidate its position as a leading global institution for cinematic education and artistic expression – which was underlined by the selection for the third year in a row of an LFS graduate film in one of the main competitive selections for student work at the Cannes Film Festival 2024. I have had the privilege of witnessing at first hand the talent, dedication, and vision of our students and staff through their work and seeing the host of accolades and achievements that continues to be awarded. London Film School remains committed to its mission of fostering innovative storytelling and providing an exceptional platform for aspiring filmmakers to thrive in an ever-evolving and global industry.

Throughout the past year, we have embraced opportunity and managed the challenges facing us – not least in overcoming the disruption caused by building works around our Shelton Street historic home, as the final phase of the exciting Covent Garden Yards property development came to fruition in the year under review. The School's ability to adapt to changing environments and deliver growth has been crucial. From the adjustment to new facilities to the exploration of diverse storytelling perspectives, we have maintained our focus on equipping our students with the skills and mindset required to succeed in the dynamic creative environment of the modern screen industries.

As we look to the future, we do so with confidence and optimism. The Board is committed to supporting the School in its vision to continue shaping the storytellers of tomorrow while preserving the legacy of excellence that has defined London Film School for decades.

Financially, the School has worked diligently to ensure future sustainability and transparency, and that is reflected in the accounts presented in this report.

I would like to thank my fellow Governors for their unstinting commitment and work in supporting the School and overseeing the significant strategic paths for change and development on which the School has embarked this year. On behalf of the Board, I extend my deepest gratitude to all of the staff, students and supporters who have made possible our achievements this year.



Greg Dyke  
January 2025

## **Governors report** Year to 31 August 2024

The Governors present their annual report together with the financial statements of London Film School Limited for the year ended 31 August 2024.

The financial statements have been prepared in accordance with the accounting policies set out on pages 22 to 25 and comply with the charitable company's memorandum and articles of association, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), section edition effective 1 January 2019.

### **Overview**

The 2023/24 academic year has seen significant and dynamic changes for London Film School (LFS). The most substantial change will see the School move much of its teaching into a spacious, and newly equipped building in Covent Garden, for the start of the spring 2025 term, marking a step change in provision for the MA programmes.

The last year has also seen senior personnel join LFS and add their experience and leadership abilities to the School, allowing for growth and progression throughout the management and academic development of the School. Chris Auty was appointed CEO and Director in November 2023, following the appointment of Charis Coke as Course Leader of MA Filmmaking earlier in the year.

The move into a new building has allowed for the existing LFS building to be significantly renewed and regenerated.

### **The School move**

In taking tenancy of the building at 39-41 Parker Street, all three MA programmes will be taught under the same roof, with students working in sound stages, production design studios, post-production suites and teaching spaces together. The move provides a step-change in quality, space and flexibility in space use for our students and staff.

Uniquely, this building is shared with the groundbreaking Garden Cinema, the first independent cinema to open in the West End in over 20 years. Together the two facilities create a film and screen industries hub in the heart of central London.

### **Senior leadership appointments**

Chris Auty was appointed School Director and CEO in November 2023. Chris had been a senior Head of Department at the National Film and Television School for the previous ten years.

Chris also brought with him extensive experience in the film industry as founder of The Works plc, and Managing Director of the Recorded Picture Company. He has worked with directors including Bernardo Bertolucci, David Cronenberg, Michael Winterbottom, and Vincent Ward.

Charis Coke also joined as Course Leader in September 2023 to develop the flagship MA Filmmaking programme. Charis was previously programme director at the University for the Creative Arts, Farnham and trained originally in film sound design. Mark Prescott was also appointed as Head of New Business and Training. A former Clore fellow and new business development executive, Mark had previously served as a senior exec at the British Film Institute. Rod Jones was appointed acting COO in October 2023. Prior to joining LFS, Rod served extensively as a COO and change manager at various leading educational institutions including UCL Academic Programmes Office, and extensively at the Italia Conti Academy of Theatre Arts where he oversaw the renaissance of the academy and its move to entirely new premises.

## **Workshops**

LFS offers a wide range of workshops for professional development, developing skills and creativity, or simply exploring a passion for cinema. The primary objective of establishing LFS Works is to open pathways for the next generation of filmmaking talent to have the opportunity to study and grow their skills.

The workshops will be housed in the previous School building, the renowned 24 Shelton Street, which has been retained after the move to Parker Street, to preserve the wealth of the School's filmmaking history, as well as its dedicated filmmaking studios and two cinemas.

## **Achievements and Performance**

This was an exceptional year, with a particular concentration of outcomes during the Cannes Film Festival in May 2024. MA Filmmaking grad Dovydas Draksas saw his LFS graduation film *Praeis* selected in La Cinef – the main Cannes official Palme competition for student films from around the world.

Alumni success at Cannes in 2024 also included filmmaking alumni Cem Demirer and Sebastian Lojo. Their film *Noksan* won the Canal+ Award for Short Film in Semaine de la Critique at Cannes 2024. *Noksan (Absent)* was written and directed by Cem Demirer, with Sebastián Lojo as cinematographer. Separately, screenwriting alumna Chloe Hudson took part in CANNESERIES Unlimited, a writing residency that aims to develop the next generation of series writers.

Reflecting the wide range of work that comes from our students, Pierre Alain Giraud won an award at the Cannes Immersive Competition for Best Immersive Work – his film *Colored* is an XR immersive experience directed by Pierre and Stéphane Foenkinos, based on Tania de Montaigne's book *Noire*. This augmented reality film tells the story of Claudette Colvin, who, at 15 years old, was arrested for refusing to give up her seat to a white passenger on a bus in 1950s segregated America. The width and range of Cannes outcomes was celebrated on the ground by the 25-strong cohort of the school's MAIFB students attending the Cannes Film Market, and taking part in a series of industry seminars hosted at the new campus of the Cannes Mandelieu University, with specialist finance tutors from the international film business.

Other highlights of the year include this edition of the annual Audiovisual Pitching competition in Barcelona (Nov 2023): LFS our grads were selected for the main event at Audiovisual Talent Week: MA International Film Business students, Colleen Sullivan and Shammika Mukherjee, and Chenzhe Chloe He and Xiangming Huang from MA Screenwriting were all recognised as emerging talent in the screen industries.

## **Objectives and Activities**

The School's principal purpose is the provision of professional-level training in the art and technique of film production and feature film screenwriting. Our core provision includes a two-year MA Filmmaking degree covering all of film's craft and interpretative departments, and a one-year MA degree in Screenwriting. The MA in International Film Business continues in partnership with Exeter University, as does a successful PhD Film by Practice programme.

From September 2023 until August 2024 a total of 160 students graduated from the three MA programmes: 41 for MA Screenwriting, 79 for MA Filmmaking and 40 for MA International Film Business.

The School has offered 25 short course workshops for film and television professionals in the past year.

### **Objectives and Activities (continued)**

The School also offers an expanding programme of outreach projects, bringing filmmaking training and education to audiences who could not normally access such opportunities for reasons of cost or geography.

The Governors confirm that they have referred to the Charity Commission's general guidance on public benefit when reviewing the School's objectives and aims and in planning future activities.

The School's main objectives for the year were:

- ◆ Ensure that the School is appropriately resourced and situated in contemporary facilities, matching the excellence in our teaching and delivering a peerless learning experience
- ◆ Ensure our film education is accessible to all UK students irrespective of background or income
  - ◇ Since registering with the Office for Students in 2019, all postgraduate programmes qualify for postgraduate loan support. New bursaries were introduced in 2020 and 2021 to support UK students on both MA Filmmaking and MA Screenwriting programmes
- ◆ Maintain our excellent international profile, exporting best-practice around the world and bringing new global perspectives to our pedagogy
  - ◇ The School continues to be a member of CILECT (the International Association of Film and Television Schools), and its regional division GEECT (European Grouping of Film and Television Schools).
- ◆ Ensure our film education offer continues to be among the best in the world and is relevant to the film and wider creative industries of today, and tomorrow
  - ◇ Our Director of Studies continued to work closely with the academic team to further improve quality monitoring and the process by which student feedback is captured, listened to and responded to.
  - ◇ The School has a Professional Development Leave (PDL) scheme for staff, to help our workforce to continually improve their professional skills, practice, and learning. This enhances their ability to teach/support our students.
- ◆ Build new and lasting partnerships and collaborations with industry and relevant institutions
  - ◇ We continued to build strong links with local industry partners including the BFI, Film London, ScreenSkills, and more. We were especially pleased to continue our partnership with Film London's Equal Access Network.

### **Bursaries and student funding**

The School is focused on ensuring film education is accessible irrespective of background. As a result, the School has two means-tested Hardship Emergency Funds (i) for Home status students and (ii) for International students to support those students that were experiencing unexpected short-term emergency or crises. The criteria for Home status students were intended to help with unforeseen increase to the day-to-day expenses and course related costs, such as cost of childcare, medical expenses or utilities.

### **Objectives and Activities** (continued)

The School continues to work alongside the Leverhulme Trust which provides bursaries to home students who meet the means-tested criteria.

#### **Activities**

##### **a. Workshops**

The School's series of short courses and workshops are open to the public providing an inclusive opportunity for new and young filmmakers to get hands-on, practical and intensive learning experiences without the entry requirements and time demanded by the MA programmes.

The short courses on offer are continuously reviewed to allow for more dynamic or urgent shifts in industry demand. Offering the courses over evenings and weekends allows LFS to provide professional development outside of typical working hours.

##### **b. Outreach**

The LFS Outreach programme reflects the holistic, practice-based learning which is at the core of LFS teaching. LFS develops and delivers a wide programme of film education courses to the young people in and around London as well as further afield.

LFS firmly believes that making films is a challenging and powerful creative process which benefits young people in many ways. Our mission is to make filmmaking accessible to young people anywhere, empowering them to develop their creativity, embed core life skills, and support them in their efforts to tell their own stories.

The School has a number of initiatives in place to achieve this, including an extensive outreach programme that engages with local schools, colleges and youth organisations to introduce young people to filmmaking. Our courses offer the opportunity to engage in the creative process of making a film, igniting, and nurturing creative potential, boosting confidence and self-esteem.

LFS is hugely proud of delivering a truly unique, creative and artistic outreach programme for the children and young people in London. By providing young people with access to high quality film education, we are helping to open new opportunities for young people from all backgrounds, contributing to a more diverse and inclusive film industry.

##### **c. Masterclasses**

The Masterclasses allow students, alumni and staff to hear from experts and brilliant minds across the world of filmmaking. The masterclasses serve to inspire hope, learn more and connect students, staff and alumni with those working in the industry.

#### **Financial review**

A summary of the year's results can be found on page 19 of the attached financial statements. Total income for the year was £7,470,179 (2023 - £7,954,707). Much of the tuition fee income is from the MA Filmmaking course. The London Film School received grant funding of £0.7m, by the Office for Students, in recognition as a World Leading Specialist Provider.

Total expenditure for the year amounted to £7,867,245 (2023 - £6,473,928).

The net movement in funds for the year was a deficit of £397,066 (2023 – surplus of £1,480,779). During the year there was a significant movement of funds, partly due on the one hand to the receipt of two years' worth of Office for Students funding in the prior year; and on the other hand due to significant additional costs incurred during the year as a result of dislocation following noisy building works in an adjacent building. These are one-time costs and, though the outcome is still uncertain, it is expected that a proportion of these costs will be recoverable.

### **Reserves Policy and financial position**

The reserves policy is to maintain unrestricted reserves appropriate to ensure financial stability, continuity of activities, and effective management of risks. Governors will have regard to the School's future plans, liquidity requirements, and proportionate contingency funds against unexpected adverse events. The reserves policy is to be kept under review in the following year.

On 31 August 2024, the School had total funds of £2,217,548 (2023 - £2,614,614). Included in total funds is an amount of £22,028 (2023 - £22,028) which is restricted. These monies have either been raised for, and their use restricted to specific purposes, or they comprise of donations subject to donor-imposed conditions. Full details of these restricted funds can be found in note 13 to the financial statements together with an analysis of movements in the year.

Unrestricted funds of the charity at 31 August 2024 amounted to £2,195,520 (2023 - £2,592,586), which are net of a £0.8m CBILS loan. These funds include tangible fixed assets with a net book value of £1,692,660 (2023 – £302,851) which are needed for the School's day-to-day operations. At the end of the financial year, the level of free reserves of the School stood at £502,860 (2023 - £2,289,735).

### **Governance, structure and management**

#### ***Constitution***

London Film School Limited ("LFS" or "the School") is a registered charity (Charity Registration No. 270302) and a company limited by guarantee (Company Registration No. 01197026). The charitable company's memorandum and articles of association dated 20 January 1975 (as amended by special resolution of 21 July 1975 and 13 May 2008) are its primary governing documents.

#### ***Members' liability***

The liability of the members in the event of winding up is limited to 50 pence per member.

#### ***Governors***

The Governors of the School also constitute directors of the charitable company for the purposes of company law and trustees for charity law. This report is also a directors' report as required by section 415 of the Companies Act 2006. The Governors who held office during the financial year and at the date of signing this report are set out on page 1.

Governors are appointed by election at the Annual General Meeting (AGM). The Student Governor is elected by students and the Staff Governor is elected by the staff.

Members of the Management Team, as set out on page 1, cannot be appointed as Governors of the School.

The size of the Governing Body is set between 8 and 25 Governors. Approximately one third of the Governing Body retire annually, by rotation in order of seniority, and can offer themselves for re-election at the AGM.

The Nominations Committee undertakes a skills analysis of the Governing Body and role profiles are agreed, against which the School recruits new Governors. Governors must have empathy with film and the creative industries. Newly appointed Governors receive a full induction to the School, bespoke to their needs. The Governing Body regularly holds an away day, joined by members of the Management Team.

### ***Organisation***

The Governing Body met seven times in the year, from 1st September 2023 until 31st August 2024.

Its governance structure includes four committees:

- ◆ a Nominations Committee to oversee the appointment, induction and development of its governors;
- ◆ a Remuneration Committee to decide and agree the remuneration for the Director and senior members of staff,
- ◆ an Audit & Risk Committee to advise on risk, internal control, governance and promoting value for money; and
- ◆ a Relocation Committee, to review the School's estates strategy and oversee progress on renewing its facilities.

The Governing Body also receives minutes from the Academic Board as a line of sight on all academic matters.

The strategic priorities are focussed on by the Director and the Management Team.

The day-to-day running of the School is delegated to the Chief Operating Officer and the Management Team.

### ***Key management personnel***

The key management personnel of the School comprise the Governors and the Management Team.

The Management Team are a dedicated team of management personnel that have the authority and responsibility of planning, directing and controlling the activities of the School, directly or indirectly. Within the School this includes the Director, Director of Studies, Chief Operating Officer, Head of Marketing, Academic Registrar, Head of Finance and Head of HR. Course Leaders for each of the MA programmes have also joined the Management Team, ensuring greater visibility of academic matters and greater academic inclusion. The Management Team meets formally on a monthly basis, with minutes of each meeting shared with all staff, (see Note 7).

***Statement of governors' responsibilities***

The Governors (who are also directors of The London Film School Limited for the purposes of company law) are responsible for preparing the governors' report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Governors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the income and expenditure of the charitable company for that period. In preparing these financial statements, the Governors are required to:

- ◆ select suitable accounting policies and then apply them consistently;
- ◆ observe the methods and principles in Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102);
- ◆ 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 the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The Governors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company 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 charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Each of the Governors confirms that:

- ◆ as far as they are aware, there is no relevant audit information of which the charitable company's auditor is unaware; and
- ◆ they have taken all the steps that they ought to have taken as a governor in order to make themselves aware of any relevant audit information and to establish that the charitable company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

***Risk management***

The Governors have assessed the major risks to which the charity is exposed, in particular those relating to the specific operational areas of the School and its finances. The Governors believe that by monitoring reserves levels, by ensuring controls exist over key financial systems, and by examining the operational and business risks faced by the School, they have established effective systems to mitigate those risks. Our keys risks include:

***Regulatory Environment***

As a registered Higher Education Provider under the Office for Students, LFS is subject to considerable regulatory oversight aimed at ensuring its courses offer high levels of quality and value for money. In order to ensure ongoing compliance with the regulatory environment the School has made further progress in reviewing and updating the School's policy frameworks, with an emphasis on quality assurance, and regular internal monitoring and reviews.

LFS' continued membership of CILECT, the confederation of international film schools, and also of GuildHE, ensures it has a supportive network of providers in the same field with whom to share and learn best practice.

LFS is also subject to considerable regulatory oversight from our validating partner the University of Warwick and delivery partner (for the MA International Film Business and PhD programmes) the University of Exeter to ensure that its courses offer high level of quality and student outcomes.

### ***Facilities***

The School's ageing facilities at 24 Shelton Street require ongoing maintenance and updates to ensure it continues to be a space usable for all levels of film education. Since our last annual report, significant renovation of several major spaces throughout the building have taken place.

### **Relationship with other organisations**

In pursuit of its strategic objectives of building new connections, the School works with several organisations across screen industries, training partners and public bodies: including training partners such as the University of Exeter, University of Warwick, NAHEMI, CILECT, the Deutsche Film und Fernsehakademie Berlin (DFFB), and UGC Series Mania.

Screen industry partners such as Panalux, many film festivals, plus platforms including MUBI and Omeleto, support the distribution work of LFS's fresh filmmaking talent around the world.

To support alignment and complementarity with other initiatives in the UK, partners across UK-wide, and London-specific public bodies have included the British Film Institute, Film London's Equal Access Network, Creative England's iFeatures scheme, the British Council and many more.

Approved by the Governing Body and signed on its behalf by:



Greg Dyke

Chair of Governors

Approved by the Governors on: 30 January 2025

### **Statement of corporate governance and internal control**

The following statement is provided to enable readers of the annual report and financial statements of London Film School Limited to obtain a better understanding of its governance and legal structure. The statement covers the period from 1 September 2023 to 31 August 2024 and up to the date of the approval of the annual report and financial statements.

The School endeavours to conduct its business:

1. Having due regard to the UK Corporate Governance Code 2024 in so far as it is applicable to the Higher Education Sector; and
2. Complying with Office for Students on-going conditions or regulations and terms of conditions of funding as well as other regulatory responsibilities.

We have adopted the UK Corporate Governance Code. We have reported on our Corporate Governance arrangements by drawing upon best practice available, including those aspects of the UK Corporate Governance Code that we consider relevant to the Higher Education Sector.

The Governors recognise that the School, as a body entrusted with both public and private funds, has a particular duty to observe the highest standards of corporate governance at all times.

### **Legal Status**

The London Film School is a Registered Charity and a Private Limited Company by guarantee without share capital.

The Governors confirm that they have due regard for the Charity Commission's guidance on public benefit and that the required statement appears elsewhere within these financial statements.

### **Governors**

The members who served as Governors during the year and up to the date of signature of this report are listed below.

<b>Governor</b>	<b>Appointed/Resigned</b>
Greg Dyke (Chair)	
Amanda Nevill (Vice Chair)	
Kemal Akhtar	
Suzy Black	
Peter Holliday	Resigned 17/07/2024
Nicholas Humby	
Olivier Kaempfer	
William MacPherson	
Cindy Rampersaud	Resigned 17/07/2024
Gregory Randolph (Student Governor)	Resigned 21/02/2024
Ellinor Olindor	Appointed 21/02/2024
Joan Watson	
Sophia Wellington (Staff Governor)	

### **Meeting procedures**

Formal agendas, papers and reports are supplied to the Governors in a timely manner, prior to Governing Body meetings. Briefings are also provided on an ad hoc basis. Reports include overall financial performance of the School together with other information such as performance against funding targets, proposed capital expenditure, quality matters and personnel related matters such as health and safety issues. The Governing Body met 7 times in 2023/24.

The Governing Body receives advice on the conduct of its business from five committees. Each committee has its own terms of reference which have been approved by the Governing Body. These committees are: Audit and Risk; Nominations; Remuneration; Relocation; and the Academic Board.

London Film School has a strong and independent non-executive element, and no individual or group dominates its decision-making process. The School considers that each of its non-executive members is independent of management and free from any business or other relationship which could materially interfere with exercise of their independent judgement. There is a clear division of responsibility in that the roles of the Chair and Accounting Officer are separate.

### **Appointment to the Governing Body**

The Nominations Committee undertakes a skills analysis of the Governing Body and role profiles are agreed, against which the School recruits new Governors. New Governors must have empathy with film and creative art industries. Their induction includes a tour of the School, screenings and from time to time an away day attended by the Governing Body, the principal officers and the wider Management Team. An information pack about the School is also given to each new Governor.

### **Governing Body performance**

The Governing Body has made a strong contribution to the improvements made in 2023/24 through the setting of challenging targets with regular scrutiny of performance. There is strong performance management at Governing Body meetings. The Governors provide robust scrutiny and challenge. Governors are pro-active in their oversight of the School and are involved in the planning and discharging of Governing Body business.

### **Committees**

#### ***Audit and Risk Committee***

The Audit and Risk Committee is responsible to the Governing Body in discharging its responsibilities for monitoring the integrity of the School's financial statements, the effectiveness of financial controls with regard to internal risk assessment and the performance and objectivity of external auditors.

The members who served on the committee during the year and up to the date of signature of this report are listed below.

<b>Governor</b>	<b>Appointed/Resigned</b>
Peter Holliday	Resigned 17/07/2024
Nicholas Humby (Committee Chair)	
Cindy Rampersaud (retired Committee Chair)	Resigned 17/07/2024
William McPherson	
Joan Watson	

The Audit & Risk Committee is responsible for the following:

- ◆ To appoint external auditors and agree the audit fee, meet with the external auditors to discuss the scope and nature of the audit and to discuss the findings included within the management letter and management responses.
- ◆ To satisfy itself that all public funds received by the School's are managed in line with regularity, propriety, and value for money.
- ◆ To satisfy itself that satisfactory arrangements are in place to promote best value, and to monitor other performance as shall be deemed to be reliable and appropriate measures of effectiveness.

## **Internal Control**

### ***Scope of responsibility***

The Governing Body is ultimately responsible for the organisations' system of internal control and for reviewing its effectiveness. However, such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives and can only provide reasonable and not absolute assurance against material misstatement or loss.

The Governing Body has delegated the day-to-day responsibility to the Director & CEO, as Accounting Officer, for maintaining a sound system of internal control that supports the achievement of the organisations policies, aims and objectives, whilst safeguarding the public funds and assets. The Accounting Officer is also responsible for reporting to the Governing Body any material weaknesses or breakdowns in internal control.

### ***The purpose of the system of internal control***

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure and can only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of organisation policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place at the organisation for the year ended 31 August 2024 and up to the date of approval of the annual report and financial statements.

### ***Capacity to handle risk***

The Governors have reviewed the key risks to which the organisation is exposed, together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Governors are of the view that there was a formal on-going process for identifying, evaluating and managing the School's significant risks that had been in place for the year ended 31 August 2024 and up to the date of approval of the annual report and financial statements.

### ***The risk and control framework***

The system of internal control is based on a framework of regular management information, administrative procedures including the segregation of duties, and a system of delegation and accountability. It includes:

- ◆ comprehensive budgeting systems with an annual budget which is reviewed and agreed by the Governors
- ◆ regular reviews by the Governing Body of periodic and annual financial reports which indicate financial performance against forecasts
- ◆ setting targets to measure financial performance
- ◆ the adoption of formal project management disciplines, where appropriate.

### ***Review of effectiveness***

The Accounting Officer delegates to the Head of Finance the responsibility for reviewing the effectiveness of the system of internal control. The Head of Finance's review of the effectiveness of the system of internal control is informed by:

- ◆ the work of the external auditors;

- ◆ the work of the senior managers within the organisation who have responsibility for the development and maintenance of the internal control framework; and
- ◆ comments made by the organisation's financial statements auditors in their management letters and other reports.

There are no significant internal control weaknesses reported for the period.

The Management Team receives reports setting out key performance and risk indicators and considers possible control issues brought to their attention by early warning mechanisms, which are embedded within the departments. The Management Team and the Audit and Risk Committee also receive regular reports, which include recommendations for improvement.

The Audit and Risk Committee's role in this area is confined to a high-level review of the arrangements for internal control. The Governors' agenda includes a regular item for consideration of risk and control and receives reports thereon from the Management Team and the Audit and Risk Committee.

Based on above and reports by the Director & CEO, the Governing Body is of the opinion that the organisation has an adequate and effective framework for governance, risk management and control to manage the achievements of the School's objectives for the year ended 31 August 2024 and it has fulfilled its statutory responsibility for "the effective and efficient use of resources, the solvency of the institution and the safeguarding of their assets".

#### **Regularity, propriety, and compliance**

The School has considered its responsibility to notify the Office for Students of material irregularity, impropriety and non-compliance with Office for Students terms and conditions of funding.

We confirm, on behalf of the School, that after due enquiry and to the best of its knowledge, the Governing Body believes it is able to identify any material irregularity or improper use of funds by the School, or material non-compliance with terms and conditions of funding under the organisations financial regulations. As part of our consideration we have had due regard to our financial regulations. We confirm that no instances of material irregularity, impropriety or funding non-compliance have been discovered to date. If any instances are identified after the date of this statement these will be notified to the Office for Students.

#### **Going Concern**

Details on Governors' going concern assessment are set out on pages 22 to 23.

Approved by the Governing Body and signed on its behalf by:



Greg Dyke  
Chair of Governors  
Date: 30 January 2025



Chris Auty  
Director & CEO (Accounting Officer)

## **Independent auditor's report to the members of The London Film School Limited Opinion**

We have audited the financial statements of London Film School Limited for the year ended 31 August 2024 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash flows 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).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2024 and of the charitable company's net movement in funds, including the income and expenditure, for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Office for Students Accounts Direction.

### **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 that are 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 relating 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 Governors' Report. 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.

In connection with our audit of the financial statements, 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.

**Opinions on other matters prescribed by the Companies Act 2006**

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

- the information given in the Governors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report included within the Governors' Report has been prepared in accordance with applicable legal requirements.

**Matters on which we are required to report by exception**

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 Governors' Report (which incorporates the directors' 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 by the charitable company; or
- the charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

**Matters on which we are required to report in respect of the Office for Students**

In our opinion, in all material respects:

- funds administered by the charitable company for specific purposes during the year ended 31 August 2024 as disclosed in note 13, have been applied to those purposes and managed in accordance with relevant legislation;
- funds provided by the OfS have been applied in accordance with the terms and conditions attached to them during the year ended 31 August 2024; and

We have nothing to report in respect of the following matter in relation to which the Office for Students requires us to report where:

- grant and fee income, as disclosed in the note 2 to the accounts, has been materially misstated.

**Responsibilities of trustees for the financial statements**

As explained more fully in the Statement of Governors' Responsibilities statement set out on page 10, 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 group or 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**

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.

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 environment in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to the Office for Students and the Charity Law, health and safety, GDPR and employment law, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006, Charities Act 2011 and the Office for Students Accounts Direction.

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 potential for management to post inappropriate journal entries and to manipulate accounting estimates. Audit procedures performed by the engagement team included:

- Inspecting correspondence with regulators and tax authorities;
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Evaluating management's controls designed to prevent and detect irregularities;
- Identifying and testing journals, in particular journal entries posted with unusual account combinations, postings by unusual users or with unusual descriptions; and
- Challenging assumptions and judgements made by management in their accounting estimates

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://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.



Tracey Young  
Senior Statutory Auditor  
For and on behalf of HaysMac LLP  
Statutory Auditors  
Date: 6 February 2025

10 Queen Street Place  
London, EC4R 1AG

**Statement of Financial Activities** Year to 31 August 2024

	Notes	Unrestricted funds £	Restricted funds £	2024 Total funds £	Unrestricted funds £	Restricted funds £	Total funds £
<b>Income from:</b>							
Donations	1	—	—	—	27	—	27
Charitable activities	2	7,179,927	83,707	<b>7,263,634</b>	7,776,549	67,606	7,844,155
Investments		80,092	—	<b>80,092</b>	47,182	—	47,182
Miscellaneous income		126,453	—	<b>126,453</b>	63,343	—	63,343
<b>Total income</b>		<b>7,386,472</b>	<b>83,707</b>	<b>7,470,179</b>	<b>7,887,101</b>	<b>67,606</b>	<b>7,954,707</b>
<b>Expenditure on:</b>							
Raising funds	3	—	—	—	14,157	—	14,157
Charitable activities							
. Provision of education	4	7,783,538	83,707	<b>7,867,245</b>	6,393,787	65,984	6,459,771
<b>Total expenditure</b>		<b>7,783,538</b>	<b>83,707</b>	<b>7,867,245</b>	<b>6,407,944</b>	<b>65,984</b>	<b>6,473,928</b>
<b>Net movement in funds</b>	6	<b>(397,066)</b>	—	<b>(397,066)</b>	1,479,157	1,622	1,480,779
<b>Reconciliation of funds</b>							
Fund balances brought forward at 1 September		<b>2,592,586</b>	<b>22,028</b>	<b>2,614,614</b>	1,113,429	20,406	1,133,835
Fund balances carried forward at 31 August		<b>2,195,520</b>	<b>22,028</b>	<b>2,217,548</b>	2,592,586	22,028	2,614,614

There is no difference between the net movement in funds stated above and the historical cost equivalent.

All of the charitable company's activities are derived from continuing operations during the above two financial periods. Income from charitable activities includes the Office for Students World Leading Specialist Provider funding.

The charitable company has no recognised gains and losses other than those shown above.

**Balance sheet** Year to 31 August 2024

	Notes	2024 £	2024 £	2023 £	2023 £
<b>Fixed assets</b>					
Tangible fixed assets	9		<b>1,692,660</b>		302,851
<b>Current assets</b>					
Debtors	10	<b>682,863</b>		722,348	
Cash at bank and in hand		<b>3,358,622</b>		4,662,072	
		<b>4,041,485</b>		5,384,420	
<b>Liabilities</b>					
Creditors: amounts falling due within one year	11	<b>(3,016,597)</b>		(2,272,657)	
<b>Net current assets</b>			<b>1,024,888</b>		3,111,763
<b>Total assets less current liabilities</b>			<b>2,717,548</b>		3,414,614
<b>Creditors: amounts falling due after more than one year</b>					
	12		<b>(500,000)</b>		(800,000)
<b>Net assets</b>			<b>2,217,548</b>		2,614,614
<b>The funds of the charity</b>					
Restricted funds	13		<b>22,028</b>		22,028
Unrestricted funds					
. General fund			<b>502,860</b>		2,289,735
. Tangible fixed assets fund	14		<b>1,692,660</b>		302,851
<b>Total funds</b>	17		<b>2,217,548</b>		2,614,614

Approved by the governors and signed on their behalf by:



Greg Dyke  
Chair of Governors

Approved on: 30 January 2025  
London Film School Limited  
Company Limited by Guarantee  
Registration Number 01197026 (England and Wales)

## Statement of cash flows Year to 31 August 2024

	Notes	2024 £	2023 £
<b>Cash flows from operating activities:</b>			
Net cash provided by operating activities	A	<b>479,352</b>	1,709,260
<b>Cash inflow from investing activities:</b>			
Investment income		<b>80,092</b>	47,182
Payments to acquire tangible fixed assets		<b>(1,529,894)</b>	(190,910)
<b>Net cash used in investing activities</b>		<b>(1,449,802)</b>	(143,728)
<b>Cash flows from financing activities:</b>			
Repayment of loan		<b>(300,000)</b>	(300,000)
Interest payable		<b>(33,000)</b>	(42,000)
<b>Net cash used in financing activities</b>		<b>(333,000)</b>	(342,000)
<b>Change in cash and cash equivalents in the year</b>		<b>(1,303,450)</b>	1,223,532
<b>Cash and cash equivalents at 1 September</b>	B	<b>4,662,072</b>	3,438,540
<b>Cash and cash equivalents at 31 August</b>	B	<b>3,358,622</b>	4,662,072

### Notes to the statement of cash flows for the year ended 31 August 2024

#### A Reconciliation of net movement in funds to net cash provided by operating activities

	2024 £	2023 £
<b>Net movement in funds (as per the statement of financial activities)</b>	<b>(397,066)</b>	1,480,779
<b>Adjustments for:</b>		
Depreciation	<b>140,084</b>	91,920
Investment income	<b>(80,092)</b>	(47,182)
Interest payable	<b>33,000</b>	42,000
Decrease/(increase) in debtors	<b>39,485</b>	175,735
(Decrease)/increase in creditors	<b>743,941</b>	(33,992)
<b>Net cash inflow from operating activities</b>	<b>479,352</b>	1,709,260

#### B Analysis of changes in net debt

	2023 £'000	Cash flows £'000	Non-cash flows £'000	2024 £'000
Cash at bank and in hand	4,662,072	(1,303,450)	—	3,358,622
CBILS loan < 1 year	(300,000)	300,000	(300,000)	(300,000)
CBILS loan > 1 year	(800,000)	—	300,000	(500,000)
<b>Total net debt</b>	<b>3,562,072</b>	<b>(1,003,450)</b>	<b>—</b>	<b>2,558,622</b>

## Principal accounting policies Year to 31 August 2024

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are laid out below.

### **Basis of preparation**

These financial statements have been prepared for the year to 31 August 2024 and are presented in sterling and are rounded to the nearest pound.

The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant accounting policies below or the notes to these financial statements.

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) (Charities SORP FRS 102) second edition effective 1 January 2019, the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

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

### **Critical accounting estimates and areas of judgement**

Preparation of the financial statements requires the Governors and management to make significant judgements and estimates.

The items in the financial statements where these judgements and estimates have been made include:

- ◆ estimating the useful economic life of tangible fixed assets;
- ◆ determining the provision for bad and doubtful debts; and
- ◆ determining the value of provisions for liabilities.

### **Assessment of going concern**

The Governors have assessed whether the use of the going concern assumption is appropriate in preparing these financial statements. The Governors have made this assessment in respect to a period of one year from the date of approval of these financial statements.

In the course of preparing these accounts the Governing Body have had regard to the School's financial forecasts, including a series of 'reasonable worst case' scenarios such as shortfalls in student recruitment, overruns in capital project costs, and delay or cancellation of the launch of new course offerings. The likely impact of inflation on running costs and knock-on effects of cost of living pressures on operational matters including pay, recruitment and retention have also been modelled.

### **Assessment of going concern** (continued)

Balanced against these downside pressures are improvements in several key aspects of the School's operating environment. The award of World-Leading Specialist Provider status carries a significant funding commitment from the Office for Students. The move to Parker Street has been reviewed by the Relocation Committee on an ongoing basis through scenario modelling to ensure that the School has sufficient resources to meet its liabilities as they fall due. The outturn was an improvement on in-year forecasts and largely reflecting considerable improvements in financial control, monitoring and forecasting.

The Governing Body have concluded that there are no material uncertainties relating to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern.

### **Income recognition**

Income is recognised in the period in which the charity has entitlement to the income, the amount of income can be measured reliably and it is probable that the income will be received.

Income comprises grants and donations, tuition fees and charges, interest received and other income.

Donations are recognised when the charity has confirmation of both the amount and settlement date. In the event of donations pledged but not received, the amount is accrued for where the receipt is considered probable. In the event that a donation is subject to conditions that require a level of performance before the charity 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 charity and it is probable that those conditions will be fulfilled in the reporting period.

Income from charitable activities includes tuition fees and grants. The income is generally recognised in the period to which the fees or grants relate.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

### **Expenditure recognition**

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to make a payment to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis and includes attributable VAT which cannot be recovered.

Expenditure comprises the costs of charitable activities including expenditure on the provision of education and associated support and governance costs.

### Assessment of going concern (continued)

#### Tangible fixed assets

All assets costing more than £2,000 and with an expected useful life exceeding one year are capitalised.

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided to write off the cost less estimated residual value of each asset on a straight line basis over its expected useful life as follows:

- ◆ Cinema equipment - five years
- ◆ Fixtures, fittings and equipment - five years

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments.

#### Debtors

Debtors are recognised at their settlement amount, less any provision for non-recoverability. Prepayments are valued at the amount prepaid. They have been discounted to the present value of the future cash receipt where such discounting is material.

#### Cash at bank and in hand

Cash at bank and in hand represents such accounts and instruments that are available on demand or have a maturity of less than three months from the date of acquisition.

#### Creditors and provisions

Creditors and provisions are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Creditors and provisions are recognised at the amount the charity anticipates it will pay to settle the debt.

#### Financial instruments

The School only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the School and their measurement basis are as follows:

*Financial assets* – other debtors are basic financial instruments and are debt instruments measured at amortised cost. Prepayments are not financial instruments.

*Cash at bank* – classified as a basic financial instrument and is measured at face value.

*Financial liabilities* – accruals and other creditors are financial instruments, and are measured at amortised cost.

## **Principal accounting policies** Year to 31 August 2024

### **Pension costs**

Contributions by the School in respect to a defined contribution pension scheme are charged to the statement of financial activities in the period in which they are payable.

### **Leased assets**

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged on a straight-line basis over the lease term.

### **Fund structure**

Restricted funds comprise monies raised for, or their use restricted to, a specific purpose, or contributions subject to donor imposed conditions.

Designated funds comprise those resources which may be used towards meeting the charitable objectives of the School, but which have been set aside out of the general funds and designated for specific purposes by the Governors.

The tangible fixed assets fund comprises non-liquid funds represented by the net book value of tangible fixed assets.

The unrestricted general fund represents those monies which are freely available for application towards achieving any charitable purpose that falls within the School's charitable objects.

## 1 Donations

	Unrestricted funds £	Restricted funds £	Total funds 2024 £
<b>2024 Total funds: Donations</b>	—	—	—
<i>2023 Total funds: Donations</i>	27	—	27

## 2 Income from charitable activities

	Unrestricted funds £	Restricted funds £	2024 Total funds £
Tuition fees and charges	6,547,087	—	<b>6,529,087</b>
Less: bursaries awarded	(82,160)	—	<b>(82,160)</b>
	6,464,927	—	<b>6,464,927</b>
Grant income from the Office for Students	715,000	4,744	<b>719,744</b>
Grant income from Leverhulme Trust	—	78,963	<b>78,963</b>
	7,179,927	83,707	<b>7,263,634</b>

	Unrestricted funds £	Restricted funds £	2023 Total funds £
<i>Tuition fees and charges</i>	6,392,063	—	6,392,063
<i>Less: bursaries awarded</i>	(59,426)	—	(59,426)
	6,332,637	—	6,332,637
<i>Grant income from the Office for Students</i>	1,443,912	21,724	1,465,636
<i>Grant income from Leverhulme Trust</i>	-	45,882	45,882
	7,776,549	67,606	7,844,155

During the year ended 31 August 2024, 4 (2023 – 4) students received a bursary to support their tuition fees. The amounts shown above include £3,051 (2023 - £13,544) directly from the School, in 2024, and £79,109 (2023 - £45,882) from funding received from the Leverhulme Trust.

Notes to the financial statements Year to 31 August 2024

**3 Expenditure on raising funds**

	Unrestricted funds £	Restricted funds £	<b>2024 Total funds £</b>
Staff costs	—	—	—
<b>Total funds</b>	—	—	—

	Unrestricted funds £	Restricted funds £	2023 Total funds £
Staff costs	14,157	—	14,157
<b>Total funds</b>	14,157	—	14,157

**4 Expenditure on charitable activities – provision of education**

	Unrestricted funds £	Restricted funds £	<b>2024 Total funds £</b>
Direct costs			
. Staff costs	2,373,381	26,571	<b>2,399,952</b>
. Visiting lecturers	519,186	5,812	<b>524,998</b>
. Premises	476,699	5,337	<b>482,036</b>
. Production allowances and costs	461,642	5,168	<b>466,810</b>
. Repairs and technical maintenance	217,231	2,432	<b>219,663</b>
. Depreciation	138,533	1,551	<b>140,084</b>
. IT costs	237,786	—	<b>237,786</b>
. Marketing costs	68,826	—	<b>68,826</b>
. Other costs	565,837	6,335	<b>572,172</b>
. Studio & space hire	853,388	9,554	<b>862,942</b>
	<b>5,912,509</b>	<b>62,760</b>	<b>5,975,269</b>
Support costs			
. Staff costs	1,171,130	13,112	<b>1,184,242</b>
. Legal and professional	269,142	890	<b>270,032</b>
. Other costs	329,181	3,685	<b>332,866</b>
. Interest Payable	33,000	—	<b>33,000</b>
. Governance costs (note 5)	68,576	3,260	<b>71,836</b>
	<b>1,871,029</b>	<b>20,947</b>	<b>1,891,976</b>
<b>2024 Total funds</b>	<b>7,783,538</b>	<b>83,707</b>	<b>7,867,245</b>

Notes to the financial statements Year to 31 August 2024

**4 Expenditure on charitable activities – provision of education (continued)**

	<i>Unrestricted funds</i>	<i>Restricted funds</i>	<i>2023 Total funds</i>
	£	£	£
<i>Direct costs</i>			
. Staff costs	2,060,615	26,722	2,087,337
. Visiting lecturers	478,775	6,209	484,984
. Premises	522,717	4,435	527,152
. Production allowances and costs	471,139	6,623	477,762
. Repairs and technical maintenance	91,279	925	92,204
. Depreciation	91,121	799	91,920
. IT costs	175,234	—	175,234
. Marketing costs	56,391	—	56,391
. Other costs	385,967	3,616	389,583
. Studio & space hire	166,305	1,677	167,982
	<u>4,499,543</u>	<u>51,006</u>	<u>4,550,549</u>
<i>Support costs</i>			
. Staff costs	1,011,699	8,768	1,020,467
. Legal and professional	559,695	502	560,197
. Other costs	195,613	3,910	199,523
. Interest Payable	42,000	—	42,000
. Governance costs (note 5)	85,237	1,798	87,035
	<u>1,894,244</u>	<u>14,978</u>	<u>1,909,222</u>
<i>2023 Total funds</i>	<u>6,393,787</u>	<u>65,984</u>	<u>6,459,771</u>

**5 Governance costs**

	<i>Unrestricted funds</i>	<i>Restricted funds</i>	<b>2024 Total funds</b>
	£	£	£
Audit and advisory fees	26,584	453	<b>27,037</b>
Other professional costs	41,992	2,807	<b>44,799</b>
<b>2024 Total funds</b>	<u>68,576</u>	<u>3,260</u>	<u><b>71,836</b></u>
	<i>Unrestricted funds</i>	<i>Restricted funds</i>	<i>2023 Total funds</i>
	£	£	£
<i>Audit and advisory fees</i>	23,424	1,296	24,720
<i>Other professional costs</i>	61,813	502	62,315
<i>2023 Total funds</i>	<u>85,237</u>	<u>1,798</u>	<u>87,035</u>

**Notes to the financial statements** Year to 31 August 2024

**6 Net movement in funds**

This is stated after charging:

	2024 £	2023 £
Depreciation – owned assets	140,084	91,920
Operating lease rentals – Land and buildings	148,727	338,097
Operating lease rentals – Equipment hire	245,953	101,783
Auditor's remuneration (including VAT)		
. Statutory audit	28,200	21,500
. Other services	3,960	3,000
Staff costs (including visiting lecturers) (note 7)	4,109,190	3,606,945

**7 Staff costs**

	2024 £	2023 £
Wages and salaries	2,826,614	2,567,224
Other staff costs	370,608	217,291
Social security costs	302,857	273,727
Pension costs	84,113	63,719
	<b>3,584,192</b>	<b>3,121,961</b>

In addition to the staff costs disclosed above, the amount paid to visiting lecturers used by the School in year was £524,998 (2023 – £484,984).

During the year, termination payments of £114,989 (2023: £34,630) were made.

The average number of employees, excluding visiting lecturers and temporary staff, during the year was as follows:

	2024 Number	2023 Number
Provision of education		
. Academic staff	39	42
. Support staff	18	22
	<b>57</b>	<b>64</b>

**Notes to the financial statements** Year to 31 August 2024

**7 Staff costs** (continued)

The number of employees who earned £60,000 per annum or more (including taxable benefits but excluding employer pension contributions) during the year was as follows:

	<b>2024</b>	2023
	<b>Number</b>	Number
£60,001 - £65,000	<b>3</b>	4
£65,001 - £70,000	<b>2</b>	—
£75,001 - £80,000	—	1
£80,001 - £85,000	—	1
£90,001 - £95,000	—	1
£95,001 - £100,000	1	—
£105,001 - £110,000	1	—
£120,001 - £125,000	1	—
	<b>8</b>	<b>7</b>

The key management personnel of the charity in charge of directing and controlling, running and operating the charity comprise the governors and the Management Team as detailed on page 1. The total remuneration (including taxable benefits and employer's pension contributions) of the key management personnel for the year was £1,093,077 (2023 – £848,662).

During the year, staff governors received remuneration only in relation to their roles as staff members. No member(s) of the governing body received any remuneration in respect of their services as governors during the year (2023 – £nil).

No expenses were reimbursed to the governing body members during the year (2023 - £nil).

**Remuneration of Director and Chief Executive Officer**

	CEO to 5 Nov 2023 £	CEO to 31 Aug 2024 £	<b>2024</b> £	2023 £
Basic salary	39,693	106,833	<b>146,526</b>	114,518
Bonus	—	—	—	—
Pension contribution	440	—	<b>440</b>	1,452
Compensation for loss of office	—	—	—	—
	<b>40,133</b>	<b>106,833</b>	<b>146,966</b>	<b>115,970</b>

The remuneration package of senior members of staff, including the Director and Chief Executive Officer, is subject to review by the Remuneration Committee who use benchmarking information to provide objective guidance.

The Director and Chief Executive Officer reports to the Chair of the Board, who undertakes an annual review of his performance against the School's overall objectives using both qualitative and quantitative measures of performance.

**Notes to the financial statements** Year to 31 August 2024

	<b>2024</b>	2023
	<b>£</b>	£
Chief Executive's basic salary as a multiple of the median of all staff	<b>3.68</b>	3.08
Chief Executive's total remuneration as a multiple of the median of all staff	<b>3.69</b>	3.12

During 2023/24 the previous Chief Executive Officer left the School on 5 November, 2023 and the presiding Chief Executive Officer joined the School on 6 November, 2023 on a full-time basis.

**8 Taxation**

The London Film School Limited is a registered charity and therefore is not liable to income tax or corporation tax derived from its charitable activities, as it falls within the various exemptions available to registered charities.

**9 Tangible fixed assets**

	Leasehold Premises in Course of Construction £	Cinema equipment £	Fixtures, fittings and computer equipment £	<b>Total</b> £
<b>Cost</b>				
At 1 September 2023	—	469,930	131,874	<b>601,804</b>
Additions	401,753	311,150	816,991	<b>1,529,894</b>
Disposals	—	(52,299)	(6,203)	<b>(58,502)</b>
At 31 August 2024	<u>401,753</u>	<u>728,781</u>	<u>942,662</u>	<b><u>2,073,196</u></b>
<b>Depreciation</b>				
At 1 September 2023	—	247,933	51,020	<b>298,953</b>
Charge for the year	—	92,476	47,608	<b>140,084</b>
Disposals	—	(52,299)	(6,202)	<b>(58,501)</b>
At 31 August 2024	<u>—</u>	<u>288,110</u>	<u>92,426</u>	<b><u>380,536</u></b>
<b>Net book values</b>				
At 31 August 2023	—	221,997	80,854	<b>302,851</b>
At 31 August 2024	<u>401,753</u>	<u>440,671</u>	<u>850,236</u>	<b><u>1,692,660</u></b>

**10 Debtors**

	<b>2024</b>	2023
	<b>£</b>	£
Trade debtors	<b>62,792</b>	109,863
Other debtors	<b>57,733</b>	75,243
Prepayments and accrued income	<b>562,338</b>	537,242
	<b><u>682,863</u></b>	<u>722,348</u>

**Notes to the financial statements** Year to 31 August 2024

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

	2024 £	2023 £
Trade creditors	657,855	312,884
Accruals and deferred income	1,653,594	1,145,452
Sundry creditors	405,148	514,321
CBILS Loan (see note 12)	300,000	300,000
	<b>3,016,597</b>	<b>2,272,657</b>

	2024 £	2023 £
Deferred income at 1 September	853,308	1,259,412
Released during the year	(853,308)	(1,259,412)
Resources deferred in the year	963,159	853,308
Deferred income at 31 August	<b>963,159</b>	<b>853,308</b>

Deferred income consists principally of fee income received in advance.

**12 Creditors: amounts falling due in more than one year**

	2024 £	2023 £
CBILS Loan	500,000	800,000

<b>Maturity of debt</b>	2024 £	2023 £
CBILS loan repayable within one year	300,000	300,000
CBILS loan repayable between one and two years	300,000	300,000
CBILS loan repayable between two and five years	200,000	500,000
	<b>800,000</b>	<b>1,100,000</b>

The CBILS loan was drawn down in full in April 2021 with a fixed interest rate of 2.42% above the base rate per annum. The first year is interest and repayment free; the balance is then to be repaid over five years at £25,000 per month plus interest from May 2022. The bank has a debenture charge over the property and undertakings of the company.

### 13 Restricted funds

The income funds of the School include restricted funds comprising the following unexpended balances of grants and donations to be applied for specific purposes.

	At 1 September 2023 £	Income £	Expenditure £	Transfer between funds £	At 31 August 2024 £
Office for Students	—	4,744	(4,744)	—	—
Skillset Academy Fund	5,692	—	—	—	5,692
Adam Sedgwick Award	5,010	—	—	—	5,010
Leverhulme fund	11,326	78,963	(78,963)	—	11,326
	<u>22,028</u>	<u>83,707</u>	<u>(83,707)</u>	<u>—</u>	<u>22,028</u>

	At 1 September 2022 £	Income £	Expenditure £	Transfer between funds £	At 31 August 2023 £
Office for Students	—	21,724	(21,724)	—	—
Skillset Academy Fund	5,692	—	—	—	5,692
Adam Sedgwick Award	5,010	—	—	—	5,010
Leverhulme fund	9,704	45,882	(44,260)	—	11,326
	<u>20,406</u>	<u>67,606</u>	<u>(65,984)</u>	<u>—</u>	<u>22,028</u>

#### **Office for Students fund**

The Office for Students fund is restricted to supporting teaching through spend related to the delivery of course costs.

#### **Skillset Academy fund**

The Skillset Academy fund is restricted to the funding of bursaries for the Skillset Screen Academy Project, specific new teaching and associated overheads.

#### **Adam Sedgwick Award**

The Adam Sedgwick Award is restricted to the funding of a grant to help a graduating student after the completion of the course.

#### **Leverhulme fund**

The Leverhulme Trust has donated to this fund which is dedicated to applicants of high academic standard who could not otherwise continue their studies throughout the academic year and beyond without funding assistance.

**Notes to the financial statements** Year to 31 August 2024

**14 Tangible fixed assets fund**

	2024 £	2023 £
At 1 September	302,851	203,861
Net movements in year	1,389,809	98,990
At 31 August	<b>1,692,660</b>	<b>302,851</b>

The tangible fixed assets fund represents the net book value of the School's fixed assets. A decision was made to separate this fund from the other unrestricted funds of the School in recognition of the fact that the tangible fixed assets are essential to the day-to-day operation of the School. The fund value, therefore, cannot be easily realised without jeopardising the ongoing operation of the School.

**15 Operating lease commitments**

At 31 August the School had the following future minimum commitments under non-cancellable operating leases:

	Equipment		Land and buildings	
	2024 £	2023 £	2024 £	2023 £
Operating lease payable:				
Within one year	—	—	89,400	89,400
	-	—	<b>89,400</b>	<b>89,400</b>

The lease renewals for both properties occupied by the School are in place including clauses which allow the School a break option subject to giving six months' notice. This will enable a move to new premises once the development project is complete.

**16 Related and connected parties disclosure**

The School paid £840 to a supplier for services provided during the year ended 31 August 2024 (2023:£nil). The supplier is the partner of a Governor.

Note 7 details no further disclosures.

**17 Analysis of Net Assets Between Funds**

	Unrestricted funds £	Restricted funds £	2024 Total funds £
Fixed Assets	1,692,660	-	1,692,660
Net current assets	1,002,860	22,028	1,024,888
Long term liabilities	(500,000)	-	(500,000)
<b>2024 Total</b>	<b>2,195,520</b>	<b>22,028</b>	<b>2,217,548</b>

**17 Analysis of Net Assets Between Funds (continued)**

	<i>Unrestricted funds</i>	<i>Restricted funds</i>	<i>2023 Total funds</i>
	£	£	£
<i>Fixed Assets</i>	302,851	-	302,851
<i>Net current assets</i>	3,089,735	22,028	3,111,763
<i>Long term liabilities</i>	(800,000)	-	(800,000)
<i>2023 Total</i>	<u>2,592,586</u>	<u>22,028</u>	<u>2,614,614</u>

**LONDON FILM SCHOOL LIMITED**

England & Wales - Charity number 270302

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# Accounts

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**London  
Film  
School  
Limited**

**Annual Report and Financial  
Statements**

31 August 2023

Company Limited by Guarantee  
Registration Number  
01197026 (England and Wales)

Charity Registration Number  
270302

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## Reference and administrative information

**Governors**

Greg Dyke (Chair)  
Amanda Nevill CBE (Vice Chair)  
Kemal Akhtar  
Suzy Black  
Peter Holliday (appointed 09/03/2023)  
Nicholas Humby  
Olivier Kaempfer  
William MacPherson  
Cindy Rampersaud  
Gregory Randolph (Student Governor)  
Joan Watson  
Sophia Wellington (Staff Governor)

**Management Team**

Peter Holliday (Interim Director & Chief Executive) joined 16/05/2022 retired 3/2/2023  
Neil Peplow (Director and Chief Executive Officer) appointed 30/1/2023 and resigned 10/11/2023  
Christopher Auty (Director and Chief Executive Officer) appointed 6/11/2023  
Femi Kolade (Director of Studies) retired 22/12/2023  
Dan Lawson (Chief Operating Officer) resigned 6/11/2023  
Rodney Jones (interim Chief Operating Officer) joined 16/10/2023  
Veronique Fricke (Head of Marketing & Student Recruitment) resigned 1/11/2023  
Holly Blake (acting Head of Marketing & Student Recruitment) appointed 2/11/2023  
Tiana Harper (MA Filmmaking Course Leader) resigned 19/4/2023  
Margaret Glover (interim MA Filmmaking Course Leader) joined 26/3/2023 retired 31/10/2023  
Charis Cloke (MA Filmmaking Course Leader) appointed 4/9/2023  
Michele Maher (Academic Registrar)  
Anita O'Connor (Financial Controller)  
Victoria Thomas (MA International Film Business Course Leader)  
Caroline Ward (Head of HR) resigned 31/08/2022  
Claudia Lana (Head of HR) appointed 26/09/2022  
Sophia Wellington (MA Screenwriting Course Leader)

**Company Secretary** Robin Graham (retired 31/10/2022)

## Reference and administrative information

<b>Principal address and registered office</b>	24 Shelton Street London WC2H 9UB
Telephone	0207 836 9642
Facsimile	0207 497 3718
Website	<a href="http://www.lfs.org.uk">www.lfs.org.uk</a>
E-mail	<a href="mailto:info@lfs.org.uk">info@lfs.org.uk</a>
<b>Company registration number</b>	01197026 (England and Wales)
<b>Charity registration number</b>	270302
<b>Auditor</b>	Haysmacintyre LLP 10 Queen Street Place London EC4R 1AG
<b>Bankers</b>	Royal Bank of Scotland London Drummonds Branch 49 Charing Cross London SW1A 2DX
<b>Solicitors</b>	Pinsent Masons LLP 30 Crown Place London EC2A 4ES

### **Chair's Introduction to Annual Report and Financial Statements, 31 August 2023**

These are the accounts for the London Film School for the year ending 31st August 2023.

Expectations for the future of London Film School are high. The success of the past year has set up exciting opportunities for the next 12 months as we go from strength to strength.

In that year the LFS was recognised by the Office for Students, and awarded "World Leading Specialist Provider" status. The accolade marks out LFS as one of only 20 such institutions in the country to receive this and one of only two film schools. The recognition is testament to the hard work, talent and resilience of the staff, students and graduates not only from the past year but through Covid and beyond.

Achieving this new status also means we receive a significant sum from the Office for Students every year for the next five years which, in turn, makes expanding and moving to a new headquarters a realistic prospect for the School. Hopefully we will move to a new building in the summer of 2024.

The coming year marks a distinct shift for the School as we work with staff and students on developing a new direction, strategy and culture for the School. We have new leadership keen to expand the School as Chris Auty took over from Neil Peplow as CEO and Director in November 2023.

Our graduates and alumni continue to do us proud with a host of accolades and achievements. Our filmmakers have won renowned prizes such as James Friend, the cinematographer awarded both a BAFTA and Academy Award for his work on *All Quiet on the Western Front*. Amanda Nell Eu made history with *Tiger Stripes* as the first Malaysian film by a female director to be screened at Cannes film festival. *Tiger Stripes* has emerged as one of three films selected for the Best International Film category at the Academy Awards in 2024, that has been made by alumni, joined by *Hangin' Gardens* by Ahmed Yassin Aldaradji and *Autobiography*, co-produced by Robin Moran.

*Fremont* directed by Babak Jalali won the Jury prize at the prestigious Deauville Film Festival as well as Best Director at Karlovy Vary. Daiana Oniunas-Pusic's feature debut *Tuesday*, financed by the hitmaking US studio A24 was selected for the Telluride Film Festival for its North American premiere as well as the autumn 2023 London Film Festival.

Our screenwriters have also been making huge waves across the screen industries. Kaamil Shah has seen *Count Abdulla*, the feature script he developed whilst at LFS developed into a series for ITVX to critical acclaim. The screenplay, *Learning To Breathe Under Water* by screenwriting graduate, Richard Brabin has been announced by Bankside Films and will star Rory Kinnear.

International Film Business graduate, Luis Kelly has developed an entrepreneurial competition series called *Ready Set StartUP*, where early-stage entrepreneurs with exciting business ideas compete to win an investment and business support. Luis has already received industry support, when the series had its premiere screening at the MIPTV 2023 opening night party, in Cannes.

I would like to thank my fellow Governors for their unstinting commitment and work in supporting the School which over the past 12 months has included executing several significant decisions concerning the School's future.

On behalf of the Governors, I would like to share my grateful thanks to the students and particularly to our staff who continue to work tirelessly to ensure the long-term success of LFS.

Greg Dyke  
January 2024

The Governors present their annual report together with the financial statements of London Film School Limited for the year ended 31 August 2023.

The financial statements have been prepared in accordance with the accounting policies set out on pages 30 to 33 and comply with the charitable company's memorandum and articles of association, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), section edition effective 1 January 2019.

### **Objectives and Activities**

The School's principal purpose is the provision of professional-level training in the art and technique of film production and feature film screenwriting. Our core provision includes a two-year MA Filmmaking degree covering all of film's craft and interpretative departments, and a one-year MA degree in Screenwriting. The MA in International Film Business continues in partnership with Exeter University, as does a successful PhD Film by Practice programme.

From September 2022 until August 2023 a total of 202 students graduated from the three MA programmes: 43 for MA Screenwriting, 119 for MA Filmmaking and 40 for MA International Film Business.

The School has offered 23 short course workshops for film and television professionals in the past year. The School also offers an expanding programme of outreach projects, bringing filmmaking training and education to audiences who could not normally access such opportunities for reasons of cost or geography.

The Governors confirm that they have referred to the Charity Commission's general guidance on public benefit when reviewing the School's objectives and aims and in planning future activities.

2022/23 saw the final year of the School's existing five-year strategy. Within that plan, the School's main objectives for the year were:

- ◆ Ensure that the School is appropriately resourced and situated in contemporary facilities, matching the excellence in our teaching and delivering a peerless learning experience
- ◆ Ensure our film education is accessible to all UK students irrespective of background or income
  - ◇ Since registering with the Office for Students in 2019, all postgraduate programmes qualify for postgraduate loan support. New bursaries were introduced in 2020 and 2021 to support UK students on both MA Filmmaking and MA Screenwriting programmes
  - ◇ The School has developed a new Equality, Diversity and Inclusion (EDI) strategy to improve access to film education and to promote a more inclusive approach in our work. Developments to date include the formation of an EDI working group comprising staff and students; a review of our existing recruitment approaches and HR policies, and a programme of decolonising the curriculum.

### **Objectives and Activities** (continued)

- ◆ Maintain our excellent international profile, exporting best-practice around the world and bringing new global perspectives to our pedagogy

- ◇ The School continues to be a member of CILECT (the International Association of Film and Television Schools), and its regional division GEECT (European Grouping of Film and Television Schools).

The previous Director and CEO, Neil Peplow, played a key role in several industry events and festivals in 2023, attending and taking part in Sarajevo Film Festival, View Conference, Cannes Film Festival, discussing the release of the 10<sup>th</sup> Nostradamus Report at Goteborg Film Festival, and sat on the jury of the Nordic Talents Pitch Prize 2023.

As can be seen below, LFS graduation work once more enjoyed a year of wide international exposure at festivals and award ceremonies around the world.

- ◆ Ensure our film education offer continues to be among the best in the world and is relevant to the film and wider creative industries of today, and tomorrow
  - ◇ Our Director of Studies continued to work closely with the academic team to further improve quality monitoring and the process by which student feedback is captured, listened to and responded to. Our short course and outreach work now comes under the Director of Studies' remit bringing better synergies and sharing of best practice across the full gamut of LFS' educational programmes.
  - ◇ The School has a Professional Development Leave (PDL) scheme for staff, to help our workforce to continually improve their professional skills, practice, and learning. This enhances their ability to teach/support our students.
- ◆ Build new and lasting partnerships and collaborations with industry and relevant institutions
  - ◇ We continued to build strong links with local industry partners including the BFI, Film London, ScreenSkills, and more. We were especially pleased to continue our partnership with Film London's Equal Access Network.

### **Bursaries and student funding**

The School is focused on ensuring film education is accessible irrespective on background. As a result, the School has two means-tested Hardship Emergency Funds (i) for Home status students and (ii) for International students to support those students that were experiencing unexpected short-term emergency or crises. The criteria for Home status students were intended to help with unforeseen increase to the day-to-day expenses and course related costs, such as cost of childcare, medical expenses or utilities.

The School continues to work alongside the Leverhulme Trust which provides bursaries to home students who meet the means-tested criteria.

### **Objectives and Activities** (continued)

#### **Activities**

##### **a. Workshops**

The School's series of short courses and workshops are open to the public providing an inclusive opportunity for new and young filmmakers to get hands-on, practical and intensive learning experiences without the entry requirements and time demanded by the MA programmes.

Over 23 short courses have taken place within the last year covering topics as wide-ranging as the online Writer's Gym, to the Documentary Ideas Surgery, and the workshop, Practical Skills for Getting a Start in the Art Dept. Participants continue to sing the praises of the workshop tutors and enjoy the format which allows the maximum learning opportunity in short periods of time, Recent testimonials have included:

*"It was so focused on and stuck to the themes of the workshop so well, that I felt like we had learnt a whole module from university after one weekend".*

*"I honestly got so much from this workshop, I can't imagine getting much more within five days."*

*"Udayan's knowledge of how to work with actors is just spectacular! He gives his heart, soul and mind and his energy is so contagious. I have enjoyed this a lot!*

The short courses on offer are continuously reviewed to allow for more dynamic or urgent shifts in industry demand. Offering the courses over evenings and weekends allows LFS to provide professional development outside of typical working hours.

#### **b. Outreach**

The LFS Outreach programme reflects the holistic, practice-based learning which is at the core of LFS teaching. LFS develops and delivers a wide programme of film education courses to the young people in and around London as well as further afield. All courses are taught by LFS students and graduates who learn and develop their own skills whilst doing so.

LFS firmly believes that making films is a challenging and powerful creative process which benefits young people in many ways. Our mission is to make filmmaking accessible to young people anywhere, empowering them to develop their creativity, embed core life skills, and support them in their efforts to tell their own stories.

The School has a number of initiatives in place to achieve this, including an extensive outreach programme that engages with local schools, colleges and youth organisations to introduce young people to filmmaking. Our courses offer the opportunity to engage in the creative process of making a film, igniting, and nurturing creative potential, boosting confidence and self-esteem.

So far this year LFS has offered 99 filmmaking sessions to 203 young people (and a few seniors as well!). These filmmaking sessions took place either at LFS on a Saturday morning, or at schools and community centres around London. LFS also continued our online Virtual Film Club with displaced Ukrainian teenagers whose lives have been uprooted by the war. Our National Saturday Club project has come to an end with a special screening of our final film at the BFI Southbank and a graduation ceremony and exhibition at Somerset House.

LFS is hugely proud of delivering a truly unique, creative and artistic outreach programme for the children and young people in London. By providing young people with access to high quality film education, we are helping to open new opportunities for young people from all backgrounds, contributing to a more diverse and inclusive film industry.

#### **Objectives and Activities** (continued)

Outreach at LFS has been an intense but very satisfying journey this year and we look forward to welcoming more people to LFS events in the near future.

#### **c. Masterclasses**

Our series of LFS Masterclasses have continued since the Summer term of 2022, offering six masterclasses either in person or online every term. The Masterclasses allow students, alumni and staff to hear from experts and brilliant minds across the world of filmmaking. The masterclasses serve to inspire hope, learn more and connect students, staff and alumni with

those working in the industry. Equality, diversity and inclusion is at the forefront of planning for Masterclass guests, inviting film professionals from marginalised backgrounds, as well as those who've had a non-traditional route into the industry.

The six Masterclasses over the 2022 autumn term included industry professionals; Kahleen Crawford (Casting Director), Helen Scott (Production Designer), Robyn Forsythe (Line Producer), Mary Nighy (Director), Charlotte Colbert, (Writer / Director), Cooke Optics and Producers; Stephen Woolley with Elizabeth Karlsen together.

In the spring term these included Rebecca O'Brien (Producer), Cynthia Okoye (Talent Agent), Carla Simón (Writer and Director), Francesca Brooks (Script Supervisor), Affonso Gonçalves (Editor) and Carey Duffy from cinematography lens company, Cooke Optics.

In the summer term the Masterclasses included Patrushkha Mierzwa and Mark Ulano (Sound Technicians), Michael Dinner (Writer, Director and Producer), Álvaro Gago (Director, Editor and Writer), Julian White (Chief Lighting Technician), Dr Melanie Chait (Documentary Filmmaker) and James Friend (Cinematographer).

With six Masterclasses taking place each term, students, staff and alumni had the opportunity to attend 18 events over the course of each academic year. From the 2023 autumn term the Masterclasses have been renamed to Conversations With... to reflect the nature of the events and differentiate the events from other ongoing module specific tutorials.

## **Achievements and performance**

### **a. World Leading Specialist Provider**

LFS is hugely proud to have been awarded World-Leading Specialist Provider status by the Office for Students in December 2022. The status is conferred based on the knowledge, skills and level of quality of teaching and expertise that is among the finest in the world and it marks LFS out as being recognised internationally in the filmmaking specialism. The global reputation also recognises the enduring impact LFS graduates have on the screen industries.

As part of the new status, LFS will receive funding from the Office for Students in recognition of the high cost of the education of a subject which is extremely expensive to deliver.

### **b. Festivals and awards**

LFS filmmakers are internationally recognised at film festivals, collecting awards and admiration for their work in a medium which celebrates storytelling, diversity and the craft of filmmaking. Students have seen their films screened and awarded at prestigious global festivals as well as small, niche focused events that showcase creative talent and reach highly engaged audiences.

## **Achievements and performance (continued)**

LFS graduation films have screened at over 175 global film festivals since September 2021, in testament to the quality of their work and their commitment to their artistic vision matching their filmmaking talent.

Highlights include *Talking to the River* winning third prize at Cannes Film Festival as part of Quinzaine de Cineastes, going on to screen at Shanghai International Film Festival. *Scorched Earth* premiered at the highly respected Locarno Film Festival (Switzerland) in

August, in the International Competition, a festival conceived as the rebirth of freedom of artistic expression.

Grad film *Blue Note* won multiple awards at Tampere Film Festival (Finland). It won Prize of the Youth Jury, the Tampere Student Award and the Nominee for the European Short Film Audience Award. This means the film will tour major European Festivals into 2024. Tampere also screened black comedy *Sucking Diesel*, which has had a fantastic year.

Five LFS grad films were screened at Aesthetica (York, UK) including *Blue Note*, *Lo Sguardo*, *Bye Bye Baby*, *Half Guard* and *Glorious Revolution*. *Glorious Revolution* continued to be celebrated following its third place win at Cannes in 2022 and was awarded Best UK Short at Raindance (UK) and also screened at prestigious Poitiers Film Festival (France) with Director, Masha attending the Lab, along with Sarajevo Talents Lab. She was also accepted into Locarno Academy this year for another prestigious screening of *Glorious Revolution*.

2023 saw a record eight LFS grad films at Academy Award-qualifying, In the Palace Film Festival (Bulgaria) including *Blue Note*, *By the Rivers Blue*, *Lo Sguardo*, *Neighbouring Sounds* (aka *Komşu Sesler*), *On Your Behalf*, *The Viewing Room*, *Your Guardian* and *Wetsuit*. The festival is a platform for the expression of both young artists and established professionals and one of the oldest short film forums on the Balkans.

A wide selection of further films has been acknowledged and lauded around the world. *The Viewing Room* screened at Premier Plans Lab, Angers (France) an event that highlights 100 emerging filmmakers. Two films screened at BAFTA and Academy Award-qualifier Encounters Film Festival (UK) - *People's Pond* and *Zong* and were well received by audiences. *A Circle* won the Best Fiction award at the International Student Film and Video Festival Beijing (China) and also screened at VGIK Student Film Festival, Moscow (Russia) amongst numerous other screenings, while in Latin America, *After a Room* won Best International Fiction prize at Uruguay Student Festival.

Grad films have been picked up for distribution around the world within the last year including *Glorious Revolution* to France 2 and Arte Poland, *Zong* has screened on Dust (Gunpowder and Sky) and gained over 30k views, and *Sucking Diesel* is in distribution screening on Northern Ireland TV and HBO Eastern Europe. *Sucking Diesel* will also screen on HBO Eastern Europe in 2024/25. *Filipiñana* is now featured on The Criterion Collection. This means that audiences in Canada and USA will be able to view the film for the next two years.

Scriptwriters achieved acclaim across a wide breadth of Festivals including Lyndon Hanrahan whose short film *Elevator Pitch* premiered at In The Palace Film Festival and was picked up for distribution on Omeleto and has to date reached almost 14,000 views. The film has also been selected for 19th Hollyshorts Film Festival, an Academy Award-qualifying festival in Hollywood.

### **c. Graduate and alumni achievements**

LFS graduates play a vital part in shaping the future of filmmaking and the roster of alumni roles include key creative and craft roles in the screen industries.

### **Achievements and performance** (continued)

Just some of the Screenwriting achievements of the alumni included writer, Kaamil Shah selected to join a new ITV scheme to train and support the next wave of British showrunners, ahead of finalising his own project, *Count Abdulla*, that has been screened on ITVX. Two MA Screenwriting grads; Despina Ladi and Greg Simmons, were selected for Series Mania Writers Campus 2023 and the screenplay by Richard Brabin has been announced by Bankside Films. *Learning To Breathe Under Water* will star Rory Kinnear.

## Governors report Year to 31 August 2023

Samuel Jefferson is now the lead writer for *KraNK Berlin*, an eight-part series, being produced by Violet Pictures and Real Film Berlin.

MA Filmmaking alumna Amanda Nell Eu won the Grand Prize at Cannes' Critics' Week 2023, the Cannes sidebar dedicated to first or second films with her film, *Tiger Stripes*. Also at Cannes 2023, Leticia Tonos' Dominican sci-fi drama, *Aire* won the inaugural Fantastic Latido award.

Former filmmaking student, James Friend was awarded Best Cinematography at the 2023 BAFTAs and Academy Awards for *All Quiet on The Western Front*. The film *Living*, by former student Oliver Hermanus was nominated for Best British Film, Best Actor and Best Adapted Screenplay at the 2023 BAFTAs, and Best Adapted Screenplay and Best Actor at the Academy Awards. **Hamish Summers** was recently awarded a BAFTA for BBC's most popular home renovation series *DIY SOS: The Big Build* and has been promoted to Series Producer on BBC's worldwide hit, *Top Gear*.

Nathalie Pitters has been named Screen Star of Tomorrow 2023 by Screen International ahead of her DoP role on the forthcoming, *Queenie*, for Disney's Onyx Collective, Channel 4 and Lionsgate. **Fiona Lamptey** in her previous role as Director of UK Film at Netflix, has been incredibly successful with her work including the commission of *The Wonder*.

Students from MA International Film Business generated opportunities for and pitched their projects, traveling around the world and meeting industry. At Cannes Film Festival 2023, students visited screenings, masterclasses, panel events and took part in networking, meeting industry professionals. Luis Kelly has been working a series called *Ready Set StartUP*, a new entrepreneurial competition series where early-stage entrepreneurs with exciting business ideas compete to win an investment and business support. The series has its premiere screening at the MIPTV 2023 opening night party. Kean Cao has founded the new International Animal Future Film Festival, in London to promote the harmonious coexistence of humans and animals.

### Graduate Showcase and Honorary Associates

#### a. Graduate Showcase

In 2023, LFS resumed its usual annual Graduate Showcase in January, presenting the work of the graduates across all three degree groups.

A total of 575 attendees came along to the January 2023 Graduate Showcase at the Curzon Bloomsbury and Curzon Soho. The Graduate Showcase microsite was simultaneously made available for all those who could not attend in person. 34 films from MA Filmmaking graduates were screened both to live audiences and made available on the microsite as well as 40 scripts from MA Screenwriting graduates. The live event also included 23 presentations, five masterclasses and a drinks event with participation and projects from all graduates including MA International Film Business graduates.

## Achievements and performance (continued)

### Graduate Showcase and Honorary Associates (continued)

The online event received a total of 1,700 visitors to the site over a two week period. The microsite held and showcased grad films, grad scripts as well as graduate profiles and statements.

Comments from grads who attended and took part in the event, shared comments including:

- *“It was a really wonderful week, and I’m really glad I got to be a part of it.”*
- *“I cannot emphasise enough how instrumental screening our film in the showcase has been. Thanks to its inclusion in the showcase, a sales agent from Independent Entertainment watched our film on the microsite, and it is now in the process of being picked up by them for the feature production.”*
- *“Moving [my film] from the morning to the afternoon was honestly a game changer for me and it allowed an agent to view my film which I now have a meeting with! Had you have not done this I never would have had this opportunity.”*
- *“It was a very special week!”*

#### b. Honorary Associates

LFS introduced two new Honorary Associates at its annual showcase in January 2023, actor and director, Clint Dyer and actor Sarah Niles. The Honorary Associates demonstrate the School’s connection with the industry, reputation, and continued relevance to the development of film learning in the UK.

LFS consider the following criteria when appointing the Honorary Associates; outstanding contribution to world cinema, demonstrable interest in emerging creative talent; commitment to aesthetic achievement, craft excellence, creative collaboration, and / or artistic freedom, and sustained reputation that reflects the School’s policies to treat students, staff and guests fairly and respectfully, value the School’s international and culturally diverse community and foster safe and tolerant environments.

The first of the LFS 2023 Honorary Associates, Clint Dyer is an actor and director, who was appointed as Deputy Artistic Director of the National Theatre in 2021, where he directed *Othello*, the first Black director to do so at the theatre. He directed the Olivier, Evening Standard, and WhatsOnStage-nominated show *The Big Life* at Theatre Royal Stratford East, which became the first Black British musical to go the West End.

Sarah Niles, the second LFS Honorary Associate is one of the UK's best actors, having starred in *Rocks* directed by Sarah Gavron and nominated for an Emmy Award for Best Supporting Actress for her critically lauded work as Dr Sharon Fieldstone in the second series of *Ted Lasso* for AppleTV+. Sarah stars in BBC Studios’ film *Danny Boy* for director Sam Miller, the breakout hit *Riches* for Amazon Prime and ITV and Netflix’s *Dracula* for creators Mark Gatiss and Steven Moffat.

Past Honourees span all areas of the screen industry and in the course of the School’s rich history, have included Abi Morgan, Amma Asante, Asif Kapadia, Stephen Frears, Sarah Niles, Jim Broadbent, Gurinder Chadha, Tessa Ross, Philip French, Walter Murch, Ken Loach and Samantha Morton, alongside the diverse graduates of the School’s film programmes.

The Associates remain an integral part of the School’s wide-ranging pool of industry experts and student mentors for years to come. The School’s Honorary programme is possible with the generous assistance of the School’s sponsors: Panalux, Final Draft and Sargent Disc.

### **Financial review**

A summary of the year's results can be found on page 27 of the attached financial statements. Total income for the year was £7,954,707 (2022 - £6,694,567). Much of the tuition fee income is from the MA Filmmaking course. The London Film School received two years of grant funding of £1.4m, by the Office for Students, in recognition as a World Leading Specialist Provider.

Total expenditure for the year amounted to £6,473,928 (2022 - £6,365,310), this included £345,286 of relocation associated costs.

The net movement in funds for the year was a surplus of £1,480,779 (2022 – £329,257).

### **Reserves Policy and financial position**

In light of a wider review of the School's strategic plan, the reserves policy is under review and will be further developed. Governors will have regard to the School's future plans, liquidity requirements, and proportionate contingency funds against unexpected adverse events.

On 31 August 2023, the School had total funds of £2,614,614 (2022 - £1,133,835). Included in total funds is an amount of £22,028 (2022 - £20,406) which is restricted. These monies have either been raised for, and their use restricted to specific purposes, or they comprise of donations subject to donor-imposed conditions. Full details of these restricted funds can be found in note 13 to the financial statements together with an analysis of movements in the year.

Unrestricted funds of the charity at 31 August 2023 amounted to £2,592,586 (2022 - £1,113,429), which are net of a £1.1m CBILS loan. These funds include tangible fixed assets with a net book value of £302,851 (2022 – 203,861) which are needed for the School's day-to-day operations. At the end of the financial year, the level of free reserves of the School stood at £2,289,735 (2022 - £909,588).

While the free reserves are below the 6 months' expenditure stated above, the policy is kept under review. As a contingency and in order to support the School through any further uncertainty in the coming year, the School also arranged a £1.5m loan facility through the Coronavirus Business Interruption Loan Scheme (CBILS) which was drawn down in full in 2020/21, and of which £1.1m remains outstanding at 31 August 2023.

### **Plans for the future**

#### **a. Bursaries and student funding**

The School is focused on ensuring film education is accessible irrespective on background.

#### **b. Fundraising**

The School's fundraising approach is to engage only with trusts, foundations and other grant making institutions. Unlike many similar institutions, the School's business model is wholly geared towards tuition fee income, with grant funding historically making up a fraction of the School's income base. That said, we are thrilled to have been recognised by the Office for Students as a World-Leading Specialist Provider in 2022, as recognition of the quality of teaching and student output, and an important financial contributor to the School's long-term ambitions to remain a global leader in film education.

### **Plans for the future (continued)**

The School does not currently actively seek funds from the general public, and therefore is not currently subscribed to any fundraising regulation schemes or standards.

**c. 2023/24 Strategy**

The appointment of CEO and Director, Neil Peplow coincided with the end of the last five-year strategy. Throughout early 2023 work has taken place to hear from and understand the needs and wants of the students, staff and alumni to develop a new strategy for LFS that will shape the School's activities for the next three years. In interviews, surveys and focus groups voices from all corners of the School were heard to shape the future of the School.

The new three year strategy has been developed to continue its successful tradition of its students' achievements and the excellence of its teachers. It is of prime importance to cultivate an environment that nurtures creativity, experimentation, and freedom of expression, enabling our students to produce their finest work.

New CEO and Director of the School, Chris Auty has been appointed to lead the School and its new strategic direction.

The newly defined purpose, mission, vision and values are:

<b>Purpose</b>	We believe in the power of screen storytelling to change the world. Our purpose is to develop people from all backgrounds to amplify unheard stories.
<b>Mission</b>	We do this by providing practical, high-quality, conservatoire education within a diverse and inclusive community, whilst creating clear pathways into industry for our students.
<b>Vision</b>	We will be known as a world leading film school celebrated for nurturing diverse voices and viewpoints and its excellence in creative teaching practice and experimental storytelling.
<b>Values</b>	We Work <b>Together</b> , We Cultivate <b>Creativity</b> , We Strive for <b>Community</b> , We Dare to be <b>Different</b> , We Champion <b>Change</b> , We Aspire for <b>Excellence</b>

The four key strategic pillars are:

**1. Driving diversity and inclusion:**

The School's reputation rests on ensuring a safe and creative environment that will attract and retain the best talent. This requires the courage to address cultural and behavioural issues within LFS, which also remain prevalent within the industry. To achieve a truly diverse and inclusive School, we need to attract applicants from all backgrounds and offer suitable financial support.

**2. Delivering quality:**

To uphold its reputation for quality teaching, the School's curriculum has to align with and reflect industry needs and student expectations. This requires course reviews that focus on the student journey, resource requirements, regulatory obligations, career support and the impact of new technology. The School will grow its reputation as a leader of specialist teaching in creative practice and position itself as a hub for innovation.

**Plans for the future** (continued)

**3. Developing pathways:**

LFS will form strong industry partnerships to stay relevant. We are committed to equipping our students with a clear understanding of industry pathways. By providing more internships

and job opportunities, LFS will become a source of talent for employers and boost students career progression rates.

#### **4. Building sustainability:**

The organisation's sustainability will be achieved through smooth running operations, well-defined processes and policies, relevant infrastructure, sound financial and resource management, high staff satisfaction, and retention levels. LFS will also be teaching and leading on sustainable practices for film production.

### **Governance, structure and management**

#### ***Constitution***

London Film School Limited ("LFS" or "the School") is a registered charity (Charity Registration No. 270302) and a company limited by guarantee (Company Registration No. 01197026). The charitable company's memorandum and articles of association dated 20 January 1975 (as amended by special resolution of 21 July 1975 and 13 May 2008) are its primary governing documents.

#### ***Members' liability***

The liability of the members in the event of winding up is limited to 50 pence per member.

#### ***Governors***

The Governors of the School also constitute directors of the charitable company for the purposes of company law and trustees for charity law. This report is also a directors' report as required by section 415 of the Companies Act 2006. The Governors who held office during the financial year and at the date of signing this report are set out on page 1.

Governors are appointed by election at the Annual General Meeting (AGM). The Student Governor is elected by students and the Staff Governor is elected by the staff.

Members of the Management Team, as set out on page 1, cannot be appointed as Governors of the School.

Previous Interim Director Peter Holliday re-joined the Board of Governors following his departure from the Management Team as Interim Director.

The size of the Governing Body is set between 8 and 25 Governors. Approximately one third of the Governing Body retire annually, by rotation in order of seniority, and can offer themselves for re-election at the AGM.

### **Governance, structure and management (continued)**

The Nominations Committee undertakes a skills analysis of the Governing Body and role profiles are agreed, against which the School recruits new Governors. Governors must have empathy with film and the creative industries. Newly appointed Governors receive a full induction to the School, bespoke to their needs. The Governing Body regularly holds an away day, joined by members of the Management Team.

***Organisation***

The Governing Body met seven times in the year, from 1st September 2022 until 31st August 2023.

Its governance structure includes four committees:

- ◆ a Nominations Committee to oversee the appointment, induction and development of its governors;
- ◆ a Remuneration Committee to decide and agree the remuneration for the Director and senior members of staff,
- ◆ an Audit & Risk Committee to advise on risk, internal control, governance and promoting value for money; and
- ◆ a Relocation Committee, to review the School's estates strategy and oversee progress on renewing its facilities.

The Governing Body also receives minutes from the Academic Board as a line of sight on all academic matters.

The day-to-day running of the School is delegated to the Director and the Management Team.

***Key management personnel***

The key management personnel of the School comprise the Governors and the Management Team.

The Management Team are a dedicated team of management personnel that have the authority and responsibility of planning, directing and controlling the activities of the School, directly or indirectly. Within the School this includes the Director, Director of Studies, Chief Operating Officer, Head of Marketing & Student Recruitment, Academic Registrar, Financial Controller and Head of HR. Since September 2021, Course Leaders for each of the MA programmes have also joined the Management Team, ensuring greater visibility of academic matters and greater academic inclusion. The Management Team meets formally on a fortnightly basis, with minutes of each meeting shared with all staff, (see Note 7).

**Governance, structure and management (continued)**

***Statement of governors' responsibilities***

The Governors (who are also directors of The London Film School Limited for the purposes of company law) are responsible for preparing the governors' report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Governors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the income and expenditure of the charitable company for that period. In preparing these financial statements, the Governors are required to:

- ◆ select suitable accounting policies and then apply them consistently;
- ◆ observe the methods and principles in Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102);

## **Governors report** Year to 31 August 2023

- ◆ 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 the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The Governors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company 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 charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Each of the Governors confirms that:

- ◆ as far as they are aware, there is no relevant audit information of which the charitable company's auditor is unaware; and
- ◆ they have taken all the steps that they ought to have taken as a governor in order to make themselves aware of any relevant audit information and to establish that the charitable company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

## **Governance, structure and management** (continued)

### ***Risk management***

The Governors have assessed the major risks to which the charity is exposed, in particular those relating to the specific operational areas of the School and its finances. The Governors believe that by monitoring reserves levels, by ensuring controls exist over key financial systems, and by examining the operational and business risks faced by the School, they have established effective systems to mitigate those risks. Our keys risks include:

### ***Student Recruitment***

#### *Global Context*

After navigating the complexities and prolonged impacts of COVID-19, the UK Higher Education Sector continues to face a period of uncertainty, amidst an increasingly challenging and ever-changing, geopolitical landscape. The long-term effects of the pandemic, and the UK's exit from the EU continue to shape UK HEI's global engagement and recruitment efforts. Across the UK, the composition of the international student body is changing dramatically, as is the expectations of prospective students, in how and when, they engage with Universities and HE providers.

Yet, despite the unprecedented challenges, the UK sector hosted 679,970 international students across 2021-22, surpassing the initial target of 600,000 per year, as set by the UK Government (HESA Statistics, 2023). International students accounted for 23.8% of the total student population, with 45.4% of all international students studying at Postgraduate Level (HESA Statistics 2023).

#### *LFS Performance*

Despite the challenges of operating in a highly competitive and changing landscape, LFS has managed to maintain a healthy pipeline of prospective students. Additionally, we have invested heavily in our recruitment provision to support the applicant journey for both our MA Filmmaking and MA Screenwriting programmes.

The significant number of applicants in our pipeline, and the success of our conversion rate, is a continued testament to the strength and international recognition of the LFS brand.

The international community of students reflects the worldwide profile of the School as we have welcomed students from across the globe, by order of volume from China, UK, India, US, Italy, Canada, Germany, Russia, Switzerland, Taiwan, Australia, Mexico, South Africa, France and Nigeria.

Operationally, a significant amount of work has gone into sustaining and improving our engagement efforts across the applicant journey. In January, we launched our new Admissions, and in part, CRM system, Full Fabric. From a recruitment point of view, Full Fabric offers the opportunity to report upon, improve and map communications across the student journey, from first point of contact through to enrolment. The introduction of an Applicant Portal further strengthens our ability to consolidate and streamline our communications to offer holders.

January was a significant month for Recruitment, as in combination with Unibuddy, we launched our inaugural Student Ambassador scheme. The Student Ambassador scheme was introduced to improve our peer-to-peer engagement efforts and increase the degree of personalisation across our engagements. In turn, the Student Ambassador Scheme was created to help strengthen the student community within LFS and offer students the opportunity to undertake ad-hoc, flexible paid work.

## **Governance, structure and management** (continued)

### ***Student Recruitment*** (continued)

Since January, our Student Ambassadors have helped answer over 1,800 questions from prospective students and have helped to successfully convert 12% of enquirers into applicants. The demographics utilising our student ambassador platform, include India, China, UK, USA, and Germany respectively as the top five user markets. The introduction of the Student Ambassador scheme has been integral in our aims to improve and personalise applicant engagement, and another round of Student Ambassador recruitment is pending for Autumn 2023.

LFS continued to monitor its funding provisions for 2022/23 for both Home and International markets, having continued to participate in the Postgraduate Loan Scheme, the Leverhulme Arts Scholarship, BAFTA UK Scholarship Scheme as well as the William D. Ford Direct Student Loan Program. Whilst funding, and access to funding remains a significant barrier to entry for some prospective students, we are committed to monitoring other available funding streams.

### ***Regulatory Environment***

As a registered Higher Education Provider under the Office for Students, LFS is subject to considerable regulatory oversight aimed at ensuring its courses offer high levels of quality and value for money. In order to ensure ongoing compliance with the regulatory environment the School has made further progress in reviewing and updating the School's policy frameworks, with an emphasis on quality assurance, and regular internal monitoring and reviews.

LFS' continued membership of CILECT, the confederation of international film schools, and also of GuildHE, ensures it has a supportive network of providers in the same field with whom to share and learn best practice.

LFS is also subject to considerable regulatory oversight from our validating partner the University of Warwick and delivery partner (for the MA International Film Business and PhD programmes) the University of Exeter to ensure that its courses offer high level of quality and student outcomes.

### ***Facilities***

The School's ageing facilities in Covent Garden continued to present daily challenges in the delivery of our teaching and film exercises. Since our last annual report, the Governors and executive have continued the review of our existing estates and the assumptions for future space needs so that a proposed new relocation has been identified offering improved space and flexibility in use in the near geographical location whilst remaining secure in our existing location.

## **Relationship with other organisations**

In pursuit of its strategic objectives of building new connections, the School works with several organisations across screen industries, training partners and public bodies: including training partners such as ScreenSkills, the University of Exeter, University of Warwick, NAHEMI, CILECT, the Deutsche Film und Fernsehakademie Berlin (DFFB), UGC Series Mania and the National Saturday Club.

**Governance, structure and management** (continued)

Screen industry partners such as Panalux, many film festivals, plus platforms including MUBI and Omeleto, support the distribution work of LFS's fresh filmmaking talent around the world.

To support alignment and complementarity with other initiatives in the UK, partners across UK-wide, and London-specific public bodies have included the British Film Institute, Film London's Equal Access Network, Creative England's iFeatures scheme, the British Council and many more.

Approved by the Governing Body and signed on its behalf by:



Greg Dyke

Chair of Governors

Approved by the Governors on: 18 January 2024

### **Statement of corporate governance and internal control**

The following statement is provided to enable readers of the annual report and financial statements of London Film School Limited to obtain a better understanding of its governance and legal structure. The statement covers the period from 1 September 2022 to 31 August 2023 and up to the date of the approval of the annual report and financial statements.

The School endeavours to conduct its business:

1. Having due regard to the UK Corporate Governance Code 2018 in so far as it is applicable to the Higher Education Sector; and
2. Complying with Office for Students on-going conditions or regulations and terms of conditions of funding as well as other regulatory responsibilities.

We have adopted the UK Corporate Governance Code. We have reported on our Corporate Governance arrangements by drawing upon best practice available, including those aspects of the UK Corporate Governance Code that we consider relevant to the Higher Education Sector.

The Governors recognise that the School, as a body entrusted with both public and private funds, has a particular duty to observe the highest standards of corporate governance at all times.

### **Legal Status**

The London Film School is a Registered Charity and a Private Limited Company by guarantee without share capital.

The Governors confirm that they have due regard for the Charity Commission's guidance on public benefit and that the required statement appears elsewhere within these financial statements.

### **Governors**

The members who served as Governors during the year and up to the date of signature of this report are listed below.

<b>Governor</b>	<b>Appointed/Resigned</b>
Greg Dyke (Chair)	
Amanda Nevill (Vice Chair)	
Kemal Akhtar	
Suzy Black	
Peter Holliday	Appointed 9 March 2023
Nicholas Humby	
Olivier Kaempfer	
William MacPherson	
Cindy Rampersaud	
Gregory Randolph (Student Governor)	
Joan Watson	
Sophia Wellington (Staff Governor)	

### **Meeting procedures**

Formal agendas, papers and reports are supplied to the Governors in a timely manner, prior to Governing Body meetings. Briefings are also provided on an ad hoc basis. Reports include overall financial performance of the School together with other information such as performance against funding targets, proposed capital expenditure, quality matters and personnel related matters such as health and safety issues. The Governing Body met 7 times in 2022/23.

### **Statement of corporate governance and internal control** (continued)

The Governing Body receives advice on the conduct of its business from five committees. Each committee has its own terms of reference which have been approved by the Governing Body. These committees are: Audit and Risk; Nominations; Remuneration; Relocation; and the Academic Board.

London Film School has a strong and independent non-executive element, and no individual or group dominates its decision-making process. The School considers that each of its non-executive members is independent of management and free from any business or other relationship which could materially interfere with exercise of their independent judgement. There is a clear division of responsibility in that the roles of the Chair and Accounting Officer are separate.

#### **Appointment to the Governing Body**

The Nominations Committee undertakes a skills analysis of the Governing Body and role profiles are agreed, against which the School recruits new Governors. New Governors must have empathy with film and creative art industries. Their induction includes a tour of the School, screenings and from time to time an away day attended by the Governing Body, the principal officers and the wider Management Team. An information pack about the School is also given to each new Governor.

#### **Governing Body performance**

The Governing Body has made a strong contribution to the improvements made in 2022/23 through the setting of challenging targets with regular scrutiny of performance. There is strong performance management at Governing Body meetings. The Governors provide robust scrutiny and challenge. Governors are pro-active in their oversight of the School and are involved in the planning and discharging of Governing Body business.

### **Committees**

#### ***Audit and Risk Committee***

The Audit and Risk Committee is responsible to the Governing Body in discharging its responsibilities for monitoring the integrity of the School's financial statements, the effectiveness of financial controls with regard to internal risk assessment and the performance and objectivity of external auditors.

The members who served on the committee during the year and up to the date of signature of this report are listed below.

<b>Governor</b>	<b>Appointed/Resigned</b>
Peter Holliday	Appointed 9 March 2023
Nicholas Humby	
Cindy Rampersaud (Committee Chair)	
William McPherson	
Joan Watson	

The Audit & Risk Committee is responsible for the following:

- ◆ To appoint external auditors and agree the audit fee, meet with the external auditors to discuss the scope and nature of the audit and to discuss the findings included within the management letter and management responses.
- ◆ To satisfy itself that all public funds received by the School's are managed in line with regularity, propriety, and value for money.

### **Statement of corporate governance and internal control (continued)**

- ◆ To satisfy itself that satisfactory arrangements are in place to promote best value, and to monitor other performance as shall be deemed to be reliable and appropriate measures of effectiveness.

### **Internal Control**

#### ***Scope of responsibility***

The Governing Body is ultimately responsible for the organisations' system of internal control and for reviewing its effectiveness. However, such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives and can only provide reasonable and not absolute assurance against material misstatement or loss.

The Governing Body has delegated the day-to-day responsibility to the Director & CEO, as Accounting Officer, for maintaining a sound system of internal control that supports the achievement of the organisations policies, aims and objectives, whilst safeguarding the public funds and assets. The Accounting Officer is also responsible for reporting to the Governing Body any material weaknesses or breakdowns in internal control.

#### ***The purpose of the system of internal control***

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure and can only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of organisation policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place at the organisation for the year ended 31 August 2023 and up to the date of approval of the annual report and financial statements.

#### ***Capacity to handle risk***

The Governors have reviewed the key risks to which the organisation is exposed, together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Governors are of the view that there was a formal on-going process for identifying, evaluating and managing the School's significant risks that had been in place for the year ended 31 August 2023 and up to the date of approval of the annual report and financial statements.

#### ***The risk and control framework***

The system of internal control is based on a framework of regular management information, administrative procedures including the segregation of duties, and a system of delegation and accountability. It includes:

- ◆ comprehensive budgeting systems with an annual budget which is reviewed and agreed by the Governors
- ◆ regular reviews by the Governing Body of periodic and annual financial reports which indicate financial performance against forecasts
- ◆ setting targets to measure financial performance
- ◆ the adoption of formal project management disciplines, where appropriate.

#### ***Review of effectiveness***

The Accounting Officer delegates to the Financial Controller the responsibility for reviewing the effectiveness of the system of internal control. The Financial Controller's review of the effectiveness of the system of internal control is informed by:

- ◆ the work of the external auditors;

**Review of effectiveness** (continued)

- ◆ the work of the senior managers within the organisation who have responsibility for the development and maintenance of the internal control framework; and
- ◆ comments made by the organisation's financial statements and regularity auditors in their management letters and other reports.

There are no significant internal control weaknesses reported for the period.

The Management Team receives reports setting out key performance and risk indicators and considers possible control issues brought to their attention by early warning mechanisms, which are embedded within the departments. The Management Team and the Audit and Risk Committee also receive regular reports, which include recommendations for improvement.

The Audit and Risk Committee's role in this area is confined to a high-level review of the arrangements for internal control. The Governors' agenda includes a regular item for consideration of risk and control and receives reports thereon from the Management Team and the Audit and Risk Committee.

Based on above and reports by the Director & CEO, the Governing Body is of the opinion that the organisation has an adequate and effective framework for governance, risk management and control to manage the achievements of the School's objectives for the year ended 31 August 2023 and it has fulfilled its statutory responsibility for "the effective and efficient use of resources, the solvency of the institution and the safeguarding of their assets".

**Regularity, propriety, and compliance**

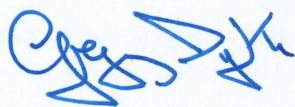
The School has considered its responsibility to notify the Office for Students of material irregularity, impropriety and non-compliance with Office for Students terms and conditions of funding.

We confirm, on behalf of the School, that after due enquiry and to the best of its knowledge, the Governing Body believes it is able to identify any material irregularity or improper use of funds by the School, or material non-compliance with terms and conditions of funding under the organisations financial regulations. As part of our consideration we have had due regard to our financial regulations. We confirm that no instances of material irregularity, impropriety or funding non-compliance have been discovered to date. If any instances are identified after the date of this statement these will be notified to the Office for Students.

**Going Concern**

Details on Governors' going concern assessment are set out on pages 30 and 31.

Approved by the Governing Body and signed on its behalf by:



Greg Dyke  
Chair of Governors  
Date: 6 February 2024



Christopher Auty  
Director & CEO: (Accounting Officer)

**Independent auditor's report to the members of The London Film School Limited  
Opinion**

We have audited the financial statements of London Film School Limited for the year ended 31 August 2023 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash flows 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).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2023 and of the charitable company's net movement in funds, including the income and expenditure, for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Office for Students Accounts Direction.

**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 that are 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 relating 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 Governors' Report. 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.

In connection with our audit of the financial statements, 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.

**Opinions on other matters prescribed by the Companies Act 2006**

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

- the information given in the Governors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report included within the Governors' Report has been prepared in accordance with applicable legal requirements.

**Matters on which we are required to report by exception**

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 Governors' Report (which incorporates the directors' 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 by the charitable company; or
- the charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' 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 trustees' report and from the requirement to prepare a strategic report.

**Matters on which we are required to report in respect of the Office for Students**

In our opinion, in all material respects:

- funds administered by the charitable company for specific purposes during the year ended 31 August 2023 as disclosed in note 13, have been applied to those purposes and managed in accordance with relevant legislation;
- funds provided by the OfS have been applied in accordance with the terms and conditions attached to them during the year ended 31 August 2023; and

We have nothing to report in respect of the following matter in relation to which the Office for Students requires us to report where:

- grant and fee income, as disclosed in the note 2 to the accounts, has been materially misstated.

**Responsibilities of trustees for the financial statements**

As explained more fully in the Statement of Governors' Responsibilities statement set out on page 15, 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 group or 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**

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.

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 environment in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to the Office for Students and the Charity Law, health and safety, GDPR and employment law, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006, Charities Act 2011 and the Office for Students Accounts Direction.

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 potential for management to post inappropriate journal entries and to manipulate accounting estimates. Audit procedures performed by the engagement team included:

- Inspecting correspondence with regulators and tax authorities;
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Evaluating management's controls designed to prevent and detect irregularities;
- Identifying and testing journals, in particular journal entries posted with unusual account combinations, postings by unusual users or with unusual descriptions; and
- Challenging assumptions and judgements made by management in their accounting estimates

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://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

**Independent auditor's report** Year to 31 August 2023

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.



Tracey Young  
Senior Statutory Auditor

For and on behalf of Haysmacintyre LLP,  
Statutory Auditors

10 Queen Street Place  
London, EC4R 1AG

Date: 7 February 2024

## Statement of financial activities Year to 31 August 2023

	Notes	Unrestricted funds £	Restricted funds £	2023 Total funds £	As restated Unrestricted funds £	Restricted funds £	As restated 2022 Total funds £
<b>Income from:</b>							
Donations	1	27	—	27	15	—	15
Charitable activities	2	7,776,549	21,724	7,798,273	6,435,208	89,464	6,524,672
Investments		47,182	—	47,182	1,919	—	1,919
Other income							
Miscellaneous income		63,343	45,882	109,225	128,720	39,241	167,961
<b>Total income</b>		<b>7,887,101</b>	<b>67,606</b>	<b>7,954,707</b>	<b>6,565,862</b>	<b>128,705</b>	<b>6,694,567</b>
<b>Expenditure on:</b>							
Raising funds	3	14,157	—	14,157	40,922	—	40,922
Charitable activities							
Provision of education	4	6,393,787	65,984	6,459,771	6,195,683	128,705	6,324,388
<b>Total expenditure</b>		<b>6,407,944</b>	<b>65,984</b>	<b>6,473,928</b>	<b>6,236,605</b>	<b>128,705</b>	<b>6,365,310</b>
<b>Net movement in funds</b>	6	<b>1,479,157</b>	<b>1,622</b>	<b>1,480,779</b>	329,257	—	329,257
<b>Fund balances brought forward 1 September (as previously stated)</b>							
Prior year adjustments	18	231,210	-	231,210	146,440	-	146,440
<b>Reconciliation of funds</b>							
Fund balances brought forward at 1 September (as restated)		<b>1,113,429</b>	<b>20,406</b>	<b>1,133,835</b>	784,172	20,406	804,578
Fund balances carried forward at 31 August		<b>2,592,586</b>	<b>22,028</b>	<b>2,614,614</b>	1,113,429	20,406	1,133,835

There is no difference between the net movement in funds stated above and the historical cost equivalent.

All of the charitable company's activities are derived from continuing operations during the above two financial periods. Income from charitable activities includes the Office for Students World Leading Specialist Provider funding.

The charitable company has no recognised gains and losses other than those shown above.

Balance sheet 31 August 2023

	Notes	2023		As restated	
		£	£	2022 £	2022 £
<b>Fixed assets</b>					
Tangible fixed assets	9		<u>302,851</u>		<u>203,861</u>
<b>Current assets</b>					
Debtors	10	722,348		898,083	
Cash at bank and in hand		<u>4,662,072</u>		<u>3,438,540</u>	
		<b>5,384,420</b>		<b>4,336,623</b>	
<b>Liabilities</b>					
Creditors: amounts falling due within one year	11	<u>(2,272,657)</u>		<u>(2,306,649)</u>	
<b>Net current assets</b>			<u><b>3,111,763</b></u>		<u><b>2,029,974</b></u>
<b>Total assets less current liabilities</b>			<u><b>3,414,614</b></u>		<u><b>2,233,835</b></u>
<b>Creditors: amounts falling due after more than one year</b>	12		<u><b>(800,000)</b></u>		<u><b>(1,100,000)</b></u>
<b>Net assets</b>			<u><b>2,614,614</b></u>		<u><b>1,133,835</b></u>
<b>The funds of the charity</b>					
Restricted funds	13		<u><b>22,028</b></u>		<u>20,406</u>
Unrestricted funds					
General fund			<u><b>2,289,735</b></u>		<u>909,568</u>
Tangible fixed assets fund	14		<u><b>302,851</b></u>		<u>203,861</u>
<b>Total funds</b>	17		<u><b>2,614,614</b></u>		<u><b>1,133,835</b></u>

Approved by the governors and signed on their behalf by:

Greg Dyke  
Chair of Governors

Approved on: 06 February 2024

London Film School Limited  
Company Limited by Guarantee  
Registration Number 01197026 (England and Wales)

## Statement of cash flows 31 August 2023

	Notes	2023 £	2022 £ (as restated)
<b>Cash flows from operating activities:</b>			
Net cash provided by operating activities	A	<b>1,709,260</b>	257,635
<b>Cash inflow from investing activities:</b>			
Investment income		47,182	1,919
Payments to acquire tangible fixed assets		(190,910)	(52,057)
<b>Net cash used in investing activities</b>		<b>(143,728)</b>	(50,138)
<b>Cash flows from financing activities:</b>			
Repayment of loan		(300,000)	(100,000)
Interest payable		(42,000)	(16,090)
<b>Net cash used in financing activities</b>		<b>(342,000)</b>	(116,090)
<b>Change in cash and cash equivalents in the year</b>		<b>1,223,532</b>	91,407
<b>Cash and cash equivalents at 1 September</b>	B	<b>3,438,540</b>	3,347,133
<b>Cash and cash equivalents at 31 August</b>	B	<b>4,662,072</b>	3,438,540

### Notes to the statement of cash flows for the year ended 31 August 2023

#### A Reconciliation of net movement in funds to net cash provided by operating activities

	2023 £	As restated 2022 £
<b>Net movement in funds (as per the statement of financial activities)</b>	<b>1,480,779</b>	329,257
<b>Adjustments for:</b>		
Depreciation	91,920	71,745
Investment income	(47,182)	(1,919)
Interest payable	42,000	16,090
Decrease/(increase) in debtors	175,735	(315,890)
(Decrease)/increase in creditors	(33,992)	158,352
<b>Net cash inflow from operating activities</b>	<b>1,709,260</b>	257,635

#### B Analysis of changes in net debt

	2022 £'000	Cash flows £'000	2023 £'000
Cash at bank and in hand	3,438,540	1,223,532	4,662,072
CBILS loan < 1 year	(300,000)	—	(300,000)
CBILS loan > 1 year	(1,100,000)	300,000	(800,000)
<b>Total net debt</b>	<b>2,038,540</b>	<b>1,523,532</b>	<b>3,562,072</b>

## Principal accounting policies 31 August 2023

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are laid out below.

### **Basis of preparation**

These financial statements have been prepared for the year to 31 August 2023 and are presented in sterling and are rounded to the nearest pound.

The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant accounting policies below or the notes to these financial statements.

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) (Charities SORP FRS 102) second edition effective 1 January 2019, the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

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

### **Critical accounting estimates and areas of judgement**

Preparation of the financial statements requires the Governors and management to make significant judgements and estimates.

The items in the financial statements where these judgements and estimates have been made include:

- ◆ estimating the useful economic life of tangible fixed assets;
- ◆ determining the provision for bad and doubtful debts; and
- ◆ determining the value of provisions for liabilities.

### **Assessment of going concern**

The Governors have assessed whether the use of the going concern assumption is appropriate in preparing these financial statements. The Governors have made this assessment in respect to a period of one year from the date of approval of these financial statements.

### **Assessment of going concern** (continued)

In the course of preparing these accounts the Governing Body have had regard to the School's financial forecasts, including a series of 'reasonable worst case' scenarios such as shortfalls in student recruitment, overruns in capital project costs, and delay or cancellation of the launch of new course offerings. The likely impact of inflation on running costs and knock-on effects of cost of living pressures on operational matters including pay, recruitment and retention have also been modelled. Balanced against these downside pressures are improvements in several key aspects of the School's operating environment: firstly, the projected absence of any further material costs for delivering under COVID (or similar) restrictions. Secondly, the award of World-Leading Specialist Provider status carries a significant funding commitment from the Office for Students. Thirdly, the School's 2022/23 outturn was an improvement on in-year forecasts and largely reflects considerable improvements in financial control, monitoring and forecasting introduced during the year. Taken together, the Governing Body have concluded that there are no material uncertainties relating to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern.

### **Income recognition**

Income is recognised in the period in which the charity has entitlement to the income, the amount of income can be measured reliably and it is probable that the income will be received.

Income comprises grants and donations, tuition fees and charges, interest received and other income.

Donations are recognised when the charity has confirmation of both the amount and settlement date. In the event of donations pledged but not received, the amount is accrued for where the receipt is considered probable. In the event that a donation is subject to conditions that require a level of performance before the charity 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 charity and it is probable that those conditions will be fulfilled in the reporting period.

Income from charitable activities includes tuition fees and grants. The income is generally recognised in the period to which the fees or grants relate.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

### **Expenditure recognition**

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to make a payment to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis and includes attributable VAT which cannot be recovered.

Expenditure comprises the costs of charitable activities including expenditure on the provision of education and associated support and governance costs.

#### **Tangible fixed assets**

All assets costing more than £2,000 and with an expected useful life exceeding one year are capitalised.

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided to write off the cost less estimated residual value of each asset on a straight line basis over its expected useful life as follows:

- ◆ Cinema equipment - five years
- ◆ Fixtures, fittings and equipment - five years

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments.

#### **Debtors**

Debtors are recognised at their settlement amount, less any provision for non-recoverability. Prepayments are valued at the amount prepaid. They have been discounted to the present value of the future cash receipt where such discounting is material.

#### **Cash at bank and in hand**

Cash at bank and in hand represents such accounts and instruments that are available on demand or have a maturity of less than three months from the date of acquisition.

#### **Creditors and provisions**

Creditors and provisions are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Creditors and provisions are recognised at the amount the charity anticipates it will pay to settle the debt.

#### **Financial instruments**

The School only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the School and their measurement basis are as follows:

*Financial assets* – other debtors are basic financial instruments and are debt instruments measured at amortised cost. Listed investments are a basic financial instrument as detailed above. Prepayments are not financial instruments.

*Cash at bank* – classified as a basic financial instrument and is measured at face value.

*Financial liabilities* – accruals and other creditors are financial instruments, and are measured at amortised cost.

**Pension costs**

Contributions by the School in respect to a defined contribution pension scheme are charged to the statement of financial activities in the period in which they are payable.

**Leased assets**

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged on a straight-line basis over the lease term.

**Fund structure**

Restricted funds comprise monies raised for, or their use restricted to, a specific purpose, or contributions subject to donor imposed conditions.

Designated funds comprise those resources which may be used towards meeting the charitable objectives of the School, but which have been set aside out of the general funds and designated for specific purposes by the Governors.

The tangible fixed assets fund comprises non-liquid funds represented by the net book value of tangible fixed assets.

The unrestricted general fund represents those monies which are freely available for application towards achieving any charitable purpose that falls within the School's charitable objects.

## 1 Donations

	Unrestricted funds £	Restricted funds £	Total funds 2023 £
<b>2023 Total funds: Donations</b>	27	—	27
<i>2022 Total funds: Donations</i>	15	—	15

## 2 Income from charitable activities

	Unrestricted funds £	Restricted funds £	2023 Total funds £
Tuition fees and charges	6,392,063	—	<b>6,392,063</b>
Less: bursaries awarded	(59,426)	—	<b>(59,426)</b>
	6,332,637	—	<b>6,332,637</b>
Grant income from the Office for Students	1,443,912	21,724	<b>1,465,636</b>
	7,776,549	21,724	<b>7,798,273</b>

	Unrestricted funds £	Restricted funds £	<i>As restated</i> 2022 Total funds £
<i>Tuition fees and charges</i>	6,527,760	—	6,527,760
<i>Less: bursaries awarded</i>	(92,552)	—	(92,552)
	6,435,208	—	6,435,208
<i>Grant income from the Office for Students</i>	—	87,443	87,443
<i>Other grants</i>	—	2,021	2,021
	6,435,208	89,464	6,524,672

During the year ended 31 August 2023, 4 (2022 – 8) students received a bursary to support their tuition fees. The amounts shown above include £13,544 (2022 - £53,311) directly from the School, in 2023, and £45,882 (2022 - £39,241) from funding received from the Leverhulme Trust.

### 3 Expenditure on raising funds

	Unrestricted funds £	Restricted funds £	2023 Total funds £
Staff costs	14,157	—	14,157
<b>Total funds</b>	<b>14,157</b>	<b>—</b>	<b>14,157</b>

	Unrestricted funds £	Restricted funds £	2022 Total funds £
Staff costs	40,922	—	40,922
<b>Total funds</b>	<b>40,922</b>	<b>—</b>	<b>40,922</b>

### 4 Expenditure on charitable activities – provision of education

	Unrestricted funds £	Restricted funds £	2023 Total funds £
Direct costs			
. Staff costs	2,060,615	26,722	2,087,337
. Visiting lecturers	478,775	6,209	484,984
. Premises	522,717	4,435	527,152
. Production allowances and costs	471,139	6,623	477,762
. Repairs and technical maintenance	91,279	925	92,204
. Depreciation	91,121	799	91,920
. IT costs	175,234	—	175,234
. Marketing costs	56,391	—	56,391
. Other costs	552,272	5,293	557,565
	<b>4,499,543</b>	<b>51,006</b>	<b>4,550,549</b>
Support costs			
. Staff costs	1,011,699	8,768	1,020,467
. Legal and professional	559,695	502	560,197
. Other costs	237,613	3,910	241,523
. Governance costs (note 5)	85,237	1,798	87,035
	<b>1,894,244</b>	<b>14,978</b>	<b>1,909,222</b>
<b>2023 Total funds</b>	<b>6,393,787</b>	<b>65,984</b>	<b>6,459,771</b>

**4 Expenditure on charitable activities – provision of education (continued)**

	Unrestricted funds £	Restricted funds £	2022 Total funds £
<i>Direct costs</i>			
. Staff costs	1,960,118	51,665	2,011,783
. Visiting lecturers	545,671	14,383	560,054
. Premises	464,392	8,261	472,653
. Production allowances and costs	613,194	13,697	626,891
. Repairs and technical maintenance	99,640	1,772	101,412
. Depreciation	70,307	1,438	71,745
. IT costs	91,775	—	91,775
. Marketing costs	74,487	—	74,487
. Other costs	680,129	10,264	690,393
	<u>4,599,713</u>	<u>101,480</u>	<u>4,701,193</u>
<i>Support costs</i>			
. Staff costs	1,143,974	17,312	1,161,286
. Legal and professional	70,782	821	71,603
. Other costs	274,951	7,442	282,393
. Governance costs (note 5)	106,263	1,650	107,913
	<u>1,595,970</u>	<u>27,225</u>	<u>1,623,195</u>
<b>2022 Total funds</b>	<u>6,195,683</u>	<u>128,705</u>	<u>6,324,388</u>

**5 Governance costs**

	Unrestricted funds £	Restricted funds £	2023 Total funds £
Audit and advisory fees	23,424	1,296	<b>24,720</b>
Other professional costs	61,813	502	<b>62,315</b>
<b>2023 Total funds</b>	<u>85,237</u>	<u>1,798</u>	<u><b>87,035</b></u>
	<u>37,811</u>	<u>369</u>	<u>38,180</u>
<i>Audit and advisory fees</i>	<u>68,452</u>	<u>1,281</u>	<u>69,733</u>
<i>Other professional costs</i>	<u>106,263</u>	<u>1,650</u>	<u>107,913</u>
<b>2022 Total funds</b>	<u>106,263</u>	<u>1,650</u>	<u>107,913</u>

## 6 Net movement in funds

This is stated after charging:

	2023 £	2022 £
Depreciation – owned assets	91,920	71,745
Operating lease rentals – Land and buildings	338,097	329,946
Operating lease rentals – Equipment hire	101,783	150,358
Auditor’s remuneration (including VAT)		
. Statutory audit	21,500	27,000
. Other services	3,000	8,000
Staff costs (including visiting lecturers) (note 7)	<b>3,606,945</b>	3,733,123

## 7 Staff costs

	2023 £	2022 £
Wages and salaries	2,784,515	2,764,851
Social security costs	273,727	258,965
Pension costs	63,719	63,550
Compensation for loss of office	—	85,703
	<b>3,121,961</b>	3,173,069

In addition to the staff costs disclosed above, the amount paid to visiting lecturers used by the School in year was £484,984 (2022 – £560,054).

During the year, termination payments of £34,630 (2022: £nil) were made.

The average number of employees, excluding visiting lecturers and temporary staff, during the year was as follows:

	2023 Number	2022 Number
Provision of education		
. Academic staff	42	41
. Support staff	22	22
	<b>64</b>	63

The number of employees who earned £60,000 per annum or more (including taxable benefits but excluding employer pension contributions) during the year was as follows:

	2023 Number	2022 Number
£60,001 - £65,000	4	4
£70,001 - £75,000	—	1
£75,001 - £80,000	1	2
£80,001 - £85,000	1	—
£90,001 - £95,000	1	—
	<b>7</b>	7

**7 Staff costs** (continued)

The key management personnel of the charity in charge of directing and controlling, running and operating the charity comprise the governors and the Management Team as detailed on page 1. The total remuneration (including taxable benefits and employer's pension contributions) of the key management personnel for the year was £848,662 (2022 – £783,147).

During the year, staff governors received remuneration only in relation to their roles as staff members. No member(s) of the governing body received any remuneration in respect of their services as governors during the year (2022 – £nil).

No expenses were reimbursed to the governing body members during the year (2022 - £nil).

**Remuneration of Director and Chief Executive Officer**

	Interim CEO to 30 Jan 2023 £	CEO to 31 Aug 2023 £	2023 £	2022 £
Basic salary	37,685	76,833	114,518	97,493
Bonus	—	—	—	—
Pension contribution	860	592	1,452	1,137
Compensation for loss of office	—	—	—	85,703
	38,545	77,425	115,970	184,333

The remuneration package of senior members of staff, including the Director and Chief Executive Officer, is subject to review by the Remuneration Committee who use benchmarking information to provide objective guidance.

The Director and Chief Executive Officer reports to the Chair of the Board, who undertakes an annual review of his performance against the School's overall objectives using both qualitative and quantitative measures of performance.

	2023 £	2022 £
Chief Executive's basic salary as a multiple of the median of all staff	3.08	2.72
Chief Executive's total remuneration as a multiple of the median of all staff	3.12	5.11*

During 2022/23 the interim Chief Executive Officer left the School on 3<sup>rd</sup> February, 2023 and the Chief Executive Officer joined the School on 30<sup>th</sup> January, 2023 on a full-time basis. There was no compensation for the loss of office in 2022/23.

\* Based on total remuneration for the interim CEO and exiting CEO, including severance payment

## 8 Taxation

The London Film School Limited is a registered charity and therefore is not liable to income tax or corporation tax derived from its charitable activities, as it falls within the various exemptions available to registered charities.

## 9 Tangible fixed assets

	Cinema equipment £	Fixtures, fittings and computer equipment £	Total £
<b>Cost</b>			
At 1 September 2022	405,271	132,380	<b>537,651</b>
Additions	121,094	69,816	<b>190,910</b>
Disposals	(56,435)	(70,322)	<b>(126,757)</b>
At 31 August 2023	<u>469,930</u>	<u>131,874</u>	<u><b>601,804</b></u>
<b>Depreciation</b>			
At 1 September 2022	230,261	103,529	<b>333,790</b>
Charge for the year	74,107	17,813	<b>91,920</b>
Disposals	(56,435)	(70,322)	<b>(126,757)</b>
At 31 August 2023	<u>247,933</u>	<u>51,020</u>	<u><b>298,953</b></u>
<b>Net book values</b>			
At 31 August 2022	175,010	28,851	<b>203,861</b>
At 31 August 2023	<u>221,997</u>	<u>80,854</u>	<u><b>302,851</b></u>

## 10 Debtors

	2023 £	2022 £
Trade debtors	<b>109,863</b>	118,423
Other debtors	<b>75,243</b>	98,520
Prepayments and accrued income	<b>537,242</b>	681,140
	<u><b>722,348</b></u>	<u>898,083</u>

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

	2023 £	As restated 2022 £
Trade creditors	312,884	125,655
Accruals and deferred income	1,145,452	1,094,662
Sundry creditors	514,321	786,332
CBILS Loan (see note 12)	300,000	300,000
	<b>2,272,657</b>	<b>2,306,649</b>

	2023 £	As restated 2022 £
Deferred income at 1 September	1,259,412	1,031,200
Released during the year	(1,259,412)	(1,031,200)
Resources deferred in the year	853,308	1,259,412
Deferred income at 31 August	<b>853,308</b>	<b>1,259,412</b>

Deferred income consists principally of fee income received in advance.

**12 Creditors: amounts falling due in more than one year**

	2023 £	2022 £
CBILS Loan	<b>800,000</b>	1,100,000

<b>Maturity of debt</b>	2023 £	2022 £
CBILS loan repayable within one year	300,000	300,000
CBILS loan repayable between one and two years	300,000	300,000
CBILS loan repayable between two and five years	500,000	800,000
	<b>1,100,000</b>	<b>1,400,000</b>

The CBILS loan was drawn down in full in April 2021 with a fixed interest rate of 2.42% per annum. The first year is interest and repayment free; the balance is then to be repaid over five years at £25,000 per month plus interest from May 2022. The bank has a debenture charge over the property and undertakings of the company.

### 13 Restricted funds

The income funds of the School include restricted funds comprising the following unexpended balances of grants and donations to be applied for specific purposes.

	At 1 September 2022 £	Income £	Expenditure £	Transfer between funds £	At 31 August 2023 £
Office for Students	—	21,724	(21,724)	—	—
Skillset Academy Fund	5,692	—	—	—	5,692
Adam Sedgwick Award	5,010	—	—	—	5,010
Leverhulme fund	9,704	45,882	(44,260)	—	11,326
	20,406	67,606	(65,984)	—	22,028

	At 1 September 2021 £	Income £	Expenditure £	Transfer between funds £	At 31 August 2022 £
Office for Students	—	87,443	(87,443)	—	—
Skillset Academy Fund	5,692	—	—	—	5,692
Kickstart	—	2,021	(2,021)	—	—
Adam Sedgwick Award	5,010	—	—	—	5,010
Leverhulme fund	9,704	39,241	(39,241)	—	9,704
	20,406	128,705	(128,705)	—	20,406

#### **Office for Students fund**

The Office for Students fund is restricted to supporting teaching through spend related to the delivery of course costs.

#### **Skillset Academy fund**

The Skillset Academy fund is restricted to the funding of bursaries for the Skillset Screen Academy Project, specific new teaching and associated overheads.

#### **Kickstart Scheme**

The Kickstart Scheme provides funding to employers to create jobs for 16 to 24 year olds on Universal Credit as a high quality 6-month job placement.

#### **Adam Sedgwick Award**

The Adam Sedgwick Award is restricted to the funding of a grant to help a graduating student after the completion of the course.

#### **Leverhulme fund**

The Leverhulme Trust has donated to this fund which is dedicated to applicants of high academic standard who could not otherwise continue their studies throughout the academic year and beyond without funding assistance.

#### 14 Tangible fixed assets fund

	2023 £	2022 £
At 1 September	203,861	223,551
Net movements in year	98,990	(19,690)
At 31 August	<b>302,851</b>	203,861

The tangible fixed assets fund represents the net book value of the School's fixed assets. A decision was made to separate this fund from the other unrestricted funds of the School in recognition of the fact that the tangible fixed assets are essential to the day-to-day operation of the School. The fund value, therefore, cannot be easily realised without jeopardising the ongoing operation of the School.

#### 15 Operating lease commitments

At 31 August the School had the following future minimum commitments under non-cancellable operating leases:

	Equipment		Land and buildings	
	2023 £	2022 £	2023 £	2022 £
Operating lease payable:				
Within one year	—	—	89,400	89,400
	-	—	<b>89,400</b>	89,400

The lease renewals for both properties occupied by the School are in place including clauses which allow the School a break option subject to giving six months' notice. This will enable a move to new premises once the development project is complete.

#### 16 Related and connected parties disclosure

There were no other related party transactions during the year ended 31 August 2023 (2022 – none), other than those disclosed in note 7.

#### 17 Analysis of Net Assets Between Funds

	Unrestricted funds £	Restricted funds £	2023 Total funds £
Fixed Assets	302,851	-	302,851
Net current assets	3,089,735	22,028	3,111,763
Long term liabilities	(800,000)	-	(800,000)
<b>2023 Total</b>	<b>2,592,586</b>	<b>22,028</b>	<b>2,614,614</b>

### 17 Analysis of Net Assets Between Funds (continued)

	<i>Unrestricted funds (as restated) £</i>	<i>Restricted funds £</i>	<i>2022 Total funds (as restated) £</i>
<i>Fixed Assets</i>	203,861	-	203,861
<i>Net current assets</i>	2,009,568	20,406	2,029,974
<i>Long term liabilities</i>	<i>(1,100,000)</i>	-	<i>(1,100,000)</i>
<i>2022 Total</i>	<u>1,113,429</u>	<u>20,406</u>	<u>1,133,835</u>

### 18 Prior Year Adjustment

There has been a restatement of creditors for 2022, which has reclassified £683,339 from deferred income to sundry creditors.

An additional adjustment has been made to tuition fees and charges income and expenditure for amounts which had previously been included within deferred income over a number of years. The net assets as at 31 August 2021 had been under-stated by £146,440 due to the over-stated deferred income and therefore the balance has been restated. In addition, a third adjustment has been made tuition fees and charges income and expenditure for the year ended 31 August 2022 have been restated to include transactions that had been omitted in error, as per the table below:

	<i>Unrestricted funds £</i>	<i>Restricted funds £</i>	<b>2022 Total funds £</b>
Net assets carried forward at 31 August 2021 as previously stated	637,732	20,406	658,138
Add back over-stated deferred income	146,440	-	146,440
Net assets carried forward at 31 August 2021 as restated	<u>784,172</u>	<u>20,406</u>	<u>804,578</u>
Net income as restated (see below)	329,257	-	329,257
Net assets carried forward at 31 August 2022 as restated	<u>1,113,429</u>	<u>20,406</u>	<u>1,133,835</u>
	<i>Unrestricted funds £</i>	<i>Restricted funds £</i>	<b>2022 Total funds £</b>
Net income for the year to 31 August 2022 as previously stated	244,487	-	244,487
Add Charitable Activities income	110,740	-	110,740
Less Provision of Education expenditure	<i>(25,970)</i>	-	<i>(25,970)</i>
Net income for the year to 31 August 2022 as restated	<u>329,257</u>	<u>-</u>	<u>329,257</u>

**LONDON FILM SCHOOL LIMITED**

England & Wales - Charity number 270302

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# Accounts

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**London  
Film  
School  
Limited**

**Annual Report and Financial  
Statements**

31 August 2022

Company Limited by Guarantee  
Registration Number  
01197026 (England and Wales)

Charity Registration Number  
270302

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## Reference and administrative information

**Governors**

Greg Dyke (Chair)  
Amanda Nevill CBE (Vice Chair)  
Kemal Akhtar  
Peter Armstrong (resigned 14/10/2021)  
Suzy Black  
Diane Herbert (resigned 15/09/2021)  
Rhys Holland (Student Governor, resigned 31/07/2022)  
Peter Holliday (resigned 15/05/2022)  
Nicholas Humby  
Olivier Kaempfer  
William MacPherson  
Cindy Rampersaud  
Gregory Randolph (Student Governor, appointed 31/07/2022)  
Joan Watson  
Sophia Wellington (Staff Governor)

**Management Team**

Gisli Snaer (Director and Chief Executive Officer) retired 31/05/2022  
Peter Holliday (Interim Director & Chief Executive) joined 16/05/2022  
Femi Kolade (Director of Studies)  
Dan Lawson (Chief Operating Officer)  
Veronique Fricke (Head of Marketing & Student Recruitment)  
Robin Graham (Secretary to the Board) retired 31/10/2022  
Tiana Harper (MA Filmmaking Course Leader)  
Michele Maher (Academic Registrar)  
Anita O'Connor (Financial Controller)  
Victoria Thomas (MA International Film Business Course Leader)  
Caroline Ward (Head of HR) retired 31/8/2022  
Claudia Lana (Head of HR) joined 26/09/2022  
Sophia Wellington (MA Screenwriting Course Leader)

**Company Secretary** Robin Graham (retired 31/10/2022)

**Principal address and registered office**

24 Shelton Street  
London  
WC2H 9UB

Telephone 0207 836 9642  
Facsimile 0207 497 3718  
Website [www.lfs.org.uk](http://www.lfs.org.uk)  
E-mail [info@lfs.org.uk](mailto:info@lfs.org.uk)

**Company registration number** 01197026 (England and Wales)

**Charity registration number** 270302

## Reference and administrative information

<b>Auditor</b>	Buzzacott LLP 130 Wood Street London EC2V 6DL
<b>Bankers</b>	Royal Bank of Scotland London Drummonds Branch 49 Charing Cross London SW1A 2DX
<b>Solicitors</b>	Pinsent Masons LLP 30 Crown Place London EC2A 4ES

## Chair's introduction

### **Chair's Introduction to Annual Report and Financial Statements, 31 August 2022**

These are the accounts for the London Film School for the year ending 31st August 2022.

Over the last 12 months, London Film School has resumed in-person teaching and activities and seen an exciting return to all areas of School life.

The impact of the pandemic over last two years has been felt across all areas of the School, presenting both opportunities and challenges to students and staff. Students, graduates and staff have all contributed to the success of the School in this time, developing a greater resilience and an ability to deliver work flexibly. The necessary changes to the delivery of all courses during the pandemic has allowed the School to incorporate online and remote work and education into its offering, providing broader opportunities to join Masterclasses, combine learning and travel and for staff to contribute

The unique pedagogy of London Film School's practical education has always been prioritised, alongside ensuring a safe environment for all. The consequent financial implications of the pandemic have been felt however, impacting the School's ways of working.

One of the highlights of the year was the return of our in-person Graduate Showcase. The event was the first time the entire School was able to gather together to celebrate the achievements of the graduates, see their work and provide a launchpad for them into the industry to start their careers. The event was a success for both grads and industry with many using the opportunity to develop their skills and connect with professionals over the course of the five day Showcase.

LFS students and graduates have continued to have distinctive impact in their fields locally, nationally and internationally, testament to the quality of learning and training received. LFS filmmakers garnered accolades in a range of festivals and competitions, receiving recognition globally for the quality of their work. LFS graduation films have screened at over two hundred global film festivals since September 2021 – winning over fifty awards.

Screenwriting graduates have made their mark with a huge breadth of projects, seeing recognition in festivals such as Tribeca Film Festival, theatrical screenplays performed in both London and Edinburgh, screenplays for major distributors such as Disney+ and Netflix, and several screenwriters handpicked for development programmes, including the BBC Writers Room. International Film Business graduates have proved their acumen securing roles throughout the screen industries and pitching projects to industry leaders, shaping the future of the filmmaking industry.

The successes of School have been reflected in the newly-award World Leading Specialist Provider status which was awarded in December 2022. The status marks LFS out as being recognised internationally in the filmmaking specialism, providing a level of quality and expertise among the finest in the world.

The past year has seen invaluable support and leadership from Interim Director, Peter Holliday and as we look to the future, we are able to focus on our long-term ambitions stemming from the Annual Operating Plan in place for 2022-23, including exciting new developments to grow and diversify our curriculum and development of our plans to move the School to new purpose-built premises close to our current location in Covent Garden.

## Chair's introduction

I would like to thank my fellow Governors for their unstinting interest and effort to support the School. I am delighted that during the year the Board discharged the important responsibility of selecting and appointing a new Director and CEO for the School and we look forward to welcoming Neil Peplow when he takes up the appointment at the end of January 2023.

On behalf of the Governors, I would like to share my grateful thanks to the staff and students who continue to work tirelessly to ensure the long-term success of LFS.

A handwritten signature in black ink, appearing to be 'Neil Peplow', written in a cursive style.

January 2023

The Governors present their annual report together with the financial statements of London Film School Limited for the year ended 31 August 2022.

The financial statements have been prepared in accordance with the accounting policies set out on pages 33 to 36 and comply with the charitable company's memorandum and articles of association, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), effective from accounting periods commencing 1 January 2015 or later.

### **Objectives and activities**

The School's principal purpose is the provision of professional-level training in the art and technique of film production and feature film screenwriting. Our core provision includes a two-year MA Filmmaking degree covering all of film's craft and interpretive departments, and a one-year MA degree in Screenwriting. The MA in International Film Business continues in partnership with Exeter University, as does a successful PhD Film by Practice programme.

From September 2021 until August 2022 a total of 140 students graduated from the three MA programmes; 50 for MA Screenwriting, 63 for MA Filmmaking and 27 for MA International Film Business.

The School has offered 26 short course workshops for film and television professionals in the past year. The School also offers an expanding programme of outreach projects, bringing filmmaking training and education to audiences who could not normally access such opportunities for reasons of cost or geography.

The Governors confirm that they have referred to the Charity Commission's general guidance on public benefit when reviewing the School's objectives and aims and in planning future activities.

2021/22 saw the final year of the School's existing five-year strategy. Within that plan, the School's main objectives for the year were:

- ◆ Ensure that the School is appropriately resourced and situated in contemporary facilities, matching the excellence in our teaching and delivering a peerless learning experience
  - ◇ LFS is excited to announce our intention to relocate the School to the new Cinecentre building, a five-minute walk away in Holborn. Cinecentre, on Parker Street, is a new facility comprising the recently opened Garden Cinema, the London Film School, and office space to be taken up by film production companies creating a hub of filmmaking in the heart of London's west end. LFS' relocation will see all of the School's existing programmes, short courses, and professional services move to the new site, bringing shooting studios, workshops and teaching spaces all under one roof and offering a step-change in quality for our students and staff. Our intention is to be operational in the new site from September 2023 and complete the relocation in its entirety over the 2023/24 academic year.

**Objectives and activities** (continued)

- ◆ Ensure our film education is accessible to all UK students irrespective of background or income
  - ◇ Since registering with the Office for Students in 2019, all postgraduate programmes qualify for postgraduate loan support. New bursaries were introduced in 2020 and 2021 to support UK students on both MA Filmmaking and MA Screenwriting programmes
  - ◇ The School began developing a new Equality, Diversity and Inclusion (EDI) strategy after the events of summer 2020, recognising that LFS needed to do more to improve access to film education and to promote an anti-racist approach in our work. Developments to date include the formation of an EDI working group comprising staff and students; a review of our existing recruitment approaches and HR policies, and a programme of decolonising the curriculum.
- ◆ Maintain our excellent international profile, exporting best-practice around the world and bringing new global perspectives to our pedagogy
  - ◇ The School continues to be a member of CILECT (the International Association of Film and Television Schools), including attendance at the annual congress in Moscow in 2019, and its regional division GEECT (European Grouping of Film and Television Schools). As can be seen below, LFS graduation work once more enjoyed a year of wide international exposure at festivals and award ceremonies around the world.
- ◆ Ensure our film education offer continues to be among the best in the world and is relevant to the film and wider creative industries of today, and tomorrow
  - ◇ Our Director of Studies continued to work closely with the academic team to further improve quality monitoring and the process by which student feedback is captured, listened to and responded to. Our short course and outreach work now comes under the Director of Studies' remit bringing better synergies and sharing of best practice across the full gamut of LFS' educational programmes.
  - ◇ The School has a Professional Development Leave (PDL) scheme for staff, to help our workforce to continually improve their professional skills, practice, and learning. This enhances their ability to teach/support our students.
- ◆ Build new and lasting partnerships and collaborations with industry and relevant institutions
  - ◇ We continued to build strong links with local industry partners including the BFI, Film London, ScreenSkills, and more. We were especially pleased to continue our partnership with Film London's Equal Access Network.

***Bursaries and student funding***

In 2021 the School introduced two means-tested Hardship Emergency Funds (i) for Home status students and (ii) for International students to support those students that were

## **Objectives and activities** (continued)

### ***Bursaries and student funding*** (continued)

experiencing unexpected short-term emergency or crises. The criteria for Home status students were intended to help with unforeseen increase to the day-to-day expenses and course related costs, such as cost of childcare, medical expenses or utilities. Students were expected to demonstrate that they had exhausted all other forms of funding and LFS was the last resort. We are also grateful to the Leverhulme Trust which continues to provide bursaries to home status students who meet the means-tested criteria.

### ***Workshops***

The range of evening, weekend and short professional development courses, continued to be developed and hosted by leading practitioners with the emphasis on a practical, hands-on, intensive learning experience. Within the last year 26 short course workshops for film and television professionals have been held with several carrying ScreenSkills Select status. The short courses on offer are continuously reviewed to allow for more dynamic or urgent shifts in industry demand.

The success of the workshops can be seen in Juliana Matsubara, who has developed a career in the art department of films after studying the 'Advancing Your Career in the Film Art Department' course at London Film School at the start of 2021. The course in helped her develop a successful early career with roles on *Call The Midwife* and *This is Going to Hurt* for BBC, HBO series *Avenue 5*, and Netflix feature *Persuasion*.

Mo Abudu, a filmmaker based in Nigeria, and CEO of EbonyLife Group, took part in a directing workshop and in 2022 announced plans to make her directorial debut, with two short films. As CEO of EbonyLife TV, Mo Abudu oversees the production of more than 1,000 hours of content broadcast in Nigeria, annually and as an executive producer, she has created some of the biggest blockbusters in Nigerian cinema.

### ***LFS Outreach***

LFS Outreach projects aim to nurture talent, broaden horizons and inspire young people to have a life-long engagement and appreciation of film. The activities provide learning opportunities for young people from all backgrounds, helping them to participate in our industry as audience members or as part of the screen industries' workforce. We work with primary and secondary schools, colleges and community groups as well as with a wide range of industry organisations. Projects are fully bespoke and are delivered in class, online or in a hybrid mode.

LFS has continued to run a series of outreach projects aimed at new entrants particularly from under-represented backgrounds to build skills and enable greater access to opportunities within an industry notoriously difficult to break into.

Over the last year, 147 young people have taken part in 12 different workshops and projects including three Virtual Film Clubs created for children in Ukraine. The Ukraine Film Clubs have provided children who are living in particularly difficult circumstances with a creative

**Objectives and activities** (continued)

***LFS Outreach*** (continued)

outlet. The children met every Saturday morning for a total of six weeks. Their commitment and resilience have been a joy to see.

LFS has also led a Filmmaking workshop at the Frank Barnes School for Deaf Children, a writing workshop at Creative Sparkworks and a Documentary workshop for Haringey Council Adult Learners. As a result of the Filmmaking workshops, children and young people develop confidence in their own artistic abilities, they develop a new vocabulary around creativity and filmmaking and learn different filmmaking and storytelling techniques.

Participant feedback has included teacher comments such as, *“Over the weeks, the children became more creative and were able to share their thoughts and opinions about their videos and other videos.”* Parent feedback included, *“Film Club was absolutely the best thing about last year for my son. Conventional activities like music and sport just don't work for him, so he's never really had this experience of achievement before. At Film Club, he didn't have to worry at about 'fitting in', and all his crazy ideas and enthusiasms were embraced. Most of all, he looked forward to it all week.”*

Since September 2022, London Film School has also collaborated with National Saturday Club to offer a free Film and Media class to 13 – 16 year olds. The weekly club meets in the Covent Garden School, giving young people a chance to study with professional filmmakers, and watch, discuss, and make films in class and at home.

**COVID-19**

The academic year 2021-22 was again impacted by the COVID-19 pandemic, and in common with other Higher Education Providers, London Film School returned from delivering its provision' from a hybrid model back to face-to-face teaching once it could safely take place, ensuring the health and safety of its staff and students. The arrival of the omicron variant in late 2021 meant certain adaptations in delivery were held over into the spring term of 2022 bringing with them additional cost, but by Easter '22 we were able to relax all remaining restrictions and return to full in-person delivery across all programmes.

The School benefitted from a renewed enthusiasm for in-person teaching and saw attendance to non-curricular events and screenings grow.

Whilst Covid-19 presented London Film School with unique challenges, it is testament to the commitment, passion, enthusiasm, hard work and adaptability of our students, staff, visiting lecturers, Governors, and all other contributors that the School was able to continue its successful response in the most challenging of circumstances.

## **Achievements and performance**

### ***World Leading Specialist Provider***

London Film School was awarded World-Leading Specialist Provider status by the Office for Students on 8th December 2022. The status marks LFS out as being recognised internationally in the filmmaking specialism, providing a level of quality and expertise among the finest in the world. In receiving this accolade, the knowledge and skills of LFS graduates and the enduring impact they have on the industry, are recognised by leading employers, external funders, other world-leading providers and others in the UK and beyond.

As part of the new status, LFS will receive funding from the Office for Students in recognition of the high cost of the education of a subject which is extremely expensive to deliver.

### ***Masterclasses***

We were delighted to re-launch our curated LFS Masterclasses for the Summer term in 2022. Masterclasses are an opportunity for students, alumni, and staff to hear from experts and brilliant minds across the world of filmmaking. The masterclasses serve to inspire hope, learn more and connect students, staff and alumni with those working in the industry. Equality, diversity and inclusion is at the forefront of planning for Masterclass guests, inviting film professionals from marginalised backgrounds, as well as those who've had a non-traditional route into the industry.

The six Masterclasses over the summer term included industry professionals including Writer / Directors: Prano-Bailey Bond, Jim Archer, Francis Lee, and alumna Jacqueline Lentzou. Producer and LFS Governor, Olivier Kaempfer, and Director of UK Features at Netflix and alumna, Fiona Lamptey. A total of over 200 students attended the masterclasses which took place over a mixture of online masterclasses and in-person events.

The autumn term masterclasses have already included Kahleen Crawford (Casting Director), Helen Scott (Production Designer), Robyn Forsythe (Line Producer), Mary Nighy (Director), Cooke Optics and Producers; Stephen Woolley with Elizabeth Karlsen together. A total of six more Masterclasses will be held in the autumn term, bringing the total to 12.

### ***Festivals***

LFS filmmakers garnered accolades in a range of festivals and competitions, receiving recognition globally for the quality of their work. LFS graduation films have screened at over two hundred global film festivals since September 2021 – winning over fifty awards. Many films have also been agreed for distribution and we have signed deals with Gunpowder and Sky, Omeleto, Shorts TV, Argo, Seven Palms in the past year.

Highlights include *Glorious Revolution* winning third prize at Cannes Le Cinef, winning the Macgregor-Scott Memorial Award at Hamptons Film Festival, winning Best UK Short at Raindance and going on to screen at many top film festivals including Camerimage, Tel Aviv SFF, Brest, Edinburgh (Nominated Scott McClaren Award), Sarajevo IFF, Sao Paulo SFF amongst others with the director attending Sarajevo Talents Lab, Poitiers Lab and shortlisted for the YUGO BAFTA Student Awards.

## **Achievements and performance** (continued)

### ***Festivals*** (continued)

*Flee* made it to the longlist of the Student Academy Awards, successful grad film *Lontano* also screened at Camerimage in 2021. Other highlights are *after a room* screening at NEST San Sebastian with the filmmakers attending the film school programme, FEST New Directors (Portugal) Filmfest Dresden and BAFICI (Argentina).

*Third Solar Sun* screened at Busan, and Poitiers Lab, Inside Out (Toronto) and In the Palace. *Summer Shade* at the London FF 2021, Aspen and Filmfest Munich, *Garcas* at Indie Lisboa and London Short FF, along with *after a room* and *Some Manifestations of the South*.

Grad film *Caravan* won Best Short Film Award at British Society of Cinematographers and *Sucking Diesel* won Young Directors Award at Cannes Lions. Two films screened at BAFTA and Oscar qualifier Encounters FF in 2021 *Asian Brass* and again, *Some Manifestations of the South*.

Scriptwriters achieved acclaim across a wide breadth of Festivals including Ulla Prida, whose screenplay, *Carajita* premiered at Tribeca Film Festival. Taiyo Yoshida who won Best Film Script for *Get in the Groove* at Film The House, the parliamentary-based film and scriptwriting competition.

### ***Student and alumni achievements***

The MA Screenwriting students developed at least 40 short film scripts, 40 second draft feature screenplays and approximately 25 TV pilots and or TV bibles over the course of the year. Just some of the Screenwriting achievements of the alumni included writer, Beru Tessema, debuting his play, *House Of Ife*, at Bush Theatre in London as part of the theatre's 50th birthday season. Graduate, Ameir Brown's most recent success, saw his project, *A Thousand Blows*, launched for release on Disney+ and joined the writing team for BBC's *The Capture*.

The MA Filmmaking students created over 180 films including 53 Graduate films over the course of the year and the alumni body has secured several accolades and achievements. MA Filmmaking alumna Paula Huidobro was recognised as part of the team behind Academy Award, Best Picture winner, *CODA* as Cinematographer. Catalan Director and LFS alumna Carla Simón won the Berlinale's Golden Bear Award for Best Film with *Alcarràs*. Koby Adom produced a series five short films broadcast on Sky Arts shining a spotlight the

UK's emerging black and diverse talent. The series, *Unearthed Narratives* was created with several LFS alumni; director, Teniola King, cinematographer, Nathalie Pitters and cinematographer, Aaron Reid. Koby Adom also worked directing BBC drama, *Noughts + Crosses* and *Top Boy* for Netflix. Tony Ukpo, MA Filmmaking alumnus, has achieved great success securing not just one but three features on Apple TV. *Aliceville*, *Mum, Dad, Meet Sam*, and *Random 11*, all directed by Tony have been selected to be available on the streaming giant. Horace Ové, who studied for a Diploma in Filmmaking in the 1960s, visited Buckingham Palace and was given his knighthood in the 2022 New Year Honours for services to media.

## **Achievements and performance** (continued)

### ***Student and alumni achievements*** (continued)

Students from MA International Business generated opportunities for and pitched their projects, traveling around the world and meeting industry. Audiovisual Talent Week in Barcelona is an opportunity for emerging talent in the screen industries to connect with professionals from throughout the sector and will sometimes take one student per institution to pitch their projects. This year the event took not one but three graduates from LFS, from the MA International Film Business course.

### ***Graduate Showcase and Honorary Associates***

#### *Graduate Showcase*

Over the past year, London Film School hosted two Graduate Showcase events to ensure Graduates who missed out on celebrating and connecting with industry due COVID, got their chance to celebrate. The first was an online event in January 2022, and the second was the in-person event, the first in-person Graduate Showcase since January 2020.

The online event received a total of 3,400 visitors to the site from 89 countries internationally. The microsite held and showcased grad films, grad scripts as well as script performances and graduate profiles and statements.

A total of 650 attendees came along to the July 2022 Graduate Showcase at the BFI London. The Graduate Showcase Microsite was simultaneously made available for all those who could not attend in person. 50 films from MA Filmmaking graduates were screened both to live audiences and made available on the microsite as well as 44 script performances from MA Screenwriting graduates. The live event also included 13 Presentations, four Panel Events, three Masterclasses and two Drinks Events with participation and projects from all graduates including MA International Film Business graduates.

Press coverage achieved as a result of the Graduates Showcase was achieved with *Variety* & *Directors Notes*. The total reach across the owned channels for communications for the Graduate Showcase included 4.5K unique users to the blog, 3.4k unique users to the microsite and 8.2k users engaged in the social media channels.

Guests described the Showcase as “*a special experience to be a part of – one that I will always cherish from my LFS time. I felt very proud to be an LFS student and a part of such a wonderful and diverse community of filmmakers.*” “*You both curated such a lovely week and made us all feel very special. It was an incredible send off.*” Other comments included “*So much talent gathered amongst the Graduates*” and “*I attended yesterday's fine selection of your graduates short films and was very impressed.*”

#### *Honorary Associates*

As is customary, London Film School announced two new Honorary Associates at its annual showcase in July 2022, held at the BFI Southbank. The Honorary Associates demonstrate the School's connection with the industry, reputation, and continued relevance to the development of film learning in the UK.

## **Achievements and performance** (continued)

### **Graduate Showcase and Honorary Associates** (continued)

London Film School consider the following criteria when appointing the Honorary Associates; outstanding contribution to world cinema, demonstrable interest in emerging creative talent; commitment to aesthetic achievement, craft excellence, creative collaboration, and / or artistic freedom. Honorary Associates are invited on the basis that they represent the full demographic of the School.

The first of the LFS 2022 Honorary Associates, Efe Cakarel is the Founder and CEO of MUBI, a global streaming service, production company and film distributor. He created the streaming platform after he discovered that he couldn't watch *In the Mood for Love* in a café in Tokyo. MUBI was born in 2007 with a commitment to celebrate and expand cinema culture across the world and make films like *In the Mood for Love* accessible to people wherever they are. Previously, Efe was with Goldman Sachs in London and New York. He earned his B.S. in Electrical Engineering and Computer Science from MIT, and MBA from Stanford.

Heidi Thomas, the second LFS Honorary Associate is one of the UK's top dramatists, and her acclaimed career in stage, film and television drama spans more than 30 years. Heidi's classic adaptations for the large and small screen include *Cranford*, *Return To Cranford*, *Madame Bovary*, *Ballet Shoes*, *I Capture The Castle*, and *Little Women*. She also created and wrote the revived *Upstairs Downstairs*, and the original BBC1 drama series, *Lilies*. She wrote the screenplay for the forthcoming movie *Allelujah*, based on the play by Alan Bennett. Her hit BBC show *Call The Midwife* is now in its 12th season and is seen in more than 200 territories worldwide. Heidi was awarded an OBE in the Queen's Birthday Honours List of 2022.

Past Honourees span all areas of the screen industry and in the course of the school's rich history, have included Abi Morgan, Amma Asante, Asif Kapadia, Stephen Frears, Jim Broadbent, Gurinder Chadha, Tessa Ross, Philip French, Walter Murch, Ken Loach and Samantha Morton, alongside the diverse graduates of the School's film programmes.

The Associates remain an integral part of the School's wide-ranging pool of industry experts and student mentors for years to come. The School's Honorary programme is possible with the generous assistance of the School's sponsors: Panalux, Final Draft and Sargent Disc.

### **Financial review**

A summary of the year's results can be found on page 30 of the attached financial statements. Total income for the year was £6,583,827 (2021 – £5,561,877). The majority of the income is from MA tuition fees.

Total expenditure for the year amounted to £6,339,340 (2021 – £5,983,135).

The net movement in funds for the year was a surplus of £244,487 (2021 – deficit of £421,258).

**Financial review** (continued)

***Reserves policy and financial position***

In light of post-pandemic recovery planning and a wider review of the strategic plan for the School going forward, the reserves policy for the School is under review and will be further developed in the coming year. In devising a new reserves policy, Governors will have regard to the School's future plans, liquidity requirements, and proportionate contingency funds against unexpected adverse events.

Previously, Governors have considered that a free reserves level (i.e. those unrestricted funds not invested in tangible fixed assets, designated for specific purposes or otherwise committed) of approximately six months' annual expenditure on unrestricted funds has been appropriate given the nature of the Schools' work.

On 31 August 2022, the School had total funds of £902,625 (2021 – £658,138). Included in total funds is an amount of £20,406 (2021 – £20,406) which is restricted. These monies have either been raised for, and their use restricted to specific purposes, or they comprise donations subject to donor-imposed conditions. Full details of these restricted funds can be found in note 13 to the financial statements together with an analysis of movements in the year.

Unrestricted funds of the charity at 31 August 2022 amounted to £882,219 (2021 – £637,732), which are net of a £1.4m CBILS loan. These funds include tangible fixed assets with a net book value of £203,861 (2021 – £223,551) which are needed for the School's day-to-day operations. Free reserves of the School at 31 August 2022, were £678,358 (2021 – £414,181).

While the free reserves are below the level of 6 months' expenditure stated above, the policy is kept under review. As a contingency and in order to support the School through any further uncertainty in the coming year, the School also arranged a £1.5m loan facility through the Coronavirus Business Interruption Loan Scheme (CBILS) which was drawn down in full in 2020/21, and of which £1.4m remains outstanding at 31 August 2022.

***Fundraising***

The School's fundraising approach is to engage only with trusts, foundations and other grant making institutions. Unlike many similar institutions, the School's business model is wholly geared towards tuition fee income, with grant funding historically making up a fraction of the School's income base. That said, we are thrilled to have been recognised by the Office for Students as a World-leading Specialist Provider as of December 2022, a recognition of the quality of teaching and student output, and an important financial contributor to the School's long-term ambitions to remain a global leader in film education.

The School does not currently actively seek funds from the general public, and therefore is not currently subscribed to any fundraising regulation schemes or standards. There have not been any complaints arising as a result of the School's fundraising activities in the year.

### **Plans for the future**

Our Annual Operating Plan for 2022-23 sets out expected operational performance and initiatives aimed at the development of the School designed to impact directly and positively on our key stakeholders. The plan includes developing and enthusing our people, developing new courses and investing in the infrastructure of the School. Key strategic priorities include:

- ◆ Ensuring that LFS is appropriately resourced and situated in contemporary facilities, matching the excellence in our teaching and delivering a peerless learning experience. Plans are to be realised for the intention to relocate the School to the new Cinecentre building.
- ◆ Ensure our film education is accessible to talented filmmaking students irrespective of background or income, via embedding good EDI practice, enhancing the LFS student experience, and implement recommendations from a commissioned review on the School's student recruitment and admissions activities.
- ◆ Expand our excellent international profile, export best practice around the world and bring new global perspectives to our pedagogy by building on previous successes, developing and executing a new LFS Strategy.
- ◆ Diversify and grow the curriculum, ensuring our film education offer continues to be among the best in the world and is relevant to the film and wider creative industries of today, and tomorrow. Activity will initially be focused on launching a new Masters Degree in Documentary Filmmaking whilst reviewing the School's flagship course MA Filmmaking, all of which supports the continuing development of future financial planning and decision-making.
- ◆ Build new and lasting partnerships and collaborations with industry and relevant institutions and engaging all key stakeholders including those who enable our outreach and development strategy.
- ◆ With the arrival of its new Director in January 2023 the School; will develop a revised strategic plan for the five year period beyond 2022-23.

### **Governance, structure and management**

#### ***Constitution***

London Film School Limited ("LFS" or "the School") is a registered charity (Charity Registration No. 270302) and a company limited by guarantee (Company Registration No. 01197026). The charitable company's memorandum and articles of association dated 20 January 1975 (as amended by special resolution of 21 July 1975 and 21 March 2002) are its primary governing documents.

#### ***Members' liability***

The liability of the members in the event of winding up is limited to 50 pence per member.

**Governance, structure and management** (continued)

**Governors**

The Governors of the School also constitute directors of the charitable company for the purposes of company law and trustees for charity law. This report is also a directors' report as required by section 415 of the Companies Act 2006. The Governors who held office during the financial year and at the date of signing this report are set out on page 1.

Governors are appointed by election at the Annual General Meeting (AGM). The Student Governor is elected by students and the Staff Governor is elected by the staff.

Members of the Management Team, as set out on page 1, cannot be appointed as Governors of the School.

Interim Director Peter Holliday intends to re-join the Board of Governors following his departure from the Management Team as Interim Director.

The size of the Governing Body is set between 8 and 25 Governors. Approximately one third of the Governing Body retire annually, by rotation in order of seniority, and can offer themselves for re-election at the AGM.

The Nominations Committee undertakes a skills analysis of the Governing Body and role profiles are agreed, against which the School recruits new Governors. Governors must have empathy with film and the creative industries. Newly appointed Governors receive a full induction to the School, bespoke to their needs. The Governing Body regularly holds an away day, joined by members of the Management Team.

**Organisation**

The Governing Body met five times in the year, from 1st September 2021 until 31st August 2022.

Its governance structure includes four committees:

- ◆ a Nominations Committee to oversee the appointment, induction and development of its governors;
- ◆ a Remuneration Committee to decide and agree the remuneration for the Director and senior members of staff,
- ◆ an Audit & Risk Committee to advise on risk, internal control, governance and promoting value for money; and
- ◆ a Relocation Committee, to review the School's estates strategy and oversee progress on renewing its facilities.

The Governing Body also receives minutes from the Academic Board as a line of sight on all academic matters.

The day-to-day running of the School is delegated to the Director and the Management Team.

**Governance, structure and management** (continued)

***Key management personnel***

The key management personnel of the School comprise the Governors and the Management Team.

The Management Team are a dedicated team of management personnel that have the authority and responsibility of planning, directing and controlling the activities of the School, directly or indirectly. Within the School this includes the Director, Director of Studies, Chief Operating Officer, Head of Marketing & Student Recruitment, Academic Registrar, Financial Controller and Head of HR. Since September 2021, Course Leaders for each of the MA programmes have also joined the Management Team, ensuring greater visibility of academic matters and greater academic inclusion. The Management Team meets formally on a fortnightly basis, with minutes of each meeting shared with all staff.

***Statement of governors' responsibilities***

The Governors (who are also directors of The London Film School Limited for the purposes of company law) are responsible for preparing the governors' report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Governors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the income and expenditure of the charitable company for that period. In preparing these financial statements, the Governors are required to:

- ◆ select suitable accounting policies and then apply them consistently;
- ◆ observe the methods and principles in Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102);
- ◆ 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 the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The Governors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company 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 charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**Governance, structure and management** (continued)

**Statement of governors' responsibilities** (continued)

Each of the Governors confirms that:

- ◆ as far as they are aware, there is no relevant audit information of which the charitable company's auditor is unaware; and
- ◆ they have taken all the steps that they ought to have taken as a governor in order to make themselves aware of any relevant audit information and to establish that the charitable company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

**Risk management**

The Governors have assessed the major risks to which the charity is exposed, in particular those relating to the specific operational areas of the School and its finances. The Governors believe that by monitoring reserves levels, by ensuring controls exist over key financial systems, and by examining the operational and business risks faced by the School, they have established effective systems to mitigate those risks. Our keys risks include:

*Student Recruitment*

The UK Higher Education sector continued to face this particularly challenging, uncertain and daunting time, as institutions continued to navigate their way through a second year of the pandemic and the prolonged impacts of COVID-19.

The easing of restrictions over the last academic year allowed LFS to successfully deliver its MA provision in-person, and cautiously phrase out blended learning, in order to safely welcome students back to forms of physical teaching.

Despite the uncertainty around COVID-19 and the associated impacts on course provisions and delivery, LFS was able to capitalise upon the 86% increase in MA Filmmaking and 42% increase in MA Screenwriting applications from 2020 and 2019 respectively, to have a very healthy pipeline for September 2021 and early 2022 intakes. The large number of applications in the pipeline was a testament to the strength of the London Film School brand and resilience of our applicants who were determined to join LFS despite the delay in their initial planning.

MA Filmmaking admissions from UK students were sustained between 2021 and 2022 despite COVID-19 and MA International Film Business admissions from Home students increased fivefold in the same period, and by 11% in total.

The quantity of applications in the pipeline meant that for MA Filmmaking in September 2021, we were only able to open for Home applications for the last remaining places. We also welcomed one of our largest ever Summer intakes for MA Filmmaking, with a 50% increase in enrolments for May 2022.

**Governance, structure and management** (continued)

***Risk management*** (continued)

*Student Recruitment* (continued)

In turn, nearly a third of our enrolled students to MA Screenwriting for September 2021 were deferred applicants from September 2020. In common with other UK Higher Education Providers, London Film School continued to experience a drop in the number of EU/EEA Applications.

LFS's strategic aims for 2022 includes improving the diversification of its student body. To address that, LFS commissioned a review of the School's Student Recruitment and Admissions provisions. Recommendations and subsequent actions include modernising the Admissions CRM systems scheduled for roll out by January 2023. Doing so, addresses a range of matters such as the importance of the above-mentioned deferral engagement.

Meanwhile, LFS continues to monitor its funding provisions for both Home and International markets, having continued to participate in the Postgraduate Loan Scheme, the Leverhulme Arts Scholarship, BAFTA UK Scholarship Scheme as well as the William D. Ford Direct Student Loan Program authorised by the US Education Department. LFS taking part in these Schemes provides access to talented filmmakers who otherwise would not be able to participate in Higher Education.

*Regulatory Environment*

As a registered Higher Education Provider under the Office for Students, LFS is subject to considerable regulatory oversight aimed at ensuring its courses offer high levels of quality and value for money. In order to ensure ongoing compliance with the regulatory environment the School has made further progress in reviewing and updating the School's policy frameworks, with an emphasis on quality assurance, and regular internal monitoring and reviews.

LFS' continued membership of CILECT, the confederation of international film schools, and also of GuildHE, ensures it has a supportive network of providers in the same field with whom to share and learn best practice.

LFS is also subject to considerable regulatory oversight from our validating partners the University of Warwick and ~~the~~ delivery partner (for the MA International Film Business and PhD programmes) the University of Exeter to ensure that its courses offer high level of quality and student outcomes.

**Governance, structure and management** (continued)

***Risk management*** (continued)

*Facilities*

The School's ageing facilities in Covent Garden continue to present daily challenges in the delivery of our teaching and film exercises. Since our last annual report, the Governors and executive have undertaken a thorough review of the School's existing estates and revisited assumptions for future space needs, leading to the identification of a new proposed relocation site within the same geographical area, offering a step-change in quality, more space and more flexibility in space use, and an affordable solution within the School's current footprint. More details can be found under Objectives & Activities.

***Relationship with other organisations***

In pursuit of its strategic objectives of building new connections, the School works with several organisations across screen industries, training partners and public bodies: including training partners such as ScreenSkills, the University of Exeter, University of Warwick, NAHEMI, CILECT, the Deutsche Film und Fernsehakademie Berlin (DFFB), UGC Series Mania and the National Saturday Club.

Screen industry partners such as Panalux, many film festivals, plus platforms including MUBI and Omeleto, support the distribution work of LFS's fresh filmmaking talent around the world.

To support alignment and complementarity with other initiatives in the UK, partners across UK-wide, and London-specific public bodies have included the British Film Institute, Film London's Equal Access Network, Creative England's iFeatures scheme, the British Council and many more.

Approved by the Governing Body and signed on its behalf by:



Greg Dyke  
Chair of Governors

Approved by the Governors on: 12 January 2023

## Statement of corporate governance and internal control

The following statement is provided to enable readers of the annual report and financial statements of London Film School Limited to obtain a better understanding of its governance and legal structure. The statement covers the period from 1 September 2021 to 31 August 2022 and up to the date of the approval of the annual report and financial statements.

The School endeavours to conduct its business:

1. Having due regard to the UK Corporate Governance Code 2018 in so far as it is applicable to the Higher Education Sector; and
2. Complying with Office for Students on-going conditions or regulations and terms of conditions of funding as well as other regulatory responsibilities.

We have adopted the UK Corporate Governance Code. We have reported on our Corporate Governance arrangements by drawing upon best practice available, including those aspects of the UK Corporate Governance Code that we consider relevant to the Higher Education Sector.

The Governors recognise that the School, as a body entrusted with both public and private funds, has a particular duty to observe the highest standards of corporate governance at all times.

### Legal Status

The London Film School is a Registered Charity and a Private Limited Company by guarantee without share capital.

The Governors confirm that they have due regard for the Charity Commission's guidance on public benefit and that the required statement appears elsewhere within these financial statements.

### Governors

The members who served as Governors during the year and up to the date of signature of this report are listed below.

<b>Governor</b>	<b>Appointed/Resigned</b>
Greg Dyke (Chair)	
Amanda Nevill (Vice Chair)	
Kemal Akhtar	
Peter Armstrong	Resigned 14 October 2021
Suzy Black	
Diane Herbert	Resigned 15 September 2021
Rhys Holland (Student Governor)	Resigned 31 July /2022
Peter Holliday	Resigned 15 May 2022
Nick Humby	
Olivier Kaempfer	
William MacPherson	
Cindy Rampersaud	
Gregory Randolph (Student Governor)	Appointed 31 July 2022
Joan Watson	
Sophia Wellington (Staff Governor)	

## **Statement of corporate governance and internal control**

### **Governors' interests**

Governors are shown above and except for any instance mentioned above have served throughout the year. None of the Governors have any interests within the company.

### **Meeting procedures**

Formal agendas, papers and reports are supplied to the Governors in a timely manner, prior to Governing Body meetings. Briefings are also provided on an ad hoc basis. Reports include overall financial performance of the School together with other information such as performance against funding targets, proposed capital expenditure, quality matters and personnel related matters such as health and safety issues. The Governing Body met 6 times in 2021/22.

The Governing Body receives advice on the conduct of its business from five committees. Each committee has its own terms of reference which have been approved by the Governing Body. These committees are: Audit and Risk; Nominations; Remuneration; Relocation; and the Academic Board.

London Film School has a strong and independent non-executive element, and no individual or group dominates its decision-making process. The School considers that each of its non-executive members is independent of management and free from any business or other relationship which could materially interfere with exercise of their independent judgement.

There is a clear division of responsibility in that the roles of the Chair and Accounting Officer are separate.

### **Appointment to the Governing Body**

The Nominations Committee undertakes a skills analysis of the Governing Body and role profiles are agreed, against which the School recruits new Governors. New Governors must have empathy with film and creative art industries. Their induction includes a tour of the School, screenings and from time to time an away day attended by the Governing Body, the principal officers and the wider Management Team. An information pack about the School is also given to each new Governor.

### **Governing Body performance**

The Governing Body has made a strong contribution to the improvements made in 2020/21 through the setting of challenging targets with regular scrutiny of performance. There is strong performance management at Governing Body meetings. The Governors provide robust scrutiny and challenge. Governors are pro-active in their oversight of the School and are involved in the planning and discharging of Governing Body business.

## Statement of corporate governance and internal control

### Committees

#### ***Audit and Risk Committee***

The Audit and Risk Committee is responsible to the Governing Body in discharging its responsibilities for monitoring the integrity of the Institute's financial statements, the effectiveness of financial controls with regard to internal risk assessment and the performance and objectivity of external auditors.

The members who served on the committee during the year and up to the date of signature of this report are listed below.

<b>Governor</b>	<b>Appointed/Resigned</b>
Cindy Rampersaud (Committee Chair)	
Tamsin Ashmore (co-opted member)	Retired 20 June 2022
Peter Holliday	Retired 15 May 2022
Nick Humby	
William McPherson	
Joan Watson	

The Audit & Risk Committee is responsible for the following:

- ◆ To appoint external auditors and agree the audit fee, meet with the external auditors to discuss the scope and nature of the audit and to discuss the findings included within the management letter and management responses.
- ◆ To satisfy itself that all public funds received by the Institute are managed in line with regularity, propriety, and value for money.
- ◆ To satisfy itself that satisfactory arrangements are in place to promote best value, and to monitor other performance as shall be deemed to be reliable and appropriate measures of effectiveness.

### Internal Control

#### ***Scope of responsibility***

The Governing Body is ultimately responsible for the organisations' system of internal control and for reviewing its effectiveness. However, such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives and can only provide reasonable and not absolute assurance against material misstatement or loss.

The Governing Body has delegated the day-to-day responsibility to the Director & CEO, as Accounting Officer, for maintaining a sound system of internal control that supports the achievement of the organisations policies, aims and objectives, whilst safeguarding the public funds and assets. The Accounting Officer is also responsible for reporting to the Governing Body any material weaknesses or breakdowns in internal control.

## Statement of corporate governance and internal control

### Internal Control (continued)

#### ***The purpose of the system of internal control***

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure and can only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of organisation policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place at the organisation for the year ended 31 August 2022 and up to the date of approval of the annual report and financial statements.

#### **Capacity to handle risk**

The Governors have reviewed the key risks to which the organisation is exposed, together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Governors are of the view that there was a formal on-going process for identifying, evaluating and managing the School's significant risks that had been in place for the year ended 31 August 2022 an up to the date of approval of the annual report and financial statements.

#### **The risk and control framework**

The system of internal control is based on a framework of regular management information, administrative procedures including the segregation of duties, and a system of delegation and accountability. It includes:

- ◆ comprehensive budgeting systems with an annual budget which is reviewed and agreed by the Governors
- ◆ regular reviews by the Governing Body of periodic and annual financial reports which indicate financial performance against forecasts
- ◆ setting targets to measure financial performance
- ◆ the adoption of formal project management disciplines, where appropriate.

#### **Review of effectiveness**

The Accounting Officer delegates to the Financial Controller the responsibility for reviewing the effectiveness of the system of internal control. The Financial Controller's review of the effectiveness of the system of internal control is informed by:

- ◆ the work of the external auditors;
- ◆ the work of the senior managers within the organisation who have responsibility for the development and maintenance of the internal control framework; and
- ◆ comments made by the organisation's financial statements and regularity auditors in their management letters and other reports.

There are no significant internal control weaknesses reported for the period.

## Statement of corporate governance and internal control

### Review of effectiveness (continued)

The Management Team receives reports setting out key performance and risk indicators and considers possible control issues brought to their attention by early warning mechanisms, which are embedded within the departments. The Management Team and the Audit and Risk Committee also receive regular reports, which include recommendations for improvement.

The Audit and Risk Committee's role in this area is confined to a high-level review of the arrangements for internal control. The Governors' agenda includes a regular item for consideration of risk and control and receives reports thereon from the Management Team and the Audit and Risk Committee.

The emphasis is on obtaining the relevant degree of assurance and not merely reporting by exception. At its 12 January 2022 meeting, the governors carried out the annual assessment for the year ended 31 August 2022 by considering documentation from the Management Team and taking account of events since 31 August 2021.

Based on above and reports by the Director & CEO, the Governing Body is of the opinion that the organisation has an adequate and effective framework for governance, risk management and control to manage the achievements of the School's objectives for the year ended 31 August 2022 and it has fulfilled its statutory responsibility for "the effective and efficient use of resources, the solvency of the institution and the safeguarding of their assets".

### Regularity, propriety, and compliance

The School has considered its responsibility to notify the Office for Students of material irregularity, impropriety and non-compliance with Office for Students terms and conditions of funding.

We confirm, on behalf of the School, that after due enquiry and to the best of its knowledge, the Governing Body believes it is able to identify any material irregularity or improper use of funds by the School, or material non-compliance with terms and conditions of funding under the organisations financial regulations. As part of our consideration we have had due regard to our financial regulations. We confirm that no instances of material irregularity, impropriety or funding non-compliance have been discovered to date. If any instances are identified after the date of this statement these will be notified to the Office for Students.

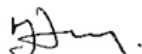
### Going Concern

Details on Governors' going concern assessment are set out on pages 333 and 34.

Approved by the Governing Body and signed on its behalf by:



Greg Dyke  
Chair of Governors



Peter Holliday  
Director & CEO (Accounting Officer)

Date: 12 January 2023

## **Independent auditor's report to the members of The London Film School Limited**

### **Opinion**

We have audited the financial statements of The London Film School Limited (the 'charitable company') for the year ended 31 August 2022 which comprise the statement of financial activities, the balance sheet, the statement of cash flows 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).

In our opinion, the financial statements:

- ◆ give a true and fair view of the state of the charitable company's affairs as at 31 August 2022 and of its income and expenditure, changes in reserves and cash flows for the year then ended;
- ◆ have been properly prepared in accordance with UK Generally Accepted Accounting Practice;
- ◆ have been prepared in accordance with the requirements of the Companies Act 2006;
- ◆ where applicable, funds from whatever source administered by the provider for specific purposes have been properly applied to those purposes and managed in accordance with relevant legislation;
- ◆ where applicable, funds provided by the OfS and by Research England have been applied in accordance with the relevant terms and conditions; and
- ◆ meet the requirements of the Office for Student's Accounts Direction 2021/22.

### **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 that are 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 relating to going concern**

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

**Conclusions relating to going concern** (continued)

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 Governors with respect to going concern are described in the relevant sections of this report.

**Other information**

The Governors 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.

In connection with our audit of the financial statements, 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.

**Opinions on other matters prescribed by the Companies Act 2006**

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

- ◆ the information given in the Governors' report, which is also the directors' report 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 Governors' report, which is also the directors' report for the purposes of company law, has been prepared in accordance with applicable legal requirements.

**Matters on which we are required to report by exception**

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 Governors' 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

**Matters on which we are required to report by exception** (continued)

- ◆ the financial statements are not in agreement with the accounting records and returns; or
- ◆ certain disclosures of Governors' remuneration specified by law are not made; or
- ◆ we have not received all the information and explanations we require for our audit; or
- ◆ the Governors were not entitled to take advantage of the small companies' exemptions from the requirement to prepare a strategic report.

We have nothing to report in respect of the following matter in relation to which the OfS Accounts Direction 2021/22 requires us to report to you if, in our opinion:

- ◆ the charitable company's grant and fee income, as disclosed in note 1 to these Financial Statements has been materially misstated.

**Responsibilities of governors**

As explained more fully in the Governors' responsibilities statement, the Governors 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 Governors 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 Governors 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 Governors 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**

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.

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:

**Auditor's responsibilities for the audit of the financial statements** (continued)

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- ◆ the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- ◆ we identified the laws and regulations applicable to the charitable company through discussions with management, and from our knowledge and experience of the sector;
- ◆ we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the charitable company, including the Charities SORP FRS 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Charities Act 2011, the OfS Accounts Direction, data protection legislation, anti-bribery, safeguarding, employment, health and safety legislation;
- ◆ we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- ◆ identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the charitable company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- ◆ making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- ◆ considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- ◆ performed analytical procedures to identify any unusual or unexpected relationships;
- ◆ tested journal entries to identify unusual transactions; and
- ◆ assessed whether judgements and assumptions made in determining the accounting estimates set out in the accounting policies were indicative of potential bias;

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- ◆ agreeing financial statement disclosures to underlying supporting documentation;
- ◆ reading the minutes of Board of Governors meetings;
- ◆ enquiring of management as to actual and potential litigation and claims; and

**Auditor's responsibilities for the audit of the financial statements** (continued)

- ◆ reviewing any available correspondence with HMRC and the charitable company's legal advisors.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the Governors' and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://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.

A handwritten signature in black ink that reads "Buzzacott LLP". The signature is written in a cursive, stylized font with a long horizontal line extending from the end of the letters.

Gumayel Miah (Senior Statutory Auditor)  
For and on behalf of Buzzacott LLP, Statutory Auditor  
130 Wood Street  
London  
EC2V 6DL

Date: 8 February 2023

**Statement of financial activities** Year to 31 August 2022

	Notes	Unrestricted funds £	Restricted funds £	2022 Total funds £	Unrestricted funds £	Restricted funds £	2021 Total funds £
<b>Income from:</b>							
Donations	1	15	—	15	10	—	10
Charitable activities	2	6,324,468	89,464	6,413,932	5,281,246	60,767	5,342,013
Investments		1,919	—	1,919	298	—	298
Other income							
. Surplus on disposal of equipment	9	—	—	—	150,000	—	150,000
. Miscellaneous income		128,720	39,241	167,961	69,556	—	69,556
<b>Total income</b>		<b>6,455,122</b>	<b>128,705</b>	<b>6,583,827</b>	<b>5,501,110</b>	<b>60,767</b>	<b>5,561,877</b>
<b>Expenditure on:</b>							
Raising funds	3	40,922	—	40,922	40,340	—	40,340
Charitable activities							
. Provision of education	4	6,169,713	128,705	6,298,418	5,887,028	55,767	5,942,795
<b>Total expenditure</b>		<b>6,210,635</b>	<b>128,705</b>	<b>6,339,340</b>	<b>5,927,368</b>	<b>55,767</b>	<b>5,983,135</b>
<b>Net income (expenditure) and net movement in funds</b>	6	<b>244,487</b>	<b>—</b>	<b>244,487</b>	<b>(426,258)</b>	<b>5,000</b>	<b>(421,258)</b>
<b>Reconciliation of funds</b>							
Fund balances brought forward at 1 September		637,732	20,406	658,138	1,063,990	15,406	1,079,396
Fund balances carried forward at 31 August		882,219	20,406	902,625	637,732	20,406	658,138

There is no difference between the net movement in funds stated above and the historical cost equivalent.

All of the charitable company's activities are derived from continuing operations during the above two financial periods.

The charitable company has no recognised gains and losses other than those shown above.

**Balance sheet** 31 August 2022

	Notes	2022 £	2022 £	2021 £	2021 £
<b>Fixed assets</b>					
Tangible fixed assets	9		<b>203,861</b>		223,551
<b>Current assets</b>					
Debtors	10	<b>898,083</b>		582,193	
Cash at bank and in hand		<b>3,438,540</b>		3,347,133	
		<b>4,336,623</b>		3,929,326	
<b>Creditors:</b> amounts falling due within one year	11	<b>(2,537,859)</b>		(2,094,739)	
<b>Net current assets</b>			<b>1,798,764</b>		1,834,587
<b>Total assets less current liabilities</b>			<b>2,002,625</b>		2,058,138
<b>Creditors:</b> amounts falling due after more than one year	12		<b>(1,100,000)</b>		(1,400,000)
<b>Net assets</b>			<b>902,625</b>		658,138
<b>The funds of the charity</b>					
Restricted funds	13		<b>20,406</b>		20,406
Unrestricted funds					
. General fund		<b>678,358</b>		414,181	
. Tangible fixed assets fund	14	<b>203,861</b>		223,551	
. Designated funds	15	<b>—</b>		—	
			<b>882,219</b>		637,732
<b>Total funds</b>	16		<b>902,625</b>		658,138

Approved by the governors and signed on their behalf by:



Greg Dyke  
Chair of Governors

Approved on: 12 January 2023

London Film School Limited  
Company Limited by Guarantee  
Registration Number 01197026 (England and Wales)

Statement of cash flows 31 August 2022

	Notes	2022 £	2021 £
<b>Cash flows from operating activities:</b>			
Net cash provided by operating activities	A	<b>157,633</b>	395,725
<b>Cash flows from investing activities:</b>			
Investment income		1,919	298
Interest payable		(16,090)	—
Payments to acquire tangible fixed assets		(52,055)	(16,395)
<b>Net cash used in investing activities</b>		<b>(66,226)</b>	(16,097)
<b>Change in cash and cash equivalents in the year</b>		<b>91,407</b>	379,628
<b>Cash and cash equivalents at 1 September</b>	B	<b>3,347,133</b>	2,967,505
<b>Cash and cash equivalents at 31 August</b>	B	<b>3,438,540</b>	3,347,133

Notes to the statement of cash flows for the year ended 31 August 2022

**A Reconciliation of net movement in funds to net cash provided by operating activities**

	2022 £	2021 £
<b>Net movement in funds (as per the statement of financial activities)</b>	<b>244,487</b>	(421,258)
<b>Adjustments for:</b>		
Depreciation and impairment of assets	71,745	58,394
Surplus on disposal of equipment	—	(150,000)
Investment income	(1,919)	(298)
Interest payable	16,090	—
(Increase) decrease in debtors	(315,890)	2,373
Increase in creditors	143,120	906,514
<b>Net cash provided by operating activities</b>	<b>157,633</b>	395,725

**B Analysis of changes in net debt**

	2021 £'000	Cash flows £'000	2021 £'000
Cash at bank and in hand	3,347,133	91,407	3,438,540
CBILS loan	(1,500,000)	100,000	(1,400,000)
<b>Total net debt</b>	<b>1,847,133</b>	<b>191,407</b>	<b>2,038,540</b>

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are laid out below.

#### **Basis of preparation**

These financial statements have been prepared for the year to 31 August 2022 and are presented in sterling and are rounded to the nearest pound.

The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant accounting policies below or the notes to these financial statements.

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) (Charities SORP FRS 102) issued on 16 July 2014, the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

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

#### **Critical accounting estimates and areas of judgement**

Preparation of the financial statements requires the Governors and management to make significant judgements and estimates.

The items in the financial statements where these judgements and estimates have been made include:

- ◆ estimating the useful economic life of tangible fixed assets;
- ◆ determining the provision for bad and doubtful debts;
- ◆ determining the value of provisions for liabilities;
- ◆ determining the point from which costs incurred in relation to the development project should be capitalised and the likelihood of completion of the project; and
- ◆ estimating the School's income and expenditure flows for the purpose of preparing cash flow forecasts and budgets to assist in the assessment of going concern

#### **Assessment of going concern**

The Governors have assessed whether the use of the going concern assumption is appropriate in preparing these financial statements. The Governors have made this assessment in respect to a period of one year from the date of approval of these financial statements.

**Assessment of going concern** (continued)

In the course of preparing these accounts the Governing Body have had regard to the School's financial forecasts, including a series of 'reasonable worst case' scenarios such as shortfalls in student recruitment, overruns in capital project costs, and delay or cancellation of the launch of new course offerings. The likely impact of inflation on running costs and knock-on effects of cost of living pressures on operational matters including pay, recruitment and retention have also been modelled.

Balanced against these downside pressures are improvements in several key aspects of the School's operating environment: firstly, the projected absence of any further material costs for delivering under COVID (or similar) restrictions. Secondly, the award of World-Leading Specialist Provider status carries a significant funding commitment from the Office for Students. Thirdly, the School's 2021/22 outturn was an improvement on in-year forecasts and largely reflects considerable improvements in financial control, monitoring and forecasting introduced during the year.

Taken together, the Governing Body have concluded that there are no material uncertainties relating to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern.

**Income recognition**

Income is recognised in the period in which the charity has entitlement to the income, the amount of income can be measured reliably and it is probable that the income will be received.

Income comprises grants and donations, tuition fees and charges, interest received and other income.

Donations are recognised when the charity has confirmation of both the amount and settlement date. In the event of donations pledged but not received, the amount is accrued for where the receipt is considered probable. In the event that a donation is subject to conditions that require a level of performance before the charity 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 charity and it is probable that those conditions will be fulfilled in the reporting period.

Income from charitable activities includes tuition fees and grants. The income is generally recognised in the period to which the fees or grants relate.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

### **Expenditure recognition**

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to make a payment to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis and includes attributable VAT which cannot be recovered.

Expenditure comprises the costs of charitable activities including expenditure on the provision of education and associated support and governance costs.

### **Tangible fixed assets**

All assets costing more than £2,000 and with an expected useful life exceeding one year are capitalised.

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided to write off the cost less estimated residual value of each asset on a straight line basis over its expected useful life as follows:

- ◆ Cinema equipment - five years
- ◆ Fixtures, fittings and equipment - five years

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments.

### **Debtors**

Debtors are recognised at their settlement amount, less any provision for non-recoverability. Prepayments are valued at the amount prepaid. They have been discounted to the present value of the future cash receipt where such discounting is material.

### **Cash at bank and in hand**

Cash at bank and in hand represents such accounts and instruments that are available on demand or have a maturity of less than three months from the date of acquisition.

### **Creditors and provisions**

Creditors and provisions are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Creditors and provisions are recognised at the amount the charity anticipates it will pay to settle the debt.

### **Financial instruments**

The School only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the School and their measurement basis are as follows:

*Financial assets* – other debtors are basic financial instruments and are debt instruments measured at amortised cost. Listed investments are a basic financial instrument as detailed above. Prepayments are not financial instruments.

*Cash at bank* – classified as a basic financial instrument and is measured at face value.

*Financial liabilities* – accruals and other creditors are financial instruments, and are measured at amortised cost.

### **Pension costs**

Contributions by the School in respect to a defined contribution pension scheme are charged to the statement of financial activities in the period in which they are payable.

### **Leased assets**

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged on a straight-line basis over the lease term.

### **Fund structure**

Restricted funds comprise monies raised for, or their use restricted to, a specific purpose, or contributions subject to donor imposed conditions.

Designated funds comprise those resources which may be used towards meeting the charitable objectives of the School, but which have been set aside out of the general funds and designated for specific purposes by the Governors.

The tangible fixed assets fund comprises non-liquid funds represented by the net book value of tangible fixed assets.

The unrestricted general fund represents those monies which are freely available for application towards achieving any charitable purpose that falls within the School's charitable objects.

## 1 Donations

	Unrestricted funds £	Restricted funds £	Total funds 2022 £
<b>2022 Total funds: Donations for development project</b>	<b>15</b>	<b>—</b>	<b>15</b>
<i>2021 Total funds: Donations for development project</i>	<i>10</i>	<i>—</i>	<i>10</i>

## 2 Income from charitable activities

	Unrestricted funds £	Restricted funds £	2022 Total funds £
Tuition fees and charges	6,417,020	—	<b>6,417,020</b>
Less: bursaries awarded	(92,552)	—	<b>(92,552)</b>
	<b>6,324,468</b>	<b>—</b>	<b>6,324,468</b>
Grant income from the Office for Students	—	87,443	<b>87,443</b>
Other grants	—	2,021	<b>2,021</b>
	<b>6,324,468</b>	<b>89,464</b>	<b>6,413,932</b>

	Unrestricted funds £	Restricted funds £	2021 Total funds £
<i>Tuition fees and charges</i>	<i>5,399,120</i>	<i>—</i>	<i>5,399,120</i>
<i>Less: bursaries awarded</i>	<i>(117,874)</i>	<i>—</i>	<i>(117,874)</i>
	<i>5,281,246</i>	<i>—</i>	<i>5,281,246</i>
<i>Grant income from the Office for Students</i>	<i>—</i>	<i>44,116</i>	<i>44,116</i>
<i>Other grants</i>	<i>—</i>	<i>16,651</i>	<i>16,651</i>
	<i>5,281,246</i>	<i>60,767</i>	<i>5,342,013</i>

During the year ended 31 August 2022, 8 (2021 – 9) students received a bursary to support their tuition fees. The amounts shown above include £53,311 (2021 - £55,433) directly from the School, in 2022, and £39,241 (2021 - £62,441) from funding received from the Leverhulme Trust.

### 3 Expenditure on raising funds

	Unrestricted funds £	Restricted funds £	2022 Total funds £
Staff costs	40,922	—	<b>40,922</b>
<b>2022 Total funds</b>	<b>40,922</b>	<b>—</b>	<b>40,922</b>

	Unrestricted funds £	Restricted funds £	2021 Total funds £
Staff costs	40,340	—	40,340
2021 Total funds	40,340	—	40,340

### 4 Expenditure on charitable activities – provision of education

	Unrestricted funds £	Restricted funds £	2022 Total funds £
Direct costs			
. Staff costs	1,960,118	51,665	<b>2,011,783</b>
. Visiting lectures	545,671	14,383	<b>560,054</b>
. Premises	464,392	8,261	<b>472,653</b>
. Production allowances and costs	613,194	13,697	<b>626,891</b>
. Repairs and technical maintenance	99,640	1,772	<b>101,412</b>
. Depreciation	70,307	1,438	<b>71,745</b>
. IT costs	91,775	—	<b>91,775</b>
. Marketing costs	74,487	—	<b>74,487</b>
. Other costs	654,159	10,264	<b>664,423</b>
	<b>4,573,743</b>	<b>101,480</b>	<b>4,675,223</b>
Support costs			
. Staff costs	1,143,974	17,312	<b>1,161,286</b>
. Legal and professional	70,782	821	<b>71,603</b>
. Other costs	274,951	7,442	<b>282,393</b>
. Governance costs (note 5)	106,263	1,650	<b>107,913</b>
	<b>1,595,970</b>	<b>27,225</b>	<b>1,623,195</b>
<b>2022 Total funds</b>	<b>6,169,713</b>	<b>128,705</b>	<b>6,298,418</b>

**4 Expenditure on charitable activities – provision of education (continued)**

	Unrestricted funds £	Restricted funds £	2021 Total funds £
<i>Direct costs</i>			
. Staff costs	1,695,671	17,364	1,713,035
. Visiting lectures	770,058	7,886	777,944
. Premises	427,024	4,195	431,219
. Production allowances and costs	268,335	3,595	271,930
. Repairs and technical maintenance	111,885	1,196	113,081
. Depreciation	57,670	724	58,394
. IT costs	123,909	—	123,909
. Marketing costs	59,779	—	59,779
. Other costs	882,730	8,246	890,976
	<u>4,397,061</u>	<u>43,206</u>	<u>4,440,267</u>
<i>Support costs</i>			
. Staff costs	1,068,501	6,735	1,075,236
. Legal and professional	20,082	510	20,592
. Other costs	302,514	4,599	307,113
. Governance costs (note 5)	98,870	717	99,587
	<u>1,489,967</u>	<u>12,561</u>	<u>1,502,528</u>
<b>2021 Total funds</b>	<u>5,887,028</u>	<u>55,767</u>	<u>5,942,795</u>

**5 Governance costs**

	Unrestricted funds £	Restricted funds £	2022 Total funds £
Audit and advisory fees	37,811	369	<b>38,180</b>
Other professional costs	68,452	1,281	<b>69,733</b>
<b>2022 Total funds</b>	<u>106,263</u>	<u>1,650</u>	<u><b>107,913</b></u>
	<u>£</u>	<u>£</u>	<u>£</u>
<i>Audit and advisory fees</i>	29,129	211	29,340
<i>Other professional costs</i>	69,741	506	70,247
<b>2021 Total funds</b>	<u>98,870</u>	<u>717</u>	<u>99,587</u>

## 6 Net income (expenditure) and net movement in funds

This is stated after charging:

	2022 £	2021 £
Depreciation – owned assets	71,745	58,394
Operating lease rentals – Land and buildings	329,946	322,927
Operating lease rentals – Equipment hire	150,358	314,123
Auditor's remuneration (including VAT)		
. Statutory audit	27,000	21,000
. Other services	8,000	6,000
Staff costs (including visiting lecturers) (note 7)	<b>3,733,123</b>	3,606,555

## 7 Staff costs

	2022 £	2021 £
Wages and salaries	2,764,851	2,540,243
Social security costs	258,965	230,663
Pension costs	63,550	57,705
	<b>3,087,366</b>	2,828,611
Compensation for loss of office	85,703	—
	<b>3,173,069</b>	2,828,611

In addition to the staff costs disclosed above, the amount paid to visiting lecturers used by the School in year was £560,054 (2021 – £794,477).

The average number of employees, excluding visiting lecturers and temporary staff, during the year was as follows:

	2022 Number	2021 Number
Provision of education		
. Academic staff	41	42
. Support staff	22	20
	<b>63</b>	62

The number of employees who earned £60,000 per annum or more (including taxable benefits but excluding employer pension contributions) during the year was as follows:

	2022 Number	2021 Number
£60,001 - £65,000	4	1
£70,001 - £75,000	1	—
£75,001 - £80,000	2	1
£80,001 - £85,000	—	—
£90,001 - £95,000	—	1
£95,001 - £100,000	—	1
	<b>7</b>	4

**7 Staff costs** (continued)

The key management personnel of the charity in charge of directing and controlling, running and operating the charity comprise the governors and the Management Team. The total remuneration (including taxable benefits and employer's pension contributions) of the key management personnel for the year was £783,147 (2021 – £597,905).

During the year, staff governors received remuneration only in relation to their roles as staff members. No member(s) of the governing body received any remuneration in respect of their services as governors during the year (2021 – £nil).

No expenses were reimbursed to the governing body members during the year (2021 - £nil).

**Remuneration of Director and Chief Executive Officer**

	CEO to 31 May 2022 £	Interim CEO from 1 June 2022 £	<b>Total 2022 £</b>	Total 2021 £
Basic salary	73,402	24,091	<b>97,493</b>	95,950
Bonus	—	—	<b>—</b>	—
Pension contribution	990	147	<b>1,137</b>	1,316
Compensation for loss of office	85,703	—	<b>85,703</b>	—
	<u>160,095</u>	<u>24,238</u>	<b><u>184,333</u></b>	<u>97,266</u>

The remuneration package of senior members of staff, including the Director and Chief Executive Officer, is subject to review by the Remuneration Committee who use benchmarking information to provide objective guidance.

The Director and Chief Executive Officer reports to the Chair of the Board, who undertakes an annual review of his performance against the School's overall objectives using both qualitative and quantitative measures of performance.

	<b>2022 £</b>	2021 £
Chief Executive's basic salary as a multiple of the median of all staff	<b>2.72</b>	2.83
Chief Executive's total remuneration as a multiple of the median of all staff	<b>5.11*</b>	2.81

During 2021/22 the Chief Executive Officer retired from the School on 31 May, 2022 and an interim Chief Executive Officer joined the School on 16 May, 2022 on a 0.8 FTE basis. Compensation for the loss of office for the departing Chief Executive was to the value of £85,703.

\* based on total remuneration for the interim CEO and exiting CEO, including severance payment

## 8 Taxation

The London Film School Limited is a registered charity and therefore is not liable to income tax or corporation tax derived from its charitable activities, as it falls within the various exemptions available to registered charities.

## 9 Tangible fixed assets

	Leasehold premises in course of construction £	Cinema equipment £	Fixtures, fittings and computer equipment £	Total £
<b>Cost</b>				
At 1 September 2021	901,268	380,430	105,166	<b>1,386,864</b>
Additions	—	24,841	27,214	<b>52,055</b>
Disposals	(901,268)	—	—	<b>(901,268)</b>
At 31 August 2022	—	405,271	132,380	<b>537,651</b>
<b>Depreciation/Write down</b>				
At 1 September 2021	901,268	169,524	92,521	<b>1,163,313</b>
Charge for the year	—	60,737	11,008	<b>71,745</b>
Disposals	(901,268)	—	—	<b>(901,268)</b>
At 31 August 2022	—	230,261	103,529	<b>333,790</b>
<b>Net book values</b>				
At 31 August 2021	—	210,906	12,645	<b>223,551</b>
At 31 August 2022	—	175,010	28,851	<b>203,861</b>

## 10 Debtors

	2022 £	2021 £
Trade debtors	<b>118,423</b>	124,163
Other debtors	<b>98,520</b>	113,759
Prepayments and accrued income	<b>681,140</b>	344,271
	<b>898,083</b>	582,193

## 11 Creditors: amounts falling due within one year

	2022 £	2021 £
Trade creditors	<b>125,655</b>	268,170
Accruals and deferred income	<b>2,009,211</b>	1,603,309
Sundry creditors	<b>102,993</b>	123,260
CBILS Loan (see note 12)	<b>300,000</b>	100,000
	<b>2,537,859</b>	2,094,739

### 11 Creditors: amounts falling due within one year

	2022 £	2021 £
Deferred income at 1 September	1,031,200	2,003,069
Released during the year	(1,031,200)	(2,003,069)
Resources deferred in the year	1,177,219	1,031,200
Deferred income at 31 August	<b>1,177,219</b>	<b>1,031,200</b>

Deferred income consists principally of fee income received in advance.

### 12 Creditors: amounts falling due in more than one year

	2022 £	2021 £
CBILS Loan	<b>1,100,000</b>	1,400,000

<b>Maturity of debt</b>	2022 £	2021 £
CBILS loan repayable within one year	<b>300,000</b>	100,000
CBILS loan repayable between one and two years	<b>300,000</b>	300,000
CBILS loan repayable between two and five years	<b>800,000</b>	900,000
CBILS loan repayable in more than five years	—	200,000
	<b>1,400,000</b>	<b>1,500,000</b>

The CBILS loan was drawn down in full in April 2021. It is unsecured with a fixed interest rate of 3% per annum. The first year was interest and repayment free; the balance is being repaid over five years at £25,000 per month plus interest from May 2022.

### 13 Restricted funds

The income funds of the School include restricted funds comprising the following unexpended balances of grants and donations to be applied for specific purposes.

	At 1 September 2021 £	Income £	Expenditure £	Transfer between funds £	At 31 August 2022 £
Office for Students	—	87,443	(87,443)	—	—
Skillset Academy Fund	5,692	—	—	—	<b>5,692</b>
Kickstart	—	2,021	(2,021)	—	—
Adam Sedgwick Award	5,010	—	—	—	<b>5,010</b>
Leverhulme fund	9,704	39,241	(39,241)	—	<b>9,704</b>
	<b>20,406</b>	<b>128,705</b>	<b>(128,705)</b>	—	<b>20,406</b>

**13 Restricted funds (continued)**

	At 1 September 2020	Income	Expenditure	Transfer between funds	At 31 August 2021
	£	£	£	£	£
Office for Students	—	44,115	(44,115)	—	—
Skillset Academy Fund	692	12,609	(7,609)	—	5,692
Kickstart	—	4,043	(4,043)	—	—
Adam Sedgwick Award	5,010	—	—	—	5,010
Leverhulme fund	9,704	—	—	—	9,704
	<u>15,406</u>	<u>60,767</u>	<u>(55,767)</u>	<u>—</u>	<u>20,406</u>

**Office for Students fund**

The Office for Students fund is restricted to supporting teaching through spend related to the delivery of course costs.

**Skillset Academy fund**

The Skillset Academy fund is restricted to the funding of bursaries for the Skillset Screen Academy Project, specific new teaching and associated overheads.

**Kickstart Scheme**

The Kickstart Scheme provides funding to employers to create jobs for 16 to 24 year olds on Universal Credit as a high quality 6-month job placement.

**Adam Sedgwick Award**

The Adam Sedgwick Award is restricted to the funding of a grant to help a graduating student after the completion of the course.

**Leverhulme fund**

The Leverhulme Trust has donated to this fund which is dedicated to applicants of high academic standard who could not otherwise continue their studies throughout the academic year and beyond without funding assistance.

**14 Tangible fixed assets fund**

	2022 £	2021 £
At 1 September	223,551	115,550
Net movements in year	<b>(19,690)</b>	108,001
At 31 August	<u>203,861</u>	<u>223,551</u>

The tangible fixed assets fund represents the net book value of the School's fixed assets. A decision was made to separate this fund from the other unrestricted funds of the School in recognition of the fact that the tangible fixed assets are essential to the day-to-day operation of the school. The fund value, therefore, cannot be easily realised without jeopardising the ongoing operation of the School.

### 15 Designated funds

The income funds of the School include the following designated funds which have been set aside by the governors for specific purposes:

	At 1 September 2021 £	New designation £	Utilised £	At 31 August 2022 £
Relocation fund	—	—	—	—

	At 1 September 2020 £	New designation £	Utilised £	At 31 August 2021 £
Relocation fund	794,487	—	(794,487)	—

The relocation fund consists of monies set aside by the governors towards the cost of relocation project.

### 16 Operating lease commitments

At 31 August the School had the following future minimum commitments under non-cancellable operating leases:

	Equipment		Land and buildings	
	2022 £	2021 £	2022 £	2021 £
Operating lease payable:				
Within one year	—	—	89,400	89,400
	—	—	89,400	89,400

The lease renewals for both properties occupied by the School are in place including clauses which allow the School a break option subject to giving six months' notice. This will enable a move to new premises once the development project is complete.

### 17 Related and connected parties disclosure

There were no other related party transactions during the year ended 31 August 2022 (2021 – none).



**London  
Film  
School  
Limited**

**Annual Report and Financial  
Statements**

31 August 2022

Company Limited by Guarantee  
Registration Number  
01197026 (England and Wales)

Charity Registration Number  
270302

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## Reference and administrative information

**Governors**

Greg Dyke (Chair)  
Amanda Nevill CBE (Vice Chair)  
Kemal Akhtar  
Peter Armstrong (resigned 14/10/2021)  
Suzy Black  
Diane Herbert (resigned 15/09/2021)  
Rhys Holland (Student Governor, resigned 31/07/2022)  
Peter Holliday (resigned 15/05/2022)  
Nicholas Humby  
Olivier Kaempfer  
William MacPherson  
Cindy Rampersaud  
Gregory Randolph (Student Governor, appointed 31/07/2022)  
Joan Watson  
Sophia Wellington (Staff Governor)

**Management Team**

Gisli Snaer (Director and Chief Executive Officer) retired 31/05/2022  
Peter Holliday (Interim Director & Chief Executive) joined 16/05/2022  
Femi Kolade (Director of Studies)  
Dan Lawson (Chief Operating Officer)  
Veronique Fricke (Head of Marketing & Student Recruitment)  
Robin Graham (Secretary to the Board) retired 31/10/2022  
Tiana Harper (MA Filmmaking Course Leader)  
Michele Maher (Academic Registrar)  
Anita O'Connor (Financial Controller)  
Victoria Thomas (MA International Film Business Course Leader)  
Caroline Ward (Head of HR) retired 31/8/2022  
Claudia Lana (Head of HR) joined 26/09/2022  
Sophia Wellington (MA Screenwriting Course Leader)

**Company Secretary** Robin Graham (retired 31/10/2022)

**Principal address and registered office**

24 Shelton Street  
London  
WC2H 9UB

Telephone 0207 836 9642  
Facsimile 0207 497 3718  
Website [www.lfs.org.uk](http://www.lfs.org.uk)  
E-mail [info@lfs.org.uk](mailto:info@lfs.org.uk)

**Company registration number** 01197026 (England and Wales)

**Charity registration number** 270302

## Reference and administrative information

<b>Auditor</b>	Buzzacott LLP 130 Wood Street London EC2V 6DL
<b>Bankers</b>	Royal Bank of Scotland London Drummonds Branch 49 Charing Cross London SW1A 2DX
<b>Solicitors</b>	Pinsent Masons LLP 30 Crown Place London EC2A 4ES

## Chair's introduction

### **Chair's Introduction to Annual Report and Financial Statements, 31 August 2022**

These are the accounts for the London Film School for the year ending 31st August 2022.

Over the last 12 months, London Film School has resumed in-person teaching and activities and seen an exciting return to all areas of School life.

The impact of the pandemic over last two years has been felt across all areas of the School, presenting both opportunities and challenges to students and staff. Students, graduates and staff have all contributed to the success of the School in this time, developing a greater resilience and an ability to deliver work flexibly. The necessary changes to the delivery of all courses during the pandemic has allowed the School to incorporate online and remote work and education into its offering, providing broader opportunities to join Masterclasses, combine learning and travel and for staff to contribute

The unique pedagogy of London Film School's practical education has always been prioritised, alongside ensuring a safe environment for all. The consequent financial implications of the pandemic have been felt however, impacting the School's ways of working.

One of the highlights of the year was the return of our in-person Graduate Showcase. The event was the first time the entire School was able to gather together to celebrate the achievements of the graduates, see their work and provide a launchpad for them into the industry to start their careers. The event was a success for both grads and industry with many using the opportunity to develop their skills and connect with professionals over the course of the five day Showcase.

LFS students and graduates have continued to have distinctive impact in their fields locally, nationally and internationally, testament to the quality of learning and training received. LFS filmmakers garnered accolades in a range of festivals and competitions, receiving recognition globally for the quality of their work. LFS graduation films have screened at over two hundred global film festivals since September 2021 – winning over fifty awards.

Screenwriting graduates have made their mark with a huge breadth of projects, seeing recognition in festivals such as Tribeca Film Festival, theatrical screenplays performed in both London and Edinburgh, screenplays for major distributors such as Disney+ and Netflix, and several screenwriters handpicked for development programmes, including the BBC Writers Room. International Film Business graduates have proved their acumen securing roles throughout the screen industries and pitching projects to industry leaders, shaping the future of the filmmaking industry.

The successes of School have been reflected in the newly-award World Leading Specialist Provider status which was awarded in December 2022. The status marks LFS out as being recognised internationally in the filmmaking specialism, providing a level of quality and expertise among the finest in the world.

The past year has seen invaluable support and leadership from Interim Director, Peter Holliday and as we look to the future, we are able to focus on our long-term ambitions stemming from the Annual Operating Plan in place for 2022-23, including exciting new developments to grow and diversify our curriculum and development of our plans to move the School to new purpose-built premises close to our current location in Covent Garden.

## Chair's introduction

I would like to thank my fellow Governors for their unstinting interest and effort to support the School. I am delighted that during the year the Board discharged the important responsibility of selecting and appointing a new Director and CEO for the School and we look forward to welcoming Neil Peplow when he takes up the appointment at the end of January 2023.

On behalf of the Governors, I would like to share my grateful thanks to the staff and students who continue to work tirelessly to ensure the long-term success of LFS.

A handwritten signature in black ink, appearing to be 'Neil Peplow', written in a cursive style.

January 2023

The Governors present their annual report together with the financial statements of London Film School Limited for the year ended 31 August 2022.

The financial statements have been prepared in accordance with the accounting policies set out on pages 33 to 36 and comply with the charitable company's memorandum and articles of association, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), effective from accounting periods commencing 1 January 2015 or later.

### **Objectives and activities**

The School's principal purpose is the provision of professional-level training in the art and technique of film production and feature film screenwriting. Our core provision includes a two-year MA Filmmaking degree covering all of film's craft and interpretive departments, and a one-year MA degree in Screenwriting. The MA in International Film Business continues in partnership with Exeter University, as does a successful PhD Film by Practice programme.

From September 2021 until August 2022 a total of 140 students graduated from the three MA programmes; 50 for MA Screenwriting, 63 for MA Filmmaking and 27 for MA International Film Business.

The School has offered 26 short course workshops for film and television professionals in the past year. The School also offers an expanding programme of outreach projects, bringing filmmaking training and education to audiences who could not normally access such opportunities for reasons of cost or geography.

The Governors confirm that they have referred to the Charity Commission's general guidance on public benefit when reviewing the School's objectives and aims and in planning future activities.

2021/22 saw the final year of the School's existing five-year strategy. Within that plan, the School's main objectives for the year were:

- ◆ Ensure that the School is appropriately resourced and situated in contemporary facilities, matching the excellence in our teaching and delivering a peerless learning experience
  - ◇ LFS is excited to announce our intention to relocate the School to the new Cinecentre building, a five-minute walk away in Holborn. Cinecentre, on Parker Street, is a new facility comprising the recently opened Garden Cinema, the London Film School, and office space to be taken up by film production companies creating a hub of filmmaking in the heart of London's west end. LFS' relocation will see all of the School's existing programmes, short courses, and professional services move to the new site, bringing shooting studios, workshops and teaching spaces all under one roof and offering a step-change in quality for our students and staff. Our intention is to be operational in the new site from September 2023 and complete the relocation in its entirety over the 2023/24 academic year.

**Objectives and activities** (continued)

- ◆ Ensure our film education is accessible to all UK students irrespective of background or income
  - ◇ Since registering with the Office for Students in 2019, all postgraduate programmes qualify for postgraduate loan support. New bursaries were introduced in 2020 and 2021 to support UK students on both MA Filmmaking and MA Screenwriting programmes
  - ◇ The School began developing a new Equality, Diversity and Inclusion (EDI) strategy after the events of summer 2020, recognising that LFS needed to do more to improve access to film education and to promote an anti-racist approach in our work. Developments to date include the formation of an EDI working group comprising staff and students; a review of our existing recruitment approaches and HR policies, and a programme of decolonising the curriculum.
- ◆ Maintain our excellent international profile, exporting best-practice around the world and bringing new global perspectives to our pedagogy
  - ◇ The School continues to be a member of CILECT (the International Association of Film and Television Schools), including attendance at the annual congress in Moscow in 2019, and its regional division GEECT (European Grouping of Film and Television Schools). As can be seen below, LFS graduation work once more enjoyed a year of wide international exposure at festivals and award ceremonies around the world.
- ◆ Ensure our film education offer continues to be among the best in the world and is relevant to the film and wider creative industries of today, and tomorrow
  - ◇ Our Director of Studies continued to work closely with the academic team to further improve quality monitoring and the process by which student feedback is captured, listened to and responded to. Our short course and outreach work now comes under the Director of Studies' remit bringing better synergies and sharing of best practice across the full gamut of LFS' educational programmes.
  - ◇ The School has a Professional Development Leave (PDL) scheme for staff, to help our workforce to continually improve their professional skills, practice, and learning. This enhances their ability to teach/support our students.
- ◆ Build new and lasting partnerships and collaborations with industry and relevant institutions
  - ◇ We continued to build strong links with local industry partners including the BFI, Film London, ScreenSkills, and more. We were especially pleased to continue our partnership with Film London's Equal Access Network.

***Bursaries and student funding***

In 2021 the School introduced two means-tested Hardship Emergency Funds (i) for Home status students and (ii) for International students to support those students that were

## **Objectives and activities** (continued)

### ***Bursaries and student funding*** (continued)

experiencing unexpected short-term emergency or crises. The criteria for Home status students were intended to help with unforeseen increase to the day-to-day expenses and course related costs, such as cost of childcare, medical expenses or utilities. Students were expected to demonstrate that they had exhausted all other forms of funding and LFS was the last resort. We are also grateful to the Leverhulme Trust which continues to provide bursaries to home status students who meet the means-tested criteria.

### ***Workshops***

The range of evening, weekend and short professional development courses, continued to be developed and hosted by leading practitioners with the emphasis on a practical, hands-on, intensive learning experience. Within the last year 26 short course workshops for film and television professionals have been held with several carrying ScreenSkills Select status. The short courses on offer are continuously reviewed to allow for more dynamic or urgent shifts in industry demand.

The success of the workshops can be seen in Juliana Matsubara, who has developed a career in the art department of films after studying the 'Advancing Your Career in the Film Art Department' course at London Film School at the start of 2021. The course in helped her develop a successful early career with roles on *Call The Midwife* and *This is Going to Hurt* for BBC, HBO series *Avenue 5*, and Netflix feature *Persuasion*.

Mo Abudu, a filmmaker based in Nigeria, and CEO of EbonyLife Group, took part in a directing workshop and in 2022 announced plans to make her directorial debut, with two short films. As CEO of EbonyLife TV, Mo Abudu oversees the production of more than 1,000 hours of content broadcast in Nigeria, annually and as an executive producer, she has created some of the biggest blockbusters in Nigerian cinema.

### ***LFS Outreach***

LFS Outreach projects aim to nurture talent, broaden horizons and inspire young people to have a life-long engagement and appreciation of film. The activities provide learning opportunities for young people from all backgrounds, helping them to participate in our industry as audience members or as part of the screen industries' workforce. We work with primary and secondary schools, colleges and community groups as well as with a wide range of industry organisations. Projects are fully bespoke and are delivered in class, online or in a hybrid mode.

LFS has continued to run a series of outreach projects aimed at new entrants particularly from under-represented backgrounds to build skills and enable greater access to opportunities within an industry notoriously difficult to break into.

Over the last year, 147 young people have taken part in 12 different workshops and projects including three Virtual Film Clubs created for children in Ukraine. The Ukraine Film Clubs have provided children who are living in particularly difficult circumstances with a creative

**Objectives and activities** (continued)

**LFS Outreach** (continued)

outlet. The children met every Saturday morning for a total of six weeks. Their commitment and resilience have been a joy to see.

LFS has also led a Filmmaking workshop at the Frank Barnes School for Deaf Children, a writing workshop at Creative Sparkworks and a Documentary workshop for Haringey Council Adult Learners. As a result of the Filmmaking workshops, children and young people develop confidence in their own artistic abilities, they develop a new vocabulary around creativity and filmmaking and learn different filmmaking and storytelling techniques.

Participant feedback has included teacher comments such as, *“Over the weeks, the children became more creative and were able to share their thoughts and opinions about their videos and other videos.”* Parent feedback included, *“Film Club was absolutely the best thing about last year for my son. Conventional activities like music and sport just don't work for him, so he's never really had this experience of achievement before. At Film Club, he didn't have to worry at about 'fitting in', and all his crazy ideas and enthusiasms were embraced. Most of all, he looked forward to it all week.”*

Since September 2022, London Film School has also collaborated with National Saturday Club to offer a free Film and Media class to 13 – 16 year olds. The weekly club meets in the Covent Garden School, giving young people a chance to study with professional filmmakers, and watch, discuss, and make films in class and at home.

**COVID-19**

The academic year 2021-22 was again impacted by the COVID-19 pandemic, and in common with other Higher Education Providers, London Film School returned from delivering its provision' from a hybrid model back to face-to-face teaching once it could safely take place, ensuring the health and safety of its staff and students. The arrival of the omicron variant in late 2021 meant certain adaptations in delivery were held over into the spring term of 2022 bringing with them additional cost, but by Easter '22 we were able to relax all remaining restrictions and return to full in-person delivery across all programmes.

The School benefitted from a renewed enthusiasm for in-person teaching and saw attendance to non-curricular events and screenings grow.

Whilst Covid-19 presented London Film School with unique challenges, it is testament to the commitment, passion, enthusiasm, hard work and adaptability of our students, staff, visiting lecturers, Governors, and all other contributors that the School was able to continue its successful response in the most challenging of circumstances.

## **Achievements and performance**

### ***World Leading Specialist Provider***

London Film School was awarded World-Leading Specialist Provider status by the Office for Students on 8th December 2022. The status marks LFS out as being recognised internationally in the filmmaking specialism, providing a level of quality and expertise among the finest in the world. In receiving this accolade, the knowledge and skills of LFS graduates and the enduring impact they have on the industry, are recognised by leading employers, external funders, other world-leading providers and others in the UK and beyond.

As part of the new status, LFS will receive funding from the Office for Students in recognition of the high cost of the education of a subject which is extremely expensive to deliver.

### ***Masterclasses***

We were delighted to re-launch our curated LFS Masterclasses for the Summer term in 2022. Masterclasses are an opportunity for students, alumni, and staff to hear from experts and brilliant minds across the world of filmmaking. The masterclasses serve to inspire hope, learn more and connect students, staff and alumni with those working in the industry. Equality, diversity and inclusion is at the forefront of planning for Masterclass guests, inviting film professionals from marginalised backgrounds, as well as those who've had a non-traditional route into the industry.

The six Masterclasses over the summer term included industry professionals including Writer / Directors: Prano-Bailey Bond, Jim Archer, Francis Lee, and alumna Jacqueline Lentzou. Producer and LFS Governor, Olivier Kaempfer, and Director of UK Features at Netflix and alumna, Fiona Lamptey. A total of over 200 students attended the masterclasses which took place over a mixture of online masterclasses and in-person events.

The autumn term masterclasses have already included Kahleen Crawford (Casting Director), Helen Scott (Production Designer), Robyn Forsythe (Line Producer), Mary Nighy (Director), Cooke Optics and Producers; Stephen Woolley with Elizabeth Karlsen together. A total of six more Masterclasses will be held in the autumn term, bringing the total to 12.

### ***Festivals***

LFS filmmakers garnered accolades in a range of festivals and competitions, receiving recognition globally for the quality of their work. LFS graduation films have screened at over two hundred global film festivals since September 2021 – winning over fifty awards. Many films have also been agreed for distribution and we have signed deals with Gunpowder and Sky, Omeleto, Shorts TV, Argo, Seven Palms in the past year.

Highlights include *Glorious Revolution* winning third prize at Cannes Le Cinef, winning the Macgregor-Scott Memorial Award at Hamptons Film Festival, winning Best UK Short at Raindance and going on to screen at many top film festivals including Camerimage, Tel Aviv SFF, Brest, Edinburgh (Nominated Scott McClaren Award), Sarajevo IFF, Sao Paulo SFF amongst others with the director attending Sarajevo Talents Lab, Poitiers Lab and shortlisted for the YUGO BAFTA Student Awards.

## **Achievements and performance** (continued)

### ***Festivals*** (continued)

*Flee* made it to the longlist of the Student Academy Awards, successful grad film *Lontano* also screened at Camerimage in 2021. Other highlights are *after a room* screening at NEST San Sebastian with the filmmakers attending the film school programme, FEST New Directors (Portugal) Filmfest Dresden and BAFICI (Argentina).

*Third Solar Sun* screened at Busan, and Poitiers Lab, *Inside Out* (Toronto) and *In the Palace*. *Summer Shade* at the London FF 2021, Aspen and Filmfest Munich, *Garcas* at Indie Lisboa and London Short FF, along with *after a room* and *Some Manifestations of the South*.

Grad film *Caravan* won Best Short Film Award at British Society of Cinematographers and *Sucking Diesel* won Young Directors Award at Cannes Lions. Two films screened at BAFTA and Oscar qualifier Encounters FF in 2021 *Asian Brass* and again, *Some Manifestations of the South*.

Scriptwriters achieved acclaim across a wide breadth of Festivals including Ulla Prida, whose screenplay, *Carajita* premiered at Tribeca Film Festival. Taiyo Yoshida who won Best Film Script for *Get in the Groove* at Film The House, the parliamentary-based film and scriptwriting competition.

### ***Student and alumni achievements***

The MA Screenwriting students developed at least 40 short film scripts, 40 second draft feature screenplays and approximately 25 TV pilots and or TV bibles over the course of the year. Just some of the Screenwriting achievements of the alumni included writer, Beru Tessema, debuting his play, *House Of Ife*, at Bush Theatre in London as part of the theatre's 50th birthday season. Graduate, Ameir Brown's most recent success, saw his project, *A Thousand Blows*, launched for release on Disney+ and joined the writing team for BBC's *The Capture*.

The MA Filmmaking students created over 180 films including 53 Graduate films over the course of the year and the alumni body has secured several accolades and achievements. MA Filmmaking alumna Paula Huidobro was recognised as part of the team behind Academy Award, Best Picture winner, *CODA* as Cinematographer. Catalan Director and LFS alumna Carla Simón won the Berlinale's Golden Bear Award for Best Film with *Alcarràs*. Koby Adom produced a series five short films broadcast on Sky Arts shining a spotlight the

UK's emerging black and diverse talent. The series, *Unearthed Narratives* was created with several LFS alumni; director, Teniola King, cinematographer, Nathalie Pitters and cinematographer, Aaron Reid. Koby Adom also worked directing BBC drama, *Noughts + Crosses* and *Top Boy* for Netflix. Tony Ukpo, MA Filmmaking alumnus, has achieved great success securing not just one but three features on Apple TV. *Aliceville*, *Mum, Dad, Meet Sam*, and *Random 11*, all directed by Tony have been selected to be available on the streaming giant. Horace Ové, who studied for a Diploma in Filmmaking in the 1960s, visited Buckingham Palace and was given his knighthood in the 2022 New Year Honours for services to media.

## **Achievements and performance** (continued)

### ***Student and alumni achievements*** (continued)

Students from MA International Business generated opportunities for and pitched their projects, traveling around the world and meeting industry. Audiovisual Talent Week in Barcelona is an opportunity for emerging talent in the screen industries to connect with professionals from throughout the sector and will sometimes take one student per institution to pitch their projects. This year the event took not one but three graduates from LFS, from the MA International Film Business course.

### ***Graduate Showcase and Honorary Associates***

#### *Graduate Showcase*

Over the past year, London Film School hosted two Graduate Showcase events to ensure Graduates who missed out on celebrating and connecting with industry due COVID, got their chance to celebrate. The first was an online event in January 2022, and the second was the in-person event, the first in-person Graduate Showcase since January 2020.

The online event received a total of 3,400 visitors to the site from 89 countries internationally. The microsite held and showcased grad films, grad scripts as well as script performances and graduate profiles and statements.

A total of 650 attendees came along to the July 2022 Graduate Showcase at the BFI London. The Graduate Showcase Microsite was simultaneously made available for all those who could not attend in person. 50 films from MA Filmmaking graduates were screened both to live audiences and made available on the microsite as well as 44 script performances from MA Screenwriting graduates. The live event also included 13 Presentations, four Panel Events, three Masterclasses and two Drinks Events with participation and projects from all graduates including MA International Film Business graduates.

Press coverage achieved as a result of the Graduates Showcase was achieved with *Variety* & *Directors Notes*. The total reach across the owned channels for communications for the Graduate Showcase included 4.5K unique users to the blog, 3.4k unique users to the microsite and 8.2k users engaged in the social media channels.

Guests described the Showcase as “*a special experience to be a part of – one that I will always cherish from my LFS time. I felt very proud to be an LFS student and a part of such a wonderful and diverse community of filmmakers.*” “*You both curated such a lovely week and made us all feel very special. It was an incredible send off.*” Other comments included “*So much talent gathered amongst the Graduates*” and “*I attended yesterday's fine selection of your graduates short films and was very impressed.*”

#### *Honorary Associates*

As is customary, London Film School announced two new Honorary Associates at its annual showcase in July 2022, held at the BFI Southbank. The Honorary Associates demonstrate the School's connection with the industry, reputation, and continued relevance to the development of film learning in the UK.

## **Achievements and performance** (continued)

### **Graduate Showcase and Honorary Associates** (continued)

London Film School consider the following criteria when appointing the Honorary Associates; outstanding contribution to world cinema, demonstrable interest in emerging creative talent; commitment to aesthetic achievement, craft excellence, creative collaboration, and / or artistic freedom. Honorary Associates are invited on the basis that they represent the full demographic of the School.

The first of the LFS 2022 Honorary Associates, Efe Cakarel is the Founder and CEO of MUBI, a global streaming service, production company and film distributor. He created the streaming platform after he discovered that he couldn't watch *In the Mood for Love* in a café in Tokyo. MUBI was born in 2007 with a commitment to celebrate and expand cinema culture across the world and make films like *In the Mood for Love* accessible to people wherever they are. Previously, Efe was with Goldman Sachs in London and New York. He earned his B.S. in Electrical Engineering and Computer Science from MIT, and MBA from Stanford.

Heidi Thomas, the second LFS Honorary Associate is one of the UK's top dramatists, and her acclaimed career in stage, film and television drama spans more than 30 years. Heidi's classic adaptations for the large and small screen include *Cranford*, *Return To Cranford*, *Madame Bovary*, *Ballet Shoes*, *I Capture The Castle*, and *Little Women*. She also created and wrote the revived *Upstairs Downstairs*, and the original BBC1 drama series, *Lilies*. She wrote the screenplay for the forthcoming movie *Allelujah*, based on the play by Alan Bennett. Her hit BBC show *Call The Midwife* is now in its 12th season and is seen in more than 200 territories worldwide. Heidi was awarded an OBE in the Queen's Birthday Honours List of 2022.

Past Honourees span all areas of the screen industry and in the course of the school's rich history, have included Abi Morgan, Amma Asante, Asif Kapadia, Stephen Frears, Jim Broadbent, Gurinder Chadha, Tessa Ross, Philip French, Walter Murch, Ken Loach and Samantha Morton, alongside the diverse graduates of the School's film programmes.

The Associates remain an integral part of the School's wide-ranging pool of industry experts and student mentors for years to come. The School's Honorary programme is possible with the generous assistance of the School's sponsors: Panalux, Final Draft and Sargent Disc.

### **Financial review**

A summary of the year's results can be found on page 30 of the attached financial statements. Total income for the year was £6,583,827 (2021 – £5,561,877). The majority of the income is from MA tuition fees.

Total expenditure for the year amounted to £6,339,340 (2021 – £5,983,135).

The net movement in funds for the year was a surplus of £244,487 (2021 – deficit of £421,258).

**Financial review** (continued)

***Reserves policy and financial position***

In light of post-pandemic recovery planning and a wider review of the strategic plan for the School going forward, the reserves policy for the School is under review and will be further developed in the coming year. In devising a new reserves policy, Governors will have regard to the School's future plans, liquidity requirements, and proportionate contingency funds against unexpected adverse events.

Previously, Governors have considered that a free reserves level (i.e. those unrestricted funds not invested in tangible fixed assets, designated for specific purposes or otherwise committed) of approximately six months' annual expenditure on unrestricted funds has been appropriate given the nature of the Schools' work.

On 31 August 2022, the School had total funds of £902,625 (2021 – £658,138). Included in total funds is an amount of £20,406 (2021 – £20,406) which is restricted. These monies have either been raised for, and their use restricted to specific purposes, or they comprise donations subject to donor-imposed conditions. Full details of these restricted funds can be found in note 13 to the financial statements together with an analysis of movements in the year.

Unrestricted funds of the charity at 31 August 2022 amounted to £882,219 (2021 – £637,732), which are net of a £1.4m CBILS loan. These funds include tangible fixed assets with a net book value of £203,861 (2021 – £223,551) which are needed for the School's day-to-day operations. Free reserves of the School at 31 August 2022, were £678,358 (2021 – £414,181).

While the free reserves are below the level of 6 months' expenditure stated above, the policy is kept under review. As a contingency and in order to support the School through any further uncertainty in the coming year, the School also arranged a £1.5m loan facility through the Coronavirus Business Interruption Loan Scheme (CBILS) which was drawn down in full in 2020/21, and of which £1.4m remains outstanding at 31 August 2022.

***Fundraising***

The School's fundraising approach is to engage only with trusts, foundations and other grant making institutions. Unlike many similar institutions, the School's business model is wholly geared towards tuition fee income, with grant funding historically making up a fraction of the School's income base. That said, we are thrilled to have been recognised by the Office for Students as a World-leading Specialist Provider as of December 2022, a recognition of the quality of teaching and student output, and an important financial contributor to the School's long-term ambitions to remain a global leader in film education.

The School does not currently actively seek funds from the general public, and therefore is not currently subscribed to any fundraising regulation schemes or standards. There have not been any complaints arising as a result of the School's fundraising activities in the year.

### **Plans for the future**

Our Annual Operating Plan for 2022-23 sets out expected operational performance and initiatives aimed at the development of the School designed to impact directly and positively on our key stakeholders. The plan includes developing and enthusing our people, developing new courses and investing in the infrastructure of the School. Key strategic priorities include:

- ◆ Ensuring that LFS is appropriately resourced and situated in contemporary facilities, matching the excellence in our teaching and delivering a peerless learning experience. Plans are to be realised for the intention to relocate the School to the new Cinecentre building.
- ◆ Ensure our film education is accessible to talented filmmaking students irrespective of background or income, via embedding good EDI practice, enhancing the LFS student experience, and implement recommendations from a commissioned review on the School's student recruitment and admissions activities.
- ◆ Expand our excellent international profile, export best practice around the world and bring new global perspectives to our pedagogy by building on previous successes, developing and executing a new LFS Strategy.
- ◆ Diversify and grow the curriculum, ensuring our film education offer continues to be among the best in the world and is relevant to the film and wider creative industries of today, and tomorrow. Activity will initially be focused on launching a new Masters Degree in Documentary Filmmaking whilst reviewing the School's flagship course MA Filmmaking, all of which supports the continuing development of future financial planning and decision-making.
- ◆ Build new and lasting partnerships and collaborations with industry and relevant institutions and engaging all key stakeholders including those who enable our outreach and development strategy.
- ◆ With the arrival of its new Director in January 2023 the School; will develop a revised strategic plan for the five year period beyond 2022-23.

### **Governance, structure and management**

#### ***Constitution***

London Film School Limited ("LFS" or "the School") is a registered charity (Charity Registration No. 270302) and a company limited by guarantee (Company Registration No. 01197026). The charitable company's memorandum and articles of association dated 20 January 1975 (as amended by special resolution of 21 July 1975 and 21 March 2002) are its primary governing documents.

#### ***Members' liability***

The liability of the members in the event of winding up is limited to 50 pence per member.

**Governance, structure and management** (continued)

**Governors**

The Governors of the School also constitute directors of the charitable company for the purposes of company law and trustees for charity law. This report is also a directors' report as required by section 415 of the Companies Act 2006. The Governors who held office during the financial year and at the date of signing this report are set out on page 1.

Governors are appointed by election at the Annual General Meeting (AGM). The Student Governor is elected by students and the Staff Governor is elected by the staff.

Members of the Management Team, as set out on page 1, cannot be appointed as Governors of the School.

Interim Director Peter Holliday intends to re-join the Board of Governors following his departure from the Management Team as Interim Director.

The size of the Governing Body is set between 8 and 25 Governors. Approximately one third of the Governing Body retire annually, by rotation in order of seniority, and can offer themselves for re-election at the AGM.

The Nominations Committee undertakes a skills analysis of the Governing Body and role profiles are agreed, against which the School recruits new Governors. Governors must have empathy with film and the creative industries. Newly appointed Governors receive a full induction to the School, bespoke to their needs. The Governing Body regularly holds an away day, joined by members of the Management Team.

**Organisation**

The Governing Body met five times in the year, from 1st September 2021 until 31st August 2022.

Its governance structure includes four committees:

- ◆ a Nominations Committee to oversee the appointment, induction and development of its governors;
- ◆ a Remuneration Committee to decide and agree the remuneration for the Director and senior members of staff,
- ◆ an Audit & Risk Committee to advise on risk, internal control, governance and promoting value for money; and
- ◆ a Relocation Committee, to review the School's estates strategy and oversee progress on renewing its facilities.

The Governing Body also receives minutes from the Academic Board as a line of sight on all academic matters.

The day-to-day running of the School is delegated to the Director and the Management Team.

**Governance, structure and management** (continued)

***Key management personnel***

The key management personnel of the School comprise the Governors and the Management Team.

The Management Team are a dedicated team of management personnel that have the authority and responsibility of planning, directing and controlling the activities of the School, directly or indirectly. Within the School this includes the Director, Director of Studies, Chief Operating Officer, Head of Marketing & Student Recruitment, Academic Registrar, Financial Controller and Head of HR. Since September 2021, Course Leaders for each of the MA programmes have also joined the Management Team, ensuring greater visibility of academic matters and greater academic inclusion. The Management Team meets formally on a fortnightly basis, with minutes of each meeting shared with all staff.

***Statement of governors' responsibilities***

The Governors (who are also directors of The London Film School Limited for the purposes of company law) are responsible for preparing the governors' report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Governors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the income and expenditure of the charitable company for that period. In preparing these financial statements, the Governors are required to:

- ◆ select suitable accounting policies and then apply them consistently;
- ◆ observe the methods and principles in Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102);
- ◆ 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 the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The Governors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company 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 charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**Governance, structure and management** (continued)

**Statement of governors' responsibilities** (continued)

Each of the Governors confirms that:

- ◆ as far as they are aware, there is no relevant audit information of which the charitable company's auditor is unaware; and
- ◆ they have taken all the steps that they ought to have taken as a governor in order to make themselves aware of any relevant audit information and to establish that the charitable company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

**Risk management**

The Governors have assessed the major risks to which the charity is exposed, in particular those relating to the specific operational areas of the School and its finances. The Governors believe that by monitoring reserves levels, by ensuring controls exist over key financial systems, and by examining the operational and business risks faced by the School, they have established effective systems to mitigate those risks. Our keys risks include:

*Student Recruitment*

The UK Higher Education sector continued to face this particularly challenging, uncertain and daunting time, as institutions continued to navigate their way through a second year of the pandemic and the prolonged impacts of COVID-19.

The easing of restrictions over the last academic year allowed LFS to successfully deliver its MA provision in-person, and cautiously phrase out blended learning, in order to safely welcome students back to forms of physical teaching.

Despite the uncertainty around COVID-19 and the associated impacts on course provisions and delivery, LFS was able to capitalise upon the 86% increase in MA Filmmaking and 42% increase in MA Screenwriting applications from 2020 and 2019 respectively, to have a very healthy pipeline for September 2021 and early 2022 intakes. The large number of applications in the pipeline was a testament to the strength of the London Film School brand and resilience of our applicants who were determined to join LFS despite the delay in their initial planning.

MA Filmmaking admissions from UK students were sustained between 2021 and 2022 despite COVID-19 and MA International Film Business admissions from Home students increased fivefold in the same period, and by 11% in total.

The quantity of applications in the pipeline meant that for MA Filmmaking in September 2021, we were only able to open for Home applications for the last remaining places. We also welcomed one of our largest ever Summer intakes for MA Filmmaking, with a 50% increase in enrolments for May 2022.

**Governance, structure and management** (continued)

***Risk management*** (continued)

*Student Recruitment* (continued)

In turn, nearly a third of our enrolled students to MA Screenwriting for September 2021 were deferred applicants from September 2020. In common with other UK Higher Education Providers, London Film School continued to experience a drop in the number of EU/EEA Applications.

LFS's strategic aims for 2022 includes improving the diversification of its student body. To address that, LFS commissioned a review of the School's Student Recruitment and Admissions provisions. Recommendations and subsequent actions include modernising the Admissions CRM systems scheduled for roll out by January 2023. Doing so, addresses a range of matters such as the importance of the above-mentioned deferral engagement.

Meanwhile, LFS continues to monitor its funding provisions for both Home and International markets, having continued to participate in the Postgraduate Loan Scheme, the Leverhulme Arts Scholarship, BAFTA UK Scholarship Scheme as well as the William D. Ford Direct Student Loan Program authorised by the US Education Department. LFS taking part in these Schemes provides access to talented filmmakers who otherwise would not be able to participate in Higher Education.

*Regulatory Environment*

As a registered Higher Education Provider under the Office for Students, LFS is subject to considerable regulatory oversight aimed at ensuring its courses offer high levels of quality and value for money. In order to ensure ongoing compliance with the regulatory environment the School has made further progress in reviewing and updating the School's policy frameworks, with an emphasis on quality assurance, and regular internal monitoring and reviews.

LFS' continued membership of CILECT, the confederation of international film schools, and also of GuildHE, ensures it has a supportive network of providers in the same field with whom to share and learn best practice.

LFS is also subject to considerable regulatory oversight from our validating partners the University of Warwick and ~~the~~ delivery partner (for the MA International Film Business and PhD programmes) the University of Exeter to ensure that its courses offer high level of quality and student outcomes.

**Governance, structure and management** (continued)

***Risk management*** (continued)

*Facilities*

The School's ageing facilities in Covent Garden continue to present daily challenges in the delivery of our teaching and film exercises. Since our last annual report, the Governors and executive have undertaken a thorough review of the School's existing estates and revisited assumptions for future space needs, leading to the identification of a new proposed relocation site within the same geographical area, offering a step-change in quality, more space and more flexibility in space use, and an affordable solution within the School's current footprint. More details can be found under Objectives & Activities.

***Relationship with other organisations***

In pursuit of its strategic objectives of building new connections, the School works with several organisations across screen industries, training partners and public bodies: including training partners such as ScreenSkills, the University of Exeter, University of Warwick, NAHEMI, CILECT, the Deutsche Film und Fernsehakademie Berlin (DFFB), UGC Series Mania and the National Saturday Club.

Screen industry partners such as Panalux, many film festivals, plus platforms including MUBI and Omeleto, support the distribution work of LFS's fresh filmmaking talent around the world.

To support alignment and complementarity with other initiatives in the UK, partners across UK-wide, and London-specific public bodies have included the British Film Institute, Film London's Equal Access Network, Creative England's iFeatures scheme, the British Council and many more.

Approved by the Governing Body and signed on its behalf by:



Greg Dyke  
Chair of Governors

Approved by the Governors on: 12 January 2023

## Statement of corporate governance and internal control

The following statement is provided to enable readers of the annual report and financial statements of London Film School Limited to obtain a better understanding of its governance and legal structure. The statement covers the period from 1 September 2021 to 31 August 2022 and up to the date of the approval of the annual report and financial statements.

The School endeavours to conduct its business:

1. Having due regard to the UK Corporate Governance Code 2018 in so far as it is applicable to the Higher Education Sector; and
2. Complying with Office for Students on-going conditions or regulations and terms of conditions of funding as well as other regulatory responsibilities.

We have adopted the UK Corporate Governance Code. We have reported on our Corporate Governance arrangements by drawing upon best practice available, including those aspects of the UK Corporate Governance Code that we consider relevant to the Higher Education Sector.

The Governors recognise that the School, as a body entrusted with both public and private funds, has a particular duty to observe the highest standards of corporate governance at all times.

### Legal Status

The London Film School is a Registered Charity and a Private Limited Company by guarantee without share capital.

The Governors confirm that they have due regard for the Charity Commission's guidance on public benefit and that the required statement appears elsewhere within these financial statements.

### Governors

The members who served as Governors during the year and up to the date of signature of this report are listed below.

<b>Governor</b>	<b>Appointed/Resigned</b>
Greg Dyke (Chair)	
Amanda Nevill (Vice Chair)	
Kemal Akhtar	
Peter Armstrong	Resigned 14 October 2021
Suzy Black	
Diane Herbert	Resigned 15 September 2021
Rhys Holland (Student Governor)	Resigned 31 July /2022
Peter Holliday	Resigned 15 May 2022
Nick Humby	
Olivier Kaempfer	
William MacPherson	
Cindy Rampersaud	
Gregory Randolph (Student Governor)	Appointed 31 July 2022
Joan Watson	
Sophia Wellington (Staff Governor)	

## **Statement of corporate governance and internal control**

### **Governors' interests**

Governors are shown above and except for any instance mentioned above have served throughout the year. None of the Governors have any interests within the company.

### **Meeting procedures**

Formal agendas, papers and reports are supplied to the Governors in a timely manner, prior to Governing Body meetings. Briefings are also provided on an ad hoc basis. Reports include overall financial performance of the School together with other information such as performance against funding targets, proposed capital expenditure, quality matters and personnel related matters such as health and safety issues. The Governing Body met 6 times in 2021/22.

The Governing Body receives advice on the conduct of its business from five committees. Each committee has its own terms of reference which have been approved by the Governing Body. These committees are: Audit and Risk; Nominations; Remuneration; Relocation; and the Academic Board.

London Film School has a strong and independent non-executive element, and no individual or group dominates its decision-making process. The School considers that each of its non-executive members is independent of management and free from any business or other relationship which could materially interfere with exercise of their independent judgement.

There is a clear division of responsibility in that the roles of the Chair and Accounting Officer are separate.

### **Appointment to the Governing Body**

The Nominations Committee undertakes a skills analysis of the Governing Body and role profiles are agreed, against which the School recruits new Governors. New Governors must have empathy with film and creative art industries. Their induction includes a tour of the School, screenings and from time to time an away day attended by the Governing Body, the principal officers and the wider Management Team. An information pack about the School is also given to each new Governor.

### **Governing Body performance**

The Governing Body has made a strong contribution to the improvements made in 2020/21 through the setting of challenging targets with regular scrutiny of performance. There is strong performance management at Governing Body meetings. The Governors provide robust scrutiny and challenge. Governors are pro-active in their oversight of the School and are involved in the planning and discharging of Governing Body business.

## Statement of corporate governance and internal control

### Committees

#### ***Audit and Risk Committee***

The Audit and Risk Committee is responsible to the Governing Body in discharging its responsibilities for monitoring the integrity of the Institute's financial statements, the effectiveness of financial controls with regard to internal risk assessment and the performance and objectivity of external auditors.

The members who served on the committee during the year and up to the date of signature of this report are listed below.

<b>Governor</b>	<b>Appointed/Resigned</b>
Cindy Rampersaud (Committee Chair)	
Tamsin Ashmore (co-opted member)	Retired 20 June 2022
Peter Holliday	Retired 15 May 2022
Nick Humby	
William McPherson	
Joan Watson	

The Audit & Risk Committee is responsible for the following:

- ◆ To appoint external auditors and agree the audit fee, meet with the external auditors to discuss the scope and nature of the audit and to discuss the findings included within the management letter and management responses.
- ◆ To satisfy itself that all public funds received by the Institute are managed in line with regularity, propriety, and value for money.
- ◆ To satisfy itself that satisfactory arrangements are in place to promote best value, and to monitor other performance as shall be deemed to be reliable and appropriate measures of effectiveness.

### Internal Control

#### ***Scope of responsibility***

The Governing Body is ultimately responsible for the organisations' system of internal control and for reviewing its effectiveness. However, such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives and can only provide reasonable and not absolute assurance against material misstatement or loss.

The Governing Body has delegated the day-to-day responsibility to the Director & CEO, as Accounting Officer, for maintaining a sound system of internal control that supports the achievement of the organisations policies, aims and objectives, whilst safeguarding the public funds and assets. The Accounting Officer is also responsible for reporting to the Governing Body any material weaknesses or breakdowns in internal control.

## Statement of corporate governance and internal control

### Internal Control (continued)

#### ***The purpose of the system of internal control***

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure and can only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of organisation policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place at the organisation for the year ended 31 August 2022 and up to the date of approval of the annual report and financial statements.

#### **Capacity to handle risk**

The Governors have reviewed the key risks to which the organisation is exposed, together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Governors are of the view that there was a formal on-going process for identifying, evaluating and managing the School's significant risks that had been in place for the year ended 31 August 2022 an up to the date of approval of the annual report and financial statements.

#### **The risk and control framework**

The system of internal control is based on a framework of regular management information, administrative procedures including the segregation of duties, and a system of delegation and accountability. It includes:

- ◆ comprehensive budgeting systems with an annual budget which is reviewed and agreed by the Governors
- ◆ regular reviews by the Governing Body of periodic and annual financial reports which indicate financial performance against forecasts
- ◆ setting targets to measure financial performance
- ◆ the adoption of formal project management disciplines, where appropriate.

#### **Review of effectiveness**

The Accounting Officer delegates to the Financial Controller the responsibility for reviewing the effectiveness of the system of internal control. The Financial Controller's review of the effectiveness of the system of internal control is informed by:

- ◆ the work of the external auditors;
- ◆ the work of the senior managers within the organisation who have responsibility for the development and maintenance of the internal control framework; and
- ◆ comments made by the organisation's financial statements and regularity auditors in their management letters and other reports.

There are no significant internal control weaknesses reported for the period.

## Statement of corporate governance and internal control

### Review of effectiveness (continued)

The Management Team receives reports setting out key performance and risk indicators and considers possible control issues brought to their attention by early warning mechanisms, which are embedded within the departments. The Management Team and the Audit and Risk Committee also receive regular reports, which include recommendations for improvement.

The Audit and Risk Committee's role in this area is confined to a high-level review of the arrangements for internal control. The Governors' agenda includes a regular item for consideration of risk and control and receives reports thereon from the Management Team and the Audit and Risk Committee.

The emphasis is on obtaining the relevant degree of assurance and not merely reporting by exception. At its 12 January 2022 meeting, the governors carried out the annual assessment for the year ended 31 August 2022 by considering documentation from the Management Team and taking account of events since 31 August 2021.

Based on above and reports by the Director & CEO, the Governing Body is of the opinion that the organisation has an adequate and effective framework for governance, risk management and control to manage the achievements of the School's objectives for the year ended 31 August 2022 and it has fulfilled its statutory responsibility for "the effective and efficient use of resources, the solvency of the institution and the safeguarding of their assets".

### Regularity, propriety, and compliance

The School has considered its responsibility to notify the Office for Students of material irregularity, impropriety and non-compliance with Office for Students terms and conditions of funding.

We confirm, on behalf of the School, that after due enquiry and to the best of its knowledge, the Governing Body believes it is able to identify any material irregularity or improper use of funds by the School, or material non-compliance with terms and conditions of funding under the organisations financial regulations. As part of our consideration we have had due regard to our financial regulations. We confirm that no instances of material irregularity, impropriety or funding non-compliance have been discovered to date. If any instances are identified after the date of this statement these will be notified to the Office for Students.

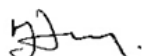
### Going Concern

Details on Governors' going concern assessment are set out on pages 333 and 34.

Approved by the Governing Body and signed on its behalf by:



Greg Dyke  
Chair of Governors



Peter Holliday  
Director & CEO (Accounting Officer)

Date: 12 January 2023

**Independent auditor's report to the members of The London Film School Limited**

**Opinion**

We have audited the financial statements of The London Film School Limited (the 'charitable company') for the year ended 31 August 2022 which comprise the statement of financial activities, the balance sheet, the statement of cash flows 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).

In our opinion, the financial statements:

- ◆ give a true and fair view of the state of the charitable company's affairs as at 31 August 2022 and of its income and expenditure, changes in reserves and cash flows for the year then ended;
- ◆ have been properly prepared in accordance with UK Generally Accepted Accounting Practice;
- ◆ have been prepared in accordance with the requirements of the Companies Act 2006;
- ◆ where applicable, funds from whatever source administered by the provider for specific purposes have been properly applied to those purposes and managed in accordance with relevant legislation;
- ◆ where applicable, funds provided by the OfS and by Research England have been applied in accordance with the relevant terms and conditions; and
- ◆ meet the requirements of the Office for Student's Accounts Direction 2021/22.

**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 that are 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 relating to going concern**

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

**Conclusions relating to going concern** (continued)

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 Governors with respect to going concern are described in the relevant sections of this report.

**Other information**

The Governors 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.

In connection with our audit of the financial statements, 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.

**Opinions on other matters prescribed by the Companies Act 2006**

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

- ◆ the information given in the Governors' report, which is also the directors' report 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 Governors' report, which is also the directors' report for the purposes of company law, has been prepared in accordance with applicable legal requirements.

**Matters on which we are required to report by exception**

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 Governors' 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

**Matters on which we are required to report by exception** (continued)

- ◆ the financial statements are not in agreement with the accounting records and returns; or
- ◆ certain disclosures of Governors' remuneration specified by law are not made; or
- ◆ we have not received all the information and explanations we require for our audit; or
- ◆ the Governors were not entitled to take advantage of the small companies' exemptions from the requirement to prepare a strategic report.

We have nothing to report in respect of the following matter in relation to which the OfS Accounts Direction 2021/22 requires us to report to you if, in our opinion:

- ◆ the charitable company's grant and fee income, as disclosed in note 1 to these Financial Statements has been materially misstated.

**Responsibilities of governors**

As explained more fully in the Governors' responsibilities statement, the Governors 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 Governors 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 Governors 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 Governors 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**

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.

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:

**Auditor's responsibilities for the audit of the financial statements** (continued)

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- ◆ the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- ◆ we identified the laws and regulations applicable to the charitable company through discussions with management, and from our knowledge and experience of the sector;
- ◆ we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the charitable company, including the Charities SORP FRS 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Charities Act 2011, the OfS Accounts Direction, data protection legislation, anti-bribery, safeguarding, employment, health and safety legislation;
- ◆ we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- ◆ identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the charitable company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- ◆ making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- ◆ considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- ◆ performed analytical procedures to identify any unusual or unexpected relationships;
- ◆ tested journal entries to identify unusual transactions; and
- ◆ assessed whether judgements and assumptions made in determining the accounting estimates set out in the accounting policies were indicative of potential bias;

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- ◆ agreeing financial statement disclosures to underlying supporting documentation;
- ◆ reading the minutes of Board of Governors meetings;
- ◆ enquiring of management as to actual and potential litigation and claims; and

**Auditor's responsibilities for the audit of the financial statements** (continued)

- ◆ reviewing any available correspondence with HMRC and the charitable company's legal advisors.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the Governors' and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://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.

A handwritten signature in black ink that reads "Buzzacott LLP". The signature is written in a cursive, stylized font with a long horizontal line extending from the end.

Gumayel Miah (Senior Statutory Auditor)  
For and on behalf of Buzzacott LLP, Statutory Auditor  
130 Wood Street  
London  
EC2V 6DL

Date: 8 February 2023

**Statement of financial activities** Year to 31 August 2022

	Notes	Unrestricted funds £	Restricted funds £	2022 Total funds £	Unrestricted funds £	Restricted funds £	2021 Total funds £
<b>Income from:</b>							
Donations	1	15	—	15	10	—	10
Charitable activities	2	6,324,468	89,464	6,413,932	5,281,246	60,767	5,342,013
Investments		1,919	—	1,919	298	—	298
Other income							
. Surplus on disposal of equipment	9	—	—	—	150,000	—	150,000
. Miscellaneous income		128,720	39,241	167,961	69,556	—	69,556
<b>Total income</b>		<b>6,455,122</b>	<b>128,705</b>	<b>6,583,827</b>	<b>5,501,110</b>	<b>60,767</b>	<b>5,561,877</b>
<b>Expenditure on:</b>							
Raising funds	3	40,922	—	40,922	40,340	—	40,340
Charitable activities							
. Provision of education	4	6,169,713	128,705	6,298,418	5,887,028	55,767	5,942,795
<b>Total expenditure</b>		<b>6,210,635</b>	<b>128,705</b>	<b>6,339,340</b>	<b>5,927,368</b>	<b>55,767</b>	<b>5,983,135</b>
<b>Net income (expenditure) and net movement in funds</b>	6	<b>244,487</b>	<b>—</b>	<b>244,487</b>	<b>(426,258)</b>	<b>5,000</b>	<b>(421,258)</b>
<b>Reconciliation of funds</b>							
Fund balances brought forward at 1 September		637,732	20,406	658,138	1,063,990	15,406	1,079,396
Fund balances carried forward at 31 August		882,219	20,406	902,625	637,732	20,406	658,138

There is no difference between the net movement in funds stated above and the historical cost equivalent.

All of the charitable company's activities are derived from continuing operations during the above two financial periods.

The charitable company has no recognised gains and losses other than those shown above.

**Balance sheet** 31 August 2022

	Notes	2022 £	2022 £	2021 £	2021 £
<b>Fixed assets</b>					
Tangible fixed assets	9		<b>203,861</b>		223,551
<b>Current assets</b>					
Debtors	10	<b>898,083</b>		582,193	
Cash at bank and in hand		<b>3,438,540</b>		3,347,133	
		<b>4,336,623</b>		3,929,326	
<b>Creditors:</b> amounts falling due within one year	11	<b>(2,537,859)</b>		(2,094,739)	
<b>Net current assets</b>			<b>1,798,764</b>		1,834,587
<b>Total assets less current liabilities</b>			<b>2,002,625</b>		2,058,138
<b>Creditors:</b> amounts falling due after more than one year	12		<b>(1,100,000)</b>		(1,400,000)
<b>Net assets</b>			<b>902,625</b>		658,138
<b>The funds of the charity</b>					
Restricted funds	13		<b>20,406</b>		20,406
Unrestricted funds					
. General fund		<b>678,358</b>		414,181	
. Tangible fixed assets fund	14	<b>203,861</b>		223,551	
. Designated funds	15	<b>—</b>		—	
			<b>882,219</b>		637,732
<b>Total funds</b>	16		<b>902,625</b>		658,138

Approved by the governors and signed on their behalf by:



Greg Dyke  
Chair of Governors

Approved on: 12 January 2023

London Film School Limited  
Company Limited by Guarantee  
Registration Number 01197026 (England and Wales)

Statement of cash flows 31 August 2022

	Notes	2022 £	2021 £
<b>Cash flows from operating activities:</b>			
Net cash provided by operating activities	A	<b>157,633</b>	395,725
<b>Cash flows from investing activities:</b>			
Investment income		1,919	298
Interest payable		(16,090)	—
Payments to acquire tangible fixed assets		(52,055)	(16,395)
<b>Net cash used in investing activities</b>		<b>(66,226)</b>	(16,097)
<b>Change in cash and cash equivalents in the year</b>		<b>91,407</b>	379,628
<b>Cash and cash equivalents at 1 September</b>	B	<b>3,347,133</b>	2,967,505
<b>Cash and cash equivalents at 31 August</b>	B	<b>3,438,540</b>	3,347,133

Notes to the statement of cash flows for the year ended 31 August 2022

**A Reconciliation of net movement in funds to net cash provided by operating activities**

	2022 £	2021 £
<b>Net movement in funds (as per the statement of financial activities)</b>	<b>244,487</b>	(421,258)
<b>Adjustments for:</b>		
Depreciation and impairment of assets	71,745	58,394
Surplus on disposal of equipment	—	(150,000)
Investment income	(1,919)	(298)
Interest payable	16,090	—
(Increase) decrease in debtors	(315,890)	2,373
Increase in creditors	143,120	906,514
<b>Net cash provided by operating activities</b>	<b>157,633</b>	395,725

**B Analysis of changes in net debt**

	2021 £'000	Cash flows £'000	2021 £'000
Cash at bank and in hand	3,347,133	91,407	3,438,540
CBILS loan	(1,500,000)	100,000	(1,400,000)
<b>Total net debt</b>	<b>1,847,133</b>	<b>191,407</b>	<b>2,038,540</b>

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are laid out below.

#### **Basis of preparation**

These financial statements have been prepared for the year to 31 August 2022 and are presented in sterling and are rounded to the nearest pound.

The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant accounting policies below or the notes to these financial statements.

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) (Charities SORP FRS 102) issued on 16 July 2014, the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

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

#### **Critical accounting estimates and areas of judgement**

Preparation of the financial statements requires the Governors and management to make significant judgements and estimates.

The items in the financial statements where these judgements and estimates have been made include:

- ◆ estimating the useful economic life of tangible fixed assets;
- ◆ determining the provision for bad and doubtful debts;
- ◆ determining the value of provisions for liabilities;
- ◆ determining the point from which costs incurred in relation to the development project should be capitalised and the likelihood of completion of the project; and
- ◆ estimating the School's income and expenditure flows for the purpose of preparing cash flow forecasts and budgets to assist in the assessment of going concern

#### **Assessment of going concern**

The Governors have assessed whether the use of the going concern assumption is appropriate in preparing these financial statements. The Governors have made this assessment in respect to a period of one year from the date of approval of these financial statements.

**Assessment of going concern** (continued)

In the course of preparing these accounts the Governing Body have had regard to the School's financial forecasts, including a series of 'reasonable worst case' scenarios such as shortfalls in student recruitment, overruns in capital project costs, and delay or cancellation of the launch of new course offerings. The likely impact of inflation on running costs and knock-on effects of cost of living pressures on operational matters including pay, recruitment and retention have also been modelled.

Balanced against these downside pressures are improvements in several key aspects of the School's operating environment: firstly, the projected absence of any further material costs for delivering under COVID (or similar) restrictions. Secondly, the award of World-Leading Specialist Provider status carries a significant funding commitment from the Office for Students. Thirdly, the School's 2021/22 outturn was an improvement on in-year forecasts and largely reflects considerable improvements in financial control, monitoring and forecasting introduced during the year.

Taken together, the Governing Body have concluded that there are no material uncertainties relating to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern.

**Income recognition**

Income is recognised in the period in which the charity has entitlement to the income, the amount of income can be measured reliably and it is probable that the income will be received.

Income comprises grants and donations, tuition fees and charges, interest received and other income.

Donations are recognised when the charity has confirmation of both the amount and settlement date. In the event of donations pledged but not received, the amount is accrued for where the receipt is considered probable. In the event that a donation is subject to conditions that require a level of performance before the charity 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 charity and it is probable that those conditions will be fulfilled in the reporting period.

Income from charitable activities includes tuition fees and grants. The income is generally recognised in the period to which the fees or grants relate.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

### **Expenditure recognition**

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to make a payment to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis and includes attributable VAT which cannot be recovered.

Expenditure comprises the costs of charitable activities including expenditure on the provision of education and associated support and governance costs.

### **Tangible fixed assets**

All assets costing more than £2,000 and with an expected useful life exceeding one year are capitalised.

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided to write off the cost less estimated residual value of each asset on a straight line basis over its expected useful life as follows:

- ◆ Cinema equipment - five years
- ◆ Fixtures, fittings and equipment - five years

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments.

### **Debtors**

Debtors are recognised at their settlement amount, less any provision for non-recoverability. Prepayments are valued at the amount prepaid. They have been discounted to the present value of the future cash receipt where such discounting is material.

### **Cash at bank and in hand**

Cash at bank and in hand represents such accounts and instruments that are available on demand or have a maturity of less than three months from the date of acquisition.

### **Creditors and provisions**

Creditors and provisions are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Creditors and provisions are recognised at the amount the charity anticipates it will pay to settle the debt.

### **Financial instruments**

The School only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the School and their measurement basis are as follows:

*Financial assets* – other debtors are basic financial instruments and are debt instruments measured at amortised cost. Listed investments are a basic financial instrument as detailed above. Prepayments are not financial instruments.

*Cash at bank* – classified as a basic financial instrument and is measured at face value.

*Financial liabilities* – accruals and other creditors are financial instruments, and are measured at amortised cost.

### **Pension costs**

Contributions by the School in respect to a defined contribution pension scheme are charged to the statement of financial activities in the period in which they are payable.

### **Leased assets**

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged on a straight-line basis over the lease term.

### **Fund structure**

Restricted funds comprise monies raised for, or their use restricted to, a specific purpose, or contributions subject to donor imposed conditions.

Designated funds comprise those resources which may be used towards meeting the charitable objectives of the School, but which have been set aside out of the general funds and designated for specific purposes by the Governors.

The tangible fixed assets fund comprises non-liquid funds represented by the net book value of tangible fixed assets.

The unrestricted general fund represents those monies which are freely available for application towards achieving any charitable purpose that falls within the School's charitable objects.

## 1 Donations

	Unrestricted funds £	Restricted funds £	Total funds 2022 £
<b>2022 Total funds: Donations for development project</b>	<b>15</b>	<b>—</b>	<b>15</b>
<i>2021 Total funds: Donations for development project</i>	<i>10</i>	<i>—</i>	<i>10</i>

## 2 Income from charitable activities

	Unrestricted funds £	Restricted funds £	2022 Total funds £
Tuition fees and charges	6,417,020	—	<b>6,417,020</b>
Less: bursaries awarded	(92,552)	—	<b>(92,552)</b>
	<b>6,324,468</b>	<b>—</b>	<b>6,324,468</b>
Grant income from the Office for Students	—	87,443	<b>87,443</b>
Other grants	—	2,021	<b>2,021</b>
	<b>6,324,468</b>	<b>89,464</b>	<b>6,413,932</b>

	Unrestricted funds £	Restricted funds £	2021 Total funds £
<i>Tuition fees and charges</i>	<i>5,399,120</i>	<i>—</i>	<i>5,399,120</i>
<i>Less: bursaries awarded</i>	<i>(117,874)</i>	<i>—</i>	<i>(117,874)</i>
	<i>5,281,246</i>	<i>—</i>	<i>5,281,246</i>
<i>Grant income from the Office for Students</i>	<i>—</i>	<i>44,116</i>	<i>44,116</i>
<i>Other grants</i>	<i>—</i>	<i>16,651</i>	<i>16,651</i>
	<i>5,281,246</i>	<i>60,767</i>	<i>5,342,013</i>

During the year ended 31 August 2022, 8 (2021 – 9) students received a bursary to support their tuition fees. The amounts shown above include £53,311 (2021 - £55,433) directly from the School, in 2022, and £39,241 (2021 - £62,441) from funding received from the Leverhulme Trust.

### 3 Expenditure on raising funds

	Unrestricted funds £	Restricted funds £	2022 Total funds £
Staff costs	40,922	—	<b>40,922</b>
<b>2022 Total funds</b>	<b>40,922</b>	<b>—</b>	<b>40,922</b>

	Unrestricted funds £	Restricted funds £	2021 Total funds £
Staff costs	40,340	—	40,340
<b>2021 Total funds</b>	<b>40,340</b>	<b>—</b>	<b>40,340</b>

### 4 Expenditure on charitable activities – provision of education

	Unrestricted funds £	Restricted funds £	2022 Total funds £
Direct costs			
. Staff costs	1,960,118	51,665	<b>2,011,783</b>
. Visiting lectures	545,671	14,383	<b>560,054</b>
. Premises	464,392	8,261	<b>472,653</b>
. Production allowances and costs	613,194	13,697	<b>626,891</b>
. Repairs and technical maintenance	99,640	1,772	<b>101,412</b>
. Depreciation	70,307	1,438	<b>71,745</b>
. IT costs	91,775	—	<b>91,775</b>
. Marketing costs	74,487	—	<b>74,487</b>
. Other costs	654,159	10,264	<b>664,423</b>
	<b>4,573,743</b>	<b>101,480</b>	<b>4,675,223</b>
Support costs			
. Staff costs	1,143,974	17,312	<b>1,161,286</b>
. Legal and professional	70,782	821	<b>71,603</b>
. Other costs	274,951	7,442	<b>282,393</b>
. Governance costs (note 5)	106,263	1,650	<b>107,913</b>
	<b>1,595,970</b>	<b>27,225</b>	<b>1,623,195</b>
<b>2022 Total funds</b>	<b>6,169,713</b>	<b>128,705</b>	<b>6,298,418</b>

**4 Expenditure on charitable activities – provision of education (continued)**

	<i>Unrestricted funds</i>	<i>Restricted funds</i>	<i>2021 Total funds</i>
	£	£	£
<i>Direct costs</i>			
. Staff costs	1,695,671	17,364	1,713,035
. Visiting lectures	770,058	7,886	777,944
. Premises	427,024	4,195	431,219
. Production allowances and costs	268,335	3,595	271,930
. Repairs and technical maintenance	111,885	1,196	113,081
. Depreciation	57,670	724	58,394
. IT costs	123,909	—	123,909
. Marketing costs	59,779	—	59,779
. Other costs	882,730	8,246	890,976
	<u>4,397,061</u>	<u>43,206</u>	<u>4,440,267</u>
<i>Support costs</i>			
. Staff costs	1,068,501	6,735	1,075,236
. Legal and professional	20,082	510	20,592
. Other costs	302,514	4,599	307,113
. Governance costs (note 5)	98,870	717	99,587
	<u>1,489,967</u>	<u>12,561</u>	<u>1,502,528</u>
 <i>2021 Total funds</i>	 <u>5,887,028</u>	 <u>55,767</u>	 <u>5,942,795</u>

**5 Governance costs**

	<i>Unrestricted funds</i>	<i>Restricted funds</i>	<b>2022 Total funds</b>
	£	£	£
Audit and advisory fees	37,811	369	<b>38,180</b>
Other professional costs	68,452	1,281	<b>69,733</b>
<b>2022 Total funds</b>	<u>106,263</u>	<u>1,650</u>	<u><b>107,913</b></u>
	<i>Unrestricted funds</i>	<i>Restricted funds</i>	<i>2021 Total funds</i>
	£	£	£
<i>Audit and advisory fees</i>	29,129	211	29,340
<i>Other professional costs</i>	69,741	506	70,247
<i>2021 Total funds</i>	<u>98,870</u>	<u>717</u>	<u>99,587</u>

## 6 Net income (expenditure) and net movement in funds

This is stated after charging:

	2022 £	2021 £
Depreciation – owned assets	71,745	58,394
Operating lease rentals – Land and buildings	329,946	322,927
Operating lease rentals – Equipment hire	150,358	314,123
Auditor's remuneration (including VAT)		
. Statutory audit	27,000	21,000
. Other services	8,000	6,000
Staff costs (including visiting lecturers) (note 7)	<b>3,733,123</b>	3,606,555

## 7 Staff costs

	2022 £	2021 £
Wages and salaries	2,764,851	2,540,243
Social security costs	258,965	230,663
Pension costs	63,550	57,705
	<b>3,087,366</b>	2,828,611
Compensation for loss of office	85,703	—
	<b>3,173,069</b>	2,828,611

In addition to the staff costs disclosed above, the amount paid to visiting lecturers used by the School in year was £560,054 (2021 – £794,477).

The average number of employees, excluding visiting lecturers and temporary staff, during the year was as follows:

	2022 Number	2021 Number
Provision of education		
. Academic staff	41	42
. Support staff	22	20
	<b>63</b>	62

The number of employees who earned £60,000 per annum or more (including taxable benefits but excluding employer pension contributions) during the year was as follows:

	2022 Number	2021 Number
£60,001 - £65,000	4	1
£70,001 - £75,000	1	—
£75,001 - £80,000	2	1
£80,001 - £85,000	—	—
£90,001 - £95,000	—	1
£95,001 - £100,000	—	1
	<b>7</b>	4

**7 Staff costs** (continued)

The key management personnel of the charity in charge of directing and controlling, running and operating the charity comprise the governors and the Management Team. The total remuneration (including taxable benefits and employer's pension contributions) of the key management personnel for the year was £783,147 (2021 – £597,905).

During the year, staff governors received remuneration only in relation to their roles as staff members. No member(s) of the governing body received any remuneration in respect of their services as governors during the year (2021 – £nil).

No expenses were reimbursed to the governing body members during the year (2021 - £nil).

**Remuneration of Director and Chief Executive Officer**

	CEO to 31 May 2022 £	Interim CEO from 1 June 2022 £	<b>Total 2022 £</b>	Total 2021 £
Basic salary	73,402	24,091	<b>97,493</b>	95,950
Bonus	—	—	<b>—</b>	—
Pension contribution	990	147	<b>1,137</b>	1,316
Compensation for loss of office	85,703	—	<b>85,703</b>	—
	<u>160,095</u>	<u>24,238</u>	<b><u>184,333</u></b>	<u>97,266</u>

The remuneration package of senior members of staff, including the Director and Chief Executive Officer, is subject to review by the Remuneration Committee who use benchmarking information to provide objective guidance.

The Director and Chief Executive Officer reports to the Chair of the Board, who undertakes an annual review of his performance against the School's overall objectives using both qualitative and quantitative measures of performance.

	<b>2022 £</b>	2021 £
Chief Executive's basic salary as a multiple of the median of all staff	<b>2.72</b>	2.83
Chief Executive's total remuneration as a multiple of the median of all staff	<b>5.11*</b>	2.81

During 2021/22 the Chief Executive Officer retired from the School on 31 May, 2022 and an interim Chief Executive Officer joined the School on 16 May, 2022 on a 0.8 FTE basis. Compensation for the loss of office for the departing Chief Executive was to the value of £85,703.

\* based on total remuneration for the interim CEO and exiting CEO, including severance payment

## 8 Taxation

The London Film School Limited is a registered charity and therefore is not liable to income tax or corporation tax derived from its charitable activities, as it falls within the various exemptions available to registered charities.

## 9 Tangible fixed assets

	Leasehold premises in course of construction £	Cinema equipment £	Fixtures, fittings and computer equipment £	Total £
<b>Cost</b>				
At 1 September 2021	901,268	380,430	105,166	<b>1,386,864</b>
Additions	—	24,841	27,214	<b>52,055</b>
Disposals	(901,268)	—	—	<b>(901,268)</b>
At 31 August 2022	—	405,271	132,380	<b>537,651</b>
<b>Depreciation/Write down</b>				
At 1 September 2021	901,268	169,524	92,521	<b>1,163,313</b>
Charge for the year	—	60,737	11,008	<b>71,745</b>
Disposals	(901,268)	—	—	<b>(901,268)</b>
At 31 August 2022	—	230,261	103,529	<b>333,790</b>
<b>Net book values</b>				
At 31 August 2021	—	210,906	12,645	<b>223,551</b>
At 31 August 2022	—	175,010	28,851	<b>203,861</b>

## 10 Debtors

	2022 £	2021 £
Trade debtors	<b>118,423</b>	124,163
Other debtors	<b>98,520</b>	113,759
Prepayments and accrued income	<b>681,140</b>	344,271
	<b>898,083</b>	582,193

## 11 Creditors: amounts falling due within one year

	2022 £	2021 £
Trade creditors	<b>125,655</b>	268,170
Accruals and deferred income	<b>2,009,211</b>	1,603,309
Sundry creditors	<b>102,993</b>	123,260
CBILS Loan (see note 12)	<b>300,000</b>	100,000
	<b>2,537,859</b>	2,094,739

### 11 Creditors: amounts falling due within one year

	2022 £	2021 £
Deferred income at 1 September	1,031,200	2,003,069
Released during the year	(1,031,200)	(2,003,069)
Resources deferred in the year	1,177,219	1,031,200
Deferred income at 31 August	<b>1,177,219</b>	<b>1,031,200</b>

Deferred income consists principally of fee income received in advance.

### 12 Creditors: amounts falling due in more than one year

	2022 £	2021 £
CBILS Loan	<b>1,100,000</b>	1,400,000

<b>Maturity of debt</b>	2022 £	2021 £
CBILS loan repayable within one year	300,000	100,000
CBILS loan repayable between one and two years	300,000	300,000
CBILS loan repayable between two and five years	800,000	900,000
CBILS loan repayable in more than five years	—	200,000
	<b>1,400,000</b>	<b>1,500,000</b>

The CBILS loan was drawn down in full in April 2021. It is unsecured with a fixed interest rate of 3% per annum. The first year was interest and repayment free; the balance is being repaid over five years at £25,000 per month plus interest from May 2022.

### 13 Restricted funds

The income funds of the School include restricted funds comprising the following unexpended balances of grants and donations to be applied for specific purposes.

	At 1 September 2021 £	Income £	Expenditure £	Transfer between funds £	At 31 August 2022 £
Office for Students	—	87,443	(87,443)	—	—
Skillset Academy Fund	5,692	—	—	—	<b>5,692</b>
Kickstart	—	2,021	(2,021)	—	—
Adam Sedgwick Award	5,010	—	—	—	<b>5,010</b>
Leverhulme fund	9,704	39,241	(39,241)	—	<b>9,704</b>
	<b>20,406</b>	<b>128,705</b>	<b>(128,705)</b>	<b>—</b>	<b>20,406</b>

**13 Restricted funds (continued)**

	At 1 September 2020	Income	Expenditure	Transfer between funds	At 31 August 2021
	£	£	£	£	£
Office for Students	—	44,115	(44,115)	—	—
Skillset Academy Fund	692	12,609	(7,609)	—	5,692
Kickstart	—	4,043	(4,043)	—	—
Adam Sedgwick Award	5,010	—	—	—	5,010
Leverhulme fund	9,704	—	—	—	9,704
	<u>15,406</u>	<u>60,767</u>	<u>(55,767)</u>	<u>—</u>	<u>20,406</u>

**Office for Students fund**

The Office for Students fund is restricted to supporting teaching through spend related to the delivery of course costs.

**Skillset Academy fund**

The Skillset Academy fund is restricted to the funding of bursaries for the Skillset Screen Academy Project, specific new teaching and associated overheads.

**Kickstart Scheme**

The Kickstart Scheme provides funding to employers to create jobs for 16 to 24 year olds on Universal Credit as a high quality 6-month job placement.

**Adam Sedgwick Award**

The Adam Sedgwick Award is restricted to the funding of a grant to help a graduating student after the completion of the course.

**Leverhulme fund**

The Leverhulme Trust has donated to this fund which is dedicated to applicants of high academic standard who could not otherwise continue their studies throughout the academic year and beyond without funding assistance.

**14 Tangible fixed assets fund**

	2022 £	2021 £
At 1 September	223,551	115,550
Net movements in year	(19,690)	108,001
At 31 August	<u>203,861</u>	<u>223,551</u>

The tangible fixed assets fund represents the net book value of the School's fixed assets. A decision was made to separate this fund from the other unrestricted funds of the School in recognition of the fact that the tangible fixed assets are essential to the day-to-day operation of the school. The fund value, therefore, cannot be easily realised without jeopardising the ongoing operation of the School.

### 15 Designated funds

The income funds of the School include the following designated funds which have been set aside by the governors for specific purposes:

	At 1 September 2021 £	New designation £	Utilised £	At 31 August 2022 £
Relocation fund	—	—	—	—

	At 1 September 2020 £	New designation £	Utilised £	At 31 August 2021 £
Relocation fund	794,487	—	(794,487)	—

The relocation fund consists of monies set aside by the governors towards the cost of relocation project.

### 16 Operating lease commitments

At 31 August the School had the following future minimum commitments under non-cancellable operating leases:

	Equipment		Land and buildings	
	2022 £	2021 £	2022 £	2021 £
Operating lease payable:				
Within one year	—	—	89,400	89,400
	—	—	89,400	89,400

The lease renewals for both properties occupied by the School are in place including clauses which allow the School a break option subject to giving six months' notice. This will enable a move to new premises once the development project is complete.

### 17 Related and connected parties disclosure

There were no other related party transactions during the year ended 31 August 2022 (2021 – none).

# London Film School Limited

Post-audit management report

Year ended 31 August 2022

The Trustees  
London Film School Limited  
24 Shelton Street  
London  
WC2H 9UB

8 December 2022

### **Post-audit management report for London Film School Limited for the year ended 31 August 2022**

This post-audit management report presents the observations and matters which came to our attention during our audit, which are considered to be significant, as required by International Standard on Auditing (UK) 260.

The audit of the financial statements does not relieve management or those charged with governance of their responsibilities for the preparation of the financial statements.

We would like to take this opportunity to thank the finance team for their assistance provided during the course of our audit.

Yours faithfully

for Buzzacott LLP

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### Key contacts

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Buzzacott LLP, 130 Wood Street,  
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## Executive summary

### Purpose of the external audit

The purpose of this report is to bring to the attention of Board as those charged with governance the findings from our recent audit of the financial statements of London Film School Limited, for the year ended 31 August 2022, for your consideration and to enable you to address matters arising where appropriate. Throughout this report, “you” and “your” refer to the Board. “We” and “our” refer to Buzzacott LLP.

We appreciate that you will already be aware of some of the matters contained in this report. However, in accordance with International Standards on Auditing (UK) (ISAs) we are communicating them to you formally.

As auditor, we are responsible for performing the audit in accordance with ISAs (UK), which is directed towards forming and expressing an opinion on the financial statements for the year ended 31 August 2022 that have been prepared by management with the oversight of those charged with governance, and other matters required by legislation.

Our work has been carried out in accordance with our audit planning letter dated 9 November 2022. We summarise our main findings below and provide more detail in the following pages.

In summary, we report that:

- the key risk areas highlighted during our planning process have been adequately addressed during our audit work;
- our work highlighted no significant deficiencies in the systems operated by the charity;
- some recommendations have been made for improvements to systems and procedures at Appendix 1; and
- subject to the resolution of any outstanding audit queries, we anticipate issuing an unqualified and unmodified audit opinion on the accounts.

The matters raised in this report have been discussed with Peter Holliday, Dan Lawson and Anita O'Connor.

## **Audit progress**

We would like to take this opportunity to thank all those with whom we dealt during the audit for their assistance and co-operation, in particular Anita O'Connor (Financial Controller) and Tom Gentle (Management Accountant).

The Audit work began as agreed on 11 November 2022, however the work of producing the financial statements was still ongoing at that stage and a number of adjustments and changes were made by management during the time allocated for the audit. An updated draft reflecting the identified adjustment was received on 1 December 2022, after our audit fieldwork was scheduled to have been completed.

Due to this delay in receiving the draft financial statements, the audit fieldwork could not be fully completed within the original timetable. This resulted in some inefficiencies due to the work initially progressing without draft accounts, and delays to our scheduled reviews. This staggered approach, with the accounts preparation ongoing during the audit work, increases the risk that disclosures are incomplete or incorrect, and we therefore reiterate the importance of agreeing a realistic timetable for the annual audit.

## **Auditor's report**

We do not propose any modifications to our audit opinion and, therefore, we intend to issue an unqualified opinion in our auditor's report

The wording of our auditor's report is unchanged from last year.

## **Accounting and internal controls systems**

Our work during the audit included an examination of some of the charity's transactions, procedures and controls with a view to expressing an opinion on the financial statements for the year ended 31 August 2022.

This work was not directed primarily towards discovering weaknesses, other than those that would affect our audit opinion, or towards the detection of fraud. We have included in this report only matters that have come to our attention as a result of our normal audit procedures and consequently our comments should not be regarded as a comprehensive record of all weaknesses that may exist or of all improvements that might be made.

We found no significant deficiencies in the accounting and internal control systems during our audit. However, we have made some recommendations for improvements, which are detailed in the key audit findings section of this report.

## **Prior year's post audit report**

We are pleased to report that the matters raised in our report last year have been satisfactorily dealt with.

## **Accounting policies, accounting estimates and disclosures**

The accounting policies used in preparing the financial statements are unchanged from the previous year.

Our work included a review of the adequacy of disclosures in the financial statements and consideration of the appropriateness of the accounting policies and estimation techniques adopted by the charity. We found the disclosed accounting policies, significant accounting estimates and the overall disclosure and presentation to be appropriate for the charity.

We have no specific observations to make in this regard.

## Key audit findings

### Annual Report and Financial Statements format

The financial statements have been prepared, as last year, in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice (Charities SORP FRS 102), as well as the additional requirements of the Office for Students Accounts Direction.

There are no significant changes to the format of the financial statements this year.

### Adjustments made during the audit

A number of adjustments were agreed with management during the audit fieldwork. As noted in the Audit Progress section above, the work on the preparation of the financial statements was ongoing during the audit fieldwork and a therefore it is not practical to record those adjustments in full within this report.

### Unadjusted misstatements

Other than clearly trivial misstatements, all the misstatements identified during the audit have been adjusted.

### Materiality

**Materiality threshold** £130,000

**Reporting threshold:** £6,500

Materiality refers to the relative significance of a particular matter in the context of the financial statements as a whole. An item would be considered material if its omission or its erroneous inclusion would reasonably influence the decisions of those using the financial statements.

We are required to report corrected audit misstatements, and uncorrected audit misstatements in excess of our reporting threshold which is set at 5% of overall materiality.

Our materiality threshold is based on 2% of income. A lower level of materiality may be selected for specific areas of the financial statements and for some disclosure items e.g. transactions and other financial arrangements with trustees and their connected persons.

When considering the impact of misstatements discovered during the course of our audit and considering the implications for our report of such misstatements, we will refer to this level amongst other things. Whether a misstatement is 'material' or not is ultimately down to the auditor's judgement.

## Observations and recommendations on the accounting system and financial reporting function

The table below provides a summary of any observations made concerning weaknesses in the charity's accounting and internal control systems.

Observations included in the "A" grade (red) indicate that, in our opinion, there is a risk of significant financial impact on the charity that must be addressed immediately.

"B" grade (orange) recommendations relate to those issues where there is a risk of moderate financial impact on the charity, such as a control failure or the absence of a control in an area of moderate risk. These items should be addressed shortly.

Observations included in the "C" grade (yellow) indicates that the matter, although important, does not warrant urgent attention and should be addressed within an agreed timeframe.

Priority	No of points	Relating to
<b>A</b>	-	-
<b>B</b>	<b>1</b>	<ul style="list-style-type: none"> <li>● Reconciliation of control accounts and opening balances</li> </ul>
<b>C</b>	<b>4</b>	<ul style="list-style-type: none"> <li>● Fixed asset register</li> <li>● Register of interests</li> <li>● Rationalisation of bank accounts</li> <li>● Companies House filings</li> </ul>

Further details in respect of the observations and recommendations as a result of our audit work are given in Appendix 1.

The matters have all been discussed with Dan Lawson and Anita O'Connor, who have appropriate management authority and are informed management for independence purposes.

### Prior year observations

We are pleased to report that the observation made last year in relation long standing credit balances on the sales ledger has been satisfactorily dealt with.

## Key audit risks and outcomes

As part of our audit planning process, we identified those areas where we believe there is a higher probability that a material error may appear in the financial statements. In the pages which follow we have provided a brief summary of the outcome of our audit work in relation to those higher risk areas.

Risk area	Summary and conclusion
<p><b>Compliance with the Office for Students Accounts Direction</b></p>	<p>The School's financial statements must include a statement of corporate governance and a statement of internal control (or a combined statement) which cover the requirements outlined in the Accounts Direction.</p> <p>We confirm that we have reviewed the statement of internal control and corporate governance against the requirements detailed in the Accounts Direction and have concluded that it is compliant. We confirm also that we have undertaken appropriate audit procedures over the additional disclosure requirements of the OfS accounts direction, including those over senior staff pay and grant and fee income, and nothing has come to our attention to suggest that this is materially misstated.</p>
<p><b>Going concern assessment</b></p>	<p>As always, the governors' must consider a period of twelve months from the likely date of signature of the financial statements when making their assessment whether they believe the School to be a going concern.</p> <p>We have reviewed management budgets and cash flows which extend beyond 12 months from the signature of the financial statements, and which show the School is due to continue to generate a surplus and maintain sufficient cash reserves, with a surplus of £345k forecast for 2022/23 and £746k for 2023/24, and cash balances forecast to remain in excess of £2m over that period.</p>

Risk area	Summary and conclusion
<p><b>Property and estates strategy</b></p>	<p>The School has plans to relocate to a new site in Holborn in 2023, and has agreed heads of terms in relation to the new premises. As an agreement is expected to be signed, and the plans are expected to be made public before the accounts are published, this is currently disclosed within the governors' report; however we will continue to monitor any progress up until the point the accounts are signed and consider whether the disclosures in the annual report and financial statements remain appropriate.</p> <p>The School's existing lease over its current premises means that the assessment of going concern is not contingent on the move going ahead as scheduled.</p> <p>We also note that the costs previously incurred in relation to the planned move to London City Island, which were fully impaired in 2020, have now been eliminated from the financial statements altogether as the plans for the project have been terminated.</p>
<p><b>Compliance with Department for Education's Supplemental Schedule</b></p>	<p>The US Department for Education released an update in September 2021 requiring schools to include a Supplemental Schedule as part of their audited financial statements submission. The Supplemental Schedule must be evaluated and reported on in relation to the financial statements as a whole.</p> <p>The Supplementary Schedule has been reviewed, and the figures agreed to the underlying statements. The format of the schedule is unchanged from 2021 and follows the template provided by the US Department for Education.</p>

## Other information

### Letter of representation

We enclose the draft letter of representation which we will request the trustees to approve and sign at the same time as the financial statements. This includes acknowledgement of the trustees' responsibility for the design and implementation of internal controls to prevent and detect fraud.

As set out in our planning letter, we understand the following applied to the year ended 31 August 2022.

- Trustees exercised effective oversight of management's processes for identifying and responding to the risks of fraud in the charity and a system of internal controls was in place to mitigate these fraud risks.
- The key risk of fraud at the charity arises from the possibility of fraudulent invoices being passed on for payment.
- Trustees were not aware of any instances of actual, suspected, or alleged fraud, including misconduct or unethical behaviour related to financial reporting or misappropriation of assets.
- There have not been any out of the ordinary transactions.

If the above information is no longer correct, please contact Gumayel Miah or Robert Cloke.

### Professional ethics

In accordance with our profession's ethical guidance and further to our letter to you dated 9 November 2022 confirming audit planning arrangements there are no further matters to bring to your attention in relation to Integrity, Objectivity and Independence.

### Current developments

#### Revised auditing standards

The audit work we perform must comply with all relevant International Standards on Auditing (UK) ("ISAs") which are set by the UK's Financial Reporting Council ("FRC"). ISA (UK) 315 *Identifying and Assessing the Risks of Material Misstatement Through Understanding of the Entity and Its Environment*, ('ISA 315') has recently been reviewed and amended by the FRC and the revised version introduces major changes in the approach auditors must follow to risk identification and assessment in all audits. This will be applicable to your audit for the year ending 31 August 2023.

To help prepare for the implementation of ISA 315, charities can refer to the Charity Commission guidance *Internal financial controls for charities (CC8)*, which includes a checklist to assist in evaluating the internal financial controls in place. There is also information on the control environment for charities in *Practice Note 11 (Revised) The audit of charities in the United Kingdom*, particularly in paragraphs 86 to 95.

We have also attached a summary of other recent and ongoing developments as Appendix 2 to this report. The matters included in this appendix may not all be directly relevant to the charity. However, we are aware that a lot of trustees are involved with more than one organisation, therefore we have included items for general information.

## Updates, insights and seminars

As part of our commitment to the charity sector, during the year the Charity Team issues occasional Updates and Insights on matters of relevance to the sector and also holds a number of seminars free of charge throughout the year. We would be delighted to welcome representatives of your charity to our seminars or to add trustees and management to our email distribution lists if this would be welcome. News and Insights are also available on our website at [News and insights \(buzzacott.co.uk\)](https://www.buzzacott.co.uk), where there is also an opportunity to sign up to our mailing list should you wish.

This report has been prepared for your private use only. It has been prepared on the understanding that it will not be shared with any third party without our prior written consent and we can therefore assume no responsibility to any other party. Any recommendations contained herein are based on the information you have provided and UK law and judicial and administrative interpretation as of the date of this letter. Should the facts provided to us be incorrect or incomplete, or should they change, our recommendations may be inappropriate. Buzzacott LLP accepts no liability for losses arising from changes in UK law, interpretation or practice or in public policy that are first published after the date of this report.

If you require any further information or assistance, we shall be very pleased to help you.

We would be pleased to receive your comments and reaction to this letter.

## Appendix 1: Audit observations and recommendations

Observation	Implication	Recommendation	Management comment
<p><b>B</b> <b>Reconciliation of control accounts and opening balances</b></p> <p>The reserves brought forward per the original trial balance presented for audit could not be reconciled to the net assets reported in last year's signed accounts. In addition, there were a number of differences identified indicating misstatements within the financial statements presented for audit, or within the supporting schedules. These have since been adjusted for by management in order to arrive at a set of financial statements which balance, and which agree to the underlying records.</p>	<p>The finance team does not have an accurate financial record during the year if opening balances are not correctly brought forward.</p> <p>The differences identified suggests that similar differences may be present within the in-year management reporting, albeit we have not audited the school's management accounts.</p>	<p>We <b>recommend</b> that opening balances brought forward are checked against the amounts previously agreed as carried forward and any discrepancies investigated.</p> <p>We <b>recommend</b> that control account balances on the accounting ledger are reconciled at each month end to supporting breakdowns / expectations of the balances, and any differences investigated on a timely basis.</p>	<p>Action: monthly reconciliation to be built into the month-end process.</p>

	Observation	Implication	Recommendation	Management comment
C	<p><b>Fixed Asset Register</b></p> <p>During our audit of fixed assets, we noted that the fixed assets register does not adequately tie back to accounts or the nominal ledger. Furthermore, the number of items capitalised within each asset is not listed.</p> <p>For example, £150,000 of 35mm cameras has been capitalised in a previous year, but the fixed asset register did not list how many cameras made up this balance and the facilities team had no separate record of how many cameras they had either.</p>	<p>This may lead to the misappropriation of assets going undetected as the school may not have an accurate account of how many assets it has under its control.</p>	<p>We <b>recommend</b> that the fixed asset register is reviewed, updated and simplified to more closely reflect the assets under the control of the school and the nominal is adjusted to agree with the outcome of the review.</p>	<p>Action: fixed asset register to be reviewed and simplified going forward.</p>
C	<p><b>Register of pecuniary interests</b></p> <p>At the time of the audit fieldwork, we were unable to have sight of all declarations of interests from the School's Governors and members of its Senior Management Team.</p>	<p>There is a risk that the School's management, who are responsible for ensuring that the financial statements are prepared with full disclosures of any related party transactions, may not be aware of all existing or new relationships. There is therefore a greater risk of disclosures being incomplete.</p>	<p>We <b>recommend</b> that the School ensures that declarations of interests are renewed annually and reviewed by management prior to the preparation of the financial statements. Declarations of Interests should also be completed by any Governors or members of the Senior Management Team at the time of their appointment.</p>	<p>Action: upon engagement of any governor or senior management team member, completion of the declaration of interest to be requested with subsequent annual update.</p>

	Observation	Implication	Recommendation	Management comment
C	<p><b>Rationalisation of bank accounts</b></p> <p>As part of our audit of cash at bank, we requested sight of the bank statements for all bank accounts included on the School's ledger. We were unable to sight statements for the Skillset Academy Account, the Media Training account, the LFS Business Current Account (ending 1439) and LFS International Account.</p> <p>We were unable to sight copies of the statements for these accounts. We understand that the bank statements are not received by the School and there are only limited transactions which pass through these accounts. Collectively, the year end balances on these accounts (per the School's accounting ledger) totalled £25.</p>	<p>The absence of statements for these accounts increases the risk of inappropriate use of these accounts going unnoticed.</p>	<p>We <b>recommend</b> that these accounts are closed if no longer used, or statements are requested from the bank so that the movements on the accounts may be fully reconciled on the accounting ledger.</p>	<p>Action: dormant bank accounts to be reviewed with a view to close.</p>
C	<p><b>Companies House filings</b></p> <p>We noted that Companies House have not always been notified of changes in directorship on a timely basis.</p>	<p>Information held at Companies House may be inaccurate or out of date.</p>	<p>We <b>recommend</b> that any changes to the directorship of the company are logged with Companies House on a timely basis.</p>	<p>Action: the retirement of the company secretary meant that this has not been maintained. Records of Companies House to be updated.</p>

## Appendix 2: Current developments

### Trustees' Annual Report and Accounts

#### Government response to audit and corporate governance consultation

The government has published its results following a consultation exercise in respect of audit, corporate reporting and corporate governance. As part of the initial proposals, charities with income over £100m could have faced much stricter rules on financial reporting under their classification as a public interest entity (PIE). However, it has been agreed that these rules will only apply to entities with over £750m income and 750 employees meaning that only the largest UK charities will be required to comply. The new rules include the introduction of a Resilience Statement, an Audit and Assurance Policy and a statement on fraud measures within Annual Reports.

The full paper can be read at:

<https://assets.publishing.service.gov.uk/government>

[/uploads/system/uploads/attachment\\_data/file/1079594/restoring-trust-in-audit-and-corporate-governance-govt-response.pdf](/uploads/system/uploads/attachment_data/file/1079594/restoring-trust-in-audit-and-corporate-governance-govt-response.pdf)

#### Environmental reporting and sustainability in charities

Larger companies are now required to report on environmental policy and sustainability in their annual report. The regulatory requirements for environmental reporting are limited to:

- Only large and medium UK companies are legally required to report their greenhouse gas emissions in their strategic reports (under the Streamlined Energy and Carbon Reporting (SECR) requirements); and
- Only quoted companies must address their environmental impact in any more detail.

These mandatory requirements also apply to large charitable companies, but smaller or unincorporated charities may wish to report on environmental

factors by considering the following activities: greenhouse gases, water, waste, materials and resource efficiency, biodiversity and ecosystem, and emissions to air, land and water. Charities should also be aware of the legislation that is directly applicable to their activities and be able to demonstrate they are compliant using both qualitative descriptions and quantitative data.

For further details on how to consider environmental reporting in charities please see the following:

<https://www.civilsociety.co.uk/finance/environmental-reporting-and-sustainability.html>

#### Reporting Diversity Data

The Charity Commission has been asked to make reporting diversity information about charity senior leaders and trustees mandatory in annual reports. Currently, publicly available information of the diversity of charity leaders is “incomplete and out of

date” so a coalition of 65 organisations have advised the change in line with new FCA rules. The FCA requires listed companies to disclose numerical data on the gender and ethnic diversity of their board and executive management. The Charity Commission has said they will consider the recommendations as part of their ongoing work on the issue. The shadow charities minister has also said “increased transparency at charities is needed” and the Charity Commission should take action on “recommendations to collect data on protected characteristics among charity trustees and executives”.

The open letter to the Charity Commission can be found at <https://www.money4you.org/operationtransparency/>

## **New programme to boost diversity in boardrooms**

A pilot Boardroom Apprentice programme has been launched by the Government’s Levelling Up initiative to boost diversity in public boardrooms. The programme aims to more closely reflect the

communities in which they serve across the UK, with candidates receiving practical boardroom experience, knowledge and skills.

For more information please visit:

<https://www.gov.uk/government/news/new-programme-aimed-to-boost-diversity-in-boardrooms>

## **Policy and Governance**

### **Charities Act 2022**

The Charity Commission has published guidance on changes to be implemented by the Charities Act 2022, expected to come into force from Autumn 2022 and will be staggered throughout 2023. A summary of the key changes are:

- Charities will be able to pay Trustees for providing goods or services to the charity that are beyond the usual trustee duties (Autumn 2022);
- Trustees will have the power to process small amounts of ex-gratia or moral payments

without applying to the regulator. For example, if a charity receives a legacy but there is evidence the donor has changed their mind since making their will (Autumn 2022);

- Reduced complexity surrounding fundraising appeals that do not reach, or exceed, the intended target. This includes charities no longer having to wait six months for donors to ask for a refund. In addition, if donations less than £1,000 can be spent on purposes other than those intended, they can act without the involvement of the Commission (Autumn 2022);
- Changes to how charities sell, lease or transfer land (Spring 2023);
- Greater flexibility will be introduced to make use of permanent endowments (Spring 2023); and
- Changes to how charities can amend their governing documents (Autumn 2023).

The guide can be found at

<https://www.gov.uk/guidance/charities-act-2022-guidance-for-charities>

## Recruiting young trustees

Our Bright Future, a partnership led by the Wildlife Trusts and funded by the National Lottery Community Fund, has published a guide to help charities recruit young trustees to their board. The guide includes case studies and templates for charities that would like to recruit young people, and a six-step approach for supporting young trustees in their role. The guide can be found at:

[https://ourbrightfuture.co.uk/wp-content/uploads/2022/05/Young\\_Trustees\\_Advice\\_Pack.pdf](https://ourbrightfuture.co.uk/wp-content/uploads/2022/05/Young_Trustees_Advice_Pack.pdf)

## Charities and remote meetings

From 22 April 2022, the Charity Commission has confirmed that charities will need to move back to face-to-face meetings unless their governing documents allows remote meetings to be held. The flexibility of online meetings was introduced in April 2020 but as Covid-19 restrictions have come to an end this flexibility is being removed. The regulator has also said they will no longer give charities extensions to filing deadlines.

Information on how to amend governing documents if needed can be found at

<https://www.gov.uk/guidance/coronavirus-covid-19-guidance-for-the-charity-sector>

## Companies House reforms

In February 2022, the Government Department for Business, Energy and Industrial Strategy ('BEIS') published its Corporate Transparency and Register Reform White Paper. The reforms are designed to increase transparency and clamp down on abuse of UK corporate structures for money laundering.

These changes are very likely to become law, however there is currently no timetable for the introduction of the new rules.

The key changes are as follows:

- *Reduction in filing options for small companies*  
The reforms will simplify the framework for smaller entities by reducing the filing options to just two categories: micro-entities and small companies. The abridged and "filleted" accounts options will be removed and therefore

all small companies will be required to file a directors' report and profit and loss account (as well as a balance sheet).

- *Strengthening of Companies House powers*  
The government will extend the powers of Companies House to query, seek evidence for, amend or remove information on the register, and to share it with law enforcement if certain conditions are met.
- *Identity verification for those setting up, managing and controlling companies*  
The government will require identity checks on directors of companies, general partners in Limited Partnerships, designated members in LLPs and people with significant control (PSCs). Individuals who fail to verify their identity will be subject to new criminal and civil sanctions.
- *Restrictions on corporate directorships*  
Corporate directorships will be restricted to entities registered in the UK, and the corporate directors will need to be associated with natural persons who will be subject to identity checks. Different rules will apply to corporate members

of LLPs or corporate general partners of LPs but with a similar aim of increasing transparency over the control of these entities.

- *More information on a company's shareholders*  
The reform proposes a requirement for private companies, and traded companies where shareholders hold at least 5% of the issued shares of any class of the company, to provide a one-off full shareholder list. Any changes will be updated annually when a company files a confirmation statement.
- *"File once" approach*  
The government is considering a new approach so that accounts will only need to be filed once instead of separately to Companies House, HMRC and other agencies.

## Maintaining public trust

The Charity Commission has said that charities should not be complacent in their efforts to maintain public trust. Research conducted on behalf of the Charity Commission found that public trust in charities has risen slightly in 2020-21, after reaching

an all-time low in 2018 following a "number of scandals" in the sector. The regulator has said trustees are key in ensuring charities public's expectations are met through high standards of governance and compliance with duties.

Please see:

<https://www.gov.uk/government/publications/research-into-public-trust-in-charities-and-trustees-experience-of-their-role>

## Winter 2022 energy bills for charities

The government has published details to reduce energy bills for charities, businesses and public sector organisations from October 2022. A discount will automatically be applied to bills from 1 October to 31 March by supporting the cost of wholesale gas and electricity prices this winter.

Charities on fixed price contracts agreed on or after 1 April 2022 will see their per unit energy costs automatically reduced by the relevant p/kWh, so long as they exceed the supported wholesale prices. Those on default, deemed or variable tariffs will also

receive support through a per-unit discount on energy costs, up to a maximum of around £405/MWh for electricity and £115/MWh for gas, subject to wholesale market developments.

For more information please see:

<https://www.gov.uk/government/news/government-outlines-plans-to-help-cut-energy-bills-for-businesses>

## Identity theft

Companies House have reported they deal with up to 100 cases of corporate identity theft every month. This involves stealing of business information and using it for personal gain.

The organisation offers a service called 'Protected Online Filing' (PROOF), which aims to protect companies from the threat of corporate identity theft. It allows filings at Companies House to be submitted using an authorisation code known only to the company and advisors.

More information of how to sign up for this free service can be found at

<https://ewf.companieshouse.gov.uk//seclogin?tc=1>

## Cyber security breaches in larger charities

The government's Cyber Security Breach Survey has found that 62% of charities with income over £500,000 reported having some form of cyber security attack in the year to March 2022. This increased to 76% for charities with income over £5,000,000. Whilst businesses continued to be targeted more than charities, about a quarter of charities said they faced cybercrime at least once a week in the form of phishing emails. In addition, 9% of charities said a cyber-attack had left them unable to access files temporarily. These findings are from responses from 424 charities and 1,200 business located in the UK. The detailed government report can be read at:

<https://www.gov.uk/government/statistics/cyber-security-breaches-survey-2022/cyber-security-breaches-survey-2022>

## Charity Commission – Improving charity data

The Charity Commission is focusing on improving data collection over the coming years, with an introduction of broader classification codes on the charity register expected soon (giving more specific options of what the charity does and its objects etc). This will enable organisations to accurately represent their activities, with information becoming more relevant to the public. It is also expected the 2023 Annual Return will feature a 'library' of questions which charities can answer as their circumstances require, enabling a more streamlined experience.

The long-term goals include more direct communication with individual trustees to help and support them in their roles.

Further details can be found at:

<https://charitycommission.blog.gov.uk/2022/03/22/your-role-in-improving-charity-data/>

## Charity Commission proposes additional questions on the annual return

A 12-week consultation commenced in June for potential changes to the Charity Commission Annual Return. The proposed new changes are around financial governance, charity operations and structure, and employees and volunteers. One of the proposed new questions asks charities to confirm whether specific thresholds have been exceeded (e.g. whether 70% or more of total income is dependent on one income stream, or whether 25% of more comes from donations). The regulator hopes this will enable them to collect more targeted information to help with its longer term data-driven, long-term strategy.

Changes will apply to charities' financial years starting on or after 1 January 2023. For more information on the consultation, please visit the Charity Commission website <https://www.gov.uk/government/consultations/charity-commission-revisions-to-the-annual-return-2023-25>

## Staff recruitment and retention

As charities seek to recover from the pandemic, one of the key issues affecting organisations is staff recruitment and retention. Employment experts believe charities are facing an “exodus” of staff due to increasing pressures such as overwork, burnout, and low pay. The return to the office has also been a contributing factor to staff retention in the sector. All these factors combined have highlighted a staff turnover in the not-for-profit sector of 18.1%. The recruitment crisis is likely to be heightened as charities lose experienced staff, replaced by staff with little knowledge of their organisation.

Charities can implement a range of strategies to increase staff retention including offering flexible working options, clear career progressions, a strong team culture and focus on staff wellbeing.

For further analysis, please see:

<https://www.stoneking.co.uk/literature/e-bulletins/how-can-charities-retain-their-best-staff>

## Compliance

### Safeguarding

The Charity Commission has published a guide on the responsibilities for charities and trustees to keep everyone safe including staff, volunteers, and beneficiaries. Trustees must ensure their charity identifies and manages risks, have safeguarding policies and practices in place, carry out relevant checks (e.g. DBS), protect volunteers and staff, and have procedures to handle and report incidents appropriately.

A detailed overview of safeguarding in charities, and how to implement the above action points can be found at:

<https://www.gov.uk/guidance/safeguarding-for-charities-and-trustees>

### Whistleblowing

The European Union Whistleblower Protection Directive came into effect in December 2021. Whilst it does not apply directly to UK based charities, it does apply to charities operating in the EU and may influence UK legislation in the future. Employers

must set up secure reporting channels, acknowledge disclosures within seven days of reporting, and give feedback to whistleblowers within three months.

## Tax

### Charity tax returns – why are they so important?

Whilst it is not compulsory for charities to file a tax return, HMRC is able to perform random checks on charities to ensure exemptions are being claimed correctly. There is no blanket exemption on income generated by a charity because of their charitable status. If a charity receives income that does not fall under the available exemptions, then the profit element of the income will be subject to tax. The main forms of exempt charitable income are:

- Donations and legacies;
- Trading income, where this derives from activities in furtherance of or ancillary to the charity’s objectives, or activities carried out by the charity’s beneficiaries; and
- Certain investment and property income.

If there is non-charitable trading income that does not fall under the above exemptions, the small-scale taxable trades exemption can be applied whereby a tax liability will not be applied if the non-charitable trading income is less than 25% of the charity's total income, subject to a cap of £80,000. If £80,000 is breached, the total non-charitable trading income will be taxable.

Further information can be found at:

<https://www.buzzacott.co.uk/insights/charity-tax-returns-why-are-they-so-important>

## R&D tax credit scheme

HMRC has released a series of proposed changes to the UK R&D tax credit scheme. The changes focus on three areas:

- Making businesses more responsible for the claims they are submitting through someone in the claimant company having to endorse each claim, a requirement for businesses to notify HMRC about a claim in advance and to provide

detailed technical documentation to support any claims made;

- Limiting the scope of the scheme to be UK focused through a proposed ban on claiming overseas costs; and
- Offering increased opportunities to access the scheme or include additional costs such as data and cloud computing costs being reclaimable.

More information on the changes to the scheme can be found at:

<https://www.buzzacott.co.uk/insights/key-changes-to-the-r-d-scheme>

## Business rates relief for charities

The Government are currently carrying out a review of business rates in England, which may impact the mandatory 80% rates relief given to charities on business properties. Currently, properties must be wholly or mainly used for charitable purposes.

Key considerations when claiming the relief include whether the charity carries out commercial trading through subsidiaries, whether they operate a retail

shop for the sale of donated goods, or whether the property is vacant but still held for charitable purposes. Charities and not-for-profit organisations should also be aware that local authorities may 'top-up' the relief to 100% at the discretion of the local authority.

Details on the charitable relief rate review can be found at: <https://www.buzzacott.co.uk/insights/are-you-taking-advantage-of-all-charitable-reliefs-from-business-rates>

## Making Tax Digital

From April 2022, all VAT-registered businesses with taxable turnover below £85,000 will be required to follow the Making Tax Digital (MTD) scheme. The information required and deadlines have not changed, but organisations will have to keep digital records and provide their return through MTD compatible software.

Further guidance can be found at:

<https://www.gov.uk/government/news/making-tax-digital-for-vat-is-coming-are-you-ready>

## Social Investment Tax Relief (SITR)

Introduced in 2014, SITR is available on investments in loans and provides 30% income tax relief to an investor on a loan made over a period of at least three years. In practice this allows for an interest free loan as the investor would receive a good rate of return on the tax relief. For charities to be eligible for the relief, they must have no more than £15m gross assets and 250 employees and must be used in a trading activity (for example a trading subsidiary). Charities should be careful about the conditions of the loan, as it may be viewed as a donation by HMRC.

The relief is available until April 2023. For more guidance on SITR and details of benefits to both the investor and the charity please see:

<https://www.buzzacott.co.uk/insights/social-investment-tax-relief-a-missed-opportunity-for-charities>

## Working from home overseas – tax, social security, and payroll considerations

The Covid-19 pandemic has resulted in employers giving flexible working arrangements including for employees who wish to work abroad. There are a number of tax, social security and compliance issues that both employees and employers should consider before allowing overseas working. Considerations must be given as to whether employment income falls under a bilateral tax treaty, which may help to manage costs. Employers should seek professional advice as to whether they will have social security and workplace pension scheme obligations in the country in question. Consideration will also need to be given whether an employee working abroad would create a fixed permanent establishment, resulting in potential overseas tax liabilities.

For further information, please see:

<https://www.buzzacott.co.uk/insights/working-from-home-overseas-the-tax-social-security-and-payroll-considerations>

## Covid-19 induced partial exemption adjustments

All businesses that are partially exempt from VAT are required to carry out their annual adjustment to their VAT year end return. This is a good time to review the year's VAT accounting, particularly if income has been impacted by Covid-19. HMRC has said the last chance to request a temporary alteration for partial exemption due to Covid-19 is for the VAT year ended 2022.

The original government policy paper can be found at

<https://www.gov.uk/government/publications/revenue-and-customs-brief-4-2021-partially-exempt-vat-registered-businesses-affected-by-coronavirus-covid-19>

**LONDON FILM SCHOOL LIMITED**

England & Wales - Charity number 270302

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# Accounts

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**London  
Film  
School  
Limited**

**Annual Report and Financial  
Statements**

31 August 2021

Company Limited by Guarantee  
Registration Number  
01197026 (England and Wales)

Charity Registration Number  
270302

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## Reference and administrative information

**Governors**

Gregory Dyke (Chair)  
Amanda Nevill CBE (Vice Chair – appointed 17/12/2020)  
Kemal Akhtar  
Peter Armstrong (resigned 14/10/2021)  
Suzy Black (appointed 17/12/2020)  
Helen Dudley CBE (retired 31/12/2020)  
Professor Diana Green (Vice Chair – retired 14/10/2020)  
Diane Herbert (appointed 17/12/2020, resigned 15/09/2021)  
Peter Hogenson (Student Governor, resigned 31/07/2021)  
Rhys Holland (appointed 01/08/2021)  
Peter Holliday (appointed 23/10/2019)  
Nick Humby  
Olivier Kaempfer  
William MacPherson (appointed 17/12/2020)  
Moshe Nitzani (Staff Governor, retired 25/9/2020)  
Cindy Rampersaud (appointed 17/12/2020)  
Joan Watson (appointed 17/12/2020)  
Sophia Wellington (Staff Governor, appointed 28/09/2020)

**Management Team**

Gisli Snaer (Director and Chief Executive Officer)  
Femi Kolade (Director of Studies)  
Dan Lawson (Chief Operating Officer)  
Veronique Fricke (Head of Marketing & Student Recruitment)  
Robin Graham (Secretary to the Board)  
Tiana Harper (MA Filmmaking Course Leader)  
Michele Maher (Academic Registrar)  
Anita O'Connor (Financial Controller)  
Victoria Thomas (MA International Film Business Course Leader)  
Caroline Ward (Head of HR)  
Sophia Wellington (MA Screenwriting Course Leader)

**Company Secretary** Robin Graham

**Principal address and registered office**

24 Shelton Street  
London  
WC2H 9UB

Telephone 0207 836 9642

Facsimile 0207 497 3718

Website [www.lfs.org.uk](http://www.lfs.org.uk)

E-mail [info@lfs.org.uk](mailto:info@lfs.org.uk)

**Company registration number** 01197026 (England and Wales)

## Reference and administrative information

<b>Charity registration number</b>	270302
<b>Auditor</b>	Buzzacott LLP 130 Wood Street London EC2V 6DL
<b>Bankers</b>	Royal Bank of Scotland London Drummonds Branch 49 Charing Cross London SW1A 2DX
<b>Solicitors</b>	Pinsent Masons LLP 30 Crown Place London EC2A 4ES

## Chair's introduction

### **Chair's Introduction to Annual Report and Financial Statements, 31 August 2021**

These accounts for London Film School cover the year ending 31st August 2021. In that year COVID-19 has tested our School like no other event in its long history but thankfully our students, staff, actors and visiting lecturers have risen to the challenge magnificently.

With considerable efforts on the part of our teaching staff and visiting industry professionals, all of our practical film productions have been carried out under industry-led 'COVID-safe' protocols, with no compromise in their usual outstanding quality. On top of that at least 60% of our scheduled teaching was delivered in-person, even as the UK cautiously emerged from the long lockdown in the first half of 2021.

Our MA Screenwriting and MA International Film Business continued with both online and in-person elements, before resuming in-person delivery in autumn 2021.

The essential adaptations we made to make our operations 'COVID-safe' have come at a financial cost. These included hiring external studio facilities, doubling teaching time for smaller groups, higher direct production costs, and providing hardship support to students impacted by the pandemic. In all, since the pandemic began early in 2020 we estimate that COVID has cost the School more than £2m in exceptional costs and lost income, and of course there was a physical and mental challenge to both staff and students who were constantly asked to adapt to new and unpredictable circumstances.

We believe very strongly that it was right to prioritise delivering practical education for our students whilst ensuring a safe environment for all. Now, with the UK's successful vaccination programme and improving health outcomes, we hope to return more of our teaching and production to normal operations.

Despite the challenges, our graduates once again enjoyed outstanding successes with over 200 film screenings at international film festivals including Locarno, Clermont-Ferrand, Aspen and Berlin, garnering over 40 awards along the way.

Looking to the future, our focus is now on developing a new, post-pandemic strategic plan. I'm pleased to have welcomed a number of new Governors to our board in the past year to help us on that journey, and we look forward to sharing our plans in due course.

Once again, on behalf of the Governors, I extend our thanks and admiration to the staff and students for their continued commitment to the long-term success of LFS.

Greg Dyke

February 2022

## **Governors' report** Year to 31 August 2021

The Governors present their annual report together with the financial statements of London Film School Limited for the year ended 31 August 2021.

The financial statements have been prepared in accordance with the accounting policies set out on pages 31 to 34 and comply with the charitable company's memorandum and articles of association, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), effective from accounting periods commencing 1 January 2015 or later.

### **Governance, structure and management**

#### ***Constitution***

London Film School Limited ("LFS" or "the School") is a registered charity (Charity Registration No. 270302) and a company limited by guarantee (Company Registration No. 01197026). The charitable company's memorandum and articles of association dated 20 January 1975 (as amended by special resolution of 21 July 1975 and 21 March 2002) are its primary governing documents.

#### ***Members' liability***

The liability of the members in the event of winding up is limited to 50 pence per member.

#### ***Governors***

The Governors of the School also constitute directors of the charitable company for the purposes of company law and trustees for charity law. This report is also a directors' report as required by section 415 of the Companies Act 2006. The Governors who held office during the financial year and at the date of signing this report are set out on page 1.

Governors are appointed by election at the Annual General Meeting (AGM). The Student Governor is elected by students and the Staff Governor is elected by the staff.

Members of the Management Team, as set out on page 1, cannot be appointed as Governors of the School.

The size of the Governing Body is set between 8 and 25 Governors. Approximately one third of the Governing Body retire annually, by rotation in order of seniority, and can offer themselves for re-election at the AGM.

**Governance, structure and management** (continued)

**Governors** (continued)

The Nominations Committee undertakes a skills analysis of the Governing Body and role profiles are agreed, against which the School recruits new Governors. Governors must have empathy with film and the creative industries. Newly appointed Governors receive a full induction to the School, bespoke to their needs. The Governing Body regularly holds an away day, joined by members of the Management Team.

**Organisation**

Under normal circumstances the Governing Body meets six times a year, although since the onset of the global pandemic in March 2020 it has met more regularly in order to ensure the School's response has been effective and timely.

Its governance structure includes four committees:

- ◆ a Nominations Committee to oversee the appointment, induction and development of its governors;
- ◆ a Remuneration Committee to make senior appointments, decide and agree the remuneration for the Director and senior members of staff, and consider recommendations from the Director on pay and reward more generally across the School;
- ◆ an Audit & Risk Committee to advise on risk, internal control, governance and promoting value for money; and
- ◆ a Relocation Committee, to review the School's estates strategy and oversee progress on renewing its facilities.

The Governing Body also receives minutes from the Academic Board as a line of sight on all academic matters.

The day-to-day running of the School is delegated to the Director and the Management Team.

**Key management personnel**

The key management personnel of the School comprise the Governors and the Management Team.

The Management Team are a dedicated team of management personnel that have the authority and responsibility of planning, directing and controlling the activities of the School, directly or indirectly. Within the School this includes the Director, Director of Studies, Chief Operating Officer, Head of Marketing & Student Recruitment, Academic Registrar, Financial Controller and Head of HR. Since September 2021, Course Leaders for each of the MA programmes have also joined the Management Team, ensure greater visibility of academic matters and greater academic inclusion. The Management Team meets formally on a fortnightly basis, with minutes of each meeting shared with all staff.

**Governance, structure and management** (continued)

***Statement of governors' responsibilities***

The Governors (who are also directors of The London Film School Limited for the purposes of company law) are responsible for preparing the governors' report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Governors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the income and expenditure of the charitable company for that period. In preparing these financial statements, the Governors are required to:

- ◆ select suitable accounting policies and then apply them consistently;
- ◆ observe the methods and principles in Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102);
- ◆ 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 the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The Governors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company 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 charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Each of the Governors confirms that:

- ◆ as far as they are aware, there is no relevant audit information of which the charitable company's auditor is unaware; and
- ◆ they have taken all the steps that they ought to have taken as a governor in order to make themselves aware of any relevant audit information and to establish that the charitable company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

**Governance, structure and management** (continued)

***Risk management***

The Governors have assessed the major risks to which the charity is exposed, in particular those relating to the specific operational areas of the School and its finances. The Governors believe that by monitoring reserves levels, by ensuring controls exist over key financial systems, and by examining the operational and business risks faced by the School, they have established effective systems to mitigate those risks. Our keys risks include:

***COVID-19***

The academic year 2020-21 was again defined by the ongoing global coronavirus pandemic, and in common with other Higher Education Providers, London Film School continued to adapt its delivery with a primary focus on ensuring as much face-to-face teaching could safely take place, whilst ensuring the health and safety of staff and students. The School again enjoyed tremendous commitment, dedication and resilience amongst staff and students.

In particular, the UK-wide lockdown of January 2021 presented a significant challenge as Higher Education Providers were advised to cease all in-person teaching. This meant rapidly replanning the delivery of the intensely practical MA Filmmaking course, whilst other programmes could resume online delivery.

A by no means exhaustive list of key elements of the School's COVID-19 response in 2020/21 includes:

- ◆ taking a balanced and risk-based approach to resuming in-person teaching activities across the Filmmaking and Screenwriting programmes, with an average of 60% of scheduled teaching activity taking place in person by the summer term of 2021;
- ◆ rescheduling the delivery of the MA Filmmaking course in response to the UK government's lockdown of January 2021, compressing the spring, summer, and autumn terms into a 9-month period to ensure no lost learning for students across the remainder of the calendar year
- ◆ continuing our expansive programme of exclusive masterclasses and other activities to keep students engaged with the School during the lockdown periods;
- ◆ making judicious use of off-site studio facilities to ensure film production could safely continue throughout the academic year; and
- ◆ extending the COVID-19 Relief Fund to alleviate hardship amongst students whose financial circumstances had changed dramatically and unexpectedly due to the effects of the pandemic.

In 2020 the School reintroduced a means-tested bursary scheme which benefits UK and EU students. It continues to be in a position to offer a small number of scholarships to students from other countries where access to film education is limited. The School receives funding from The Leverhulme Trust to provide bursaries to students and allocates London Film School and Leverhulme bursaries according to students' needs.

**Governance, structure and management** (continued)

***Risk management*** (continued)

*Student Recruitment*

Despite early and sector-wide concerns as to the impact of COVID-19 on student recruitment, particularly amongst international students, interest and applications from the international market remained strong for LFS' MA programmes since the start of the pandemic. In common with other UK Higher Education Providers, London Film School experienced reductions in demand from the EEA markets.

The diversity of an international cohort brings many unique benefits to LFS and continues to be one of the School's unique selling points. With the School now registered with the Office for Students, UK students are now able to access postgraduate loan support towards their studies, which we expect to be particularly impactful on the MA Screenwriting course. The MA Screenwriting course benefited from a 42% application increase in 2021 from August 2019. Across the three MA Filmmaking intakes, MA Filmmaking had an average application increase of 86% from 2020.

London Film School participates in the William D. Ford Direct Student Loan Program authorised by the US Education Department to help with student recruitment from the USA.

*Regulatory Environment*

As a registered Higher Education Provider under the Office for Students, LFS is subject to considerable regulatory oversight aimed at ensuring its courses offer high levels of quality and value for money. In order to ensure ongoing compliance with the new regulatory environment the School has made further progress in reviewing and updating the School's policy frameworks, with an emphasis on quality assurance, and regular internal monitoring and reviews.

LFS' continued membership of CILECT, the confederation of international film schools, and now also of GuildHE, ensures it has a supportive network of providers in the same field with whom to share and learn best practice.

*Relocation*

The School has a longstanding ambition to refresh its premises and facilities to ensure they continue to offer a peerless learning environment to match the high-quality teaching across our programmes.

In the 2019/20 statutory accounts, development costs incurred to date on the London City Island (LCI) project were written down, reflecting the worsening outlook for capital fundraising in the early stages of the coronavirus pandemic.

At the time of preparing these accounts, that picture has not improved materially and the LCI project remains on hold. The Governors and Management Team expect to revisit the question of suitable facilities for the School's long-term future as we emerge from the immediate challenges of the global pandemic.

**Governance, structure and management** (continued)

***Fundraising***

The School's fundraising approach is to engage only with trusts, foundations and other grant making institutions.

During the course of the year, we were awarded Leverhulme Trust Arts Scholarships to the amount of £185,016 in their latest round of funding which will be available from September 2022, enabling talented students without the financial means to access both our MA Filmmaking and MA Screenwriting programmes, and we continued our partnership with The Saïd Foundation supporting students of Syrian, Jordanian, Lebanese or Palestinian nationality to study at the School at no cost.

Due to COVID-19, the School has not actively sought funds from the general public, and therefore is not yet subscribed to any fundraising regulation schemes or standards. External fundraising support for the capital project has paused since the onset of COVID-19 and will be reviewed from 2022 as plans for renewing LFS' facilities progress while internal fundraising resources refocused efforts on supporting bursaries, scholarships, and hardship funds during the pandemic.

There have not been any complaints arising as a result of the School's fundraising activities in the year.

***Relationship with other organisations***

In pursuit of its objectives, the School works with a number of other organisations including ScreenSkills, the University of Exeter, the University of Warwick, the Deutsche Film und Fernsehakademie Berlin (DFFB) and UGC Series Mania. Other partners across a range of our projects have included the British Film Institute, Film London's Equal Access Network, Creative England's iFeatures scheme, the British Council and many more.

***Objectives and activities***

The School's principle purpose is the provision of professional level training in the art and technique of film production and feature film screenwriting. Our core provision includes a two-year MA Filmmaking degree covering all of film's craft and interpretive departments, and a one-year MA in Screenwriting. The MA in International Film Business continues in partnership with Exeter University, as does a successful PhD by Practice programme.

The School also offers over 50 short course workshops for film and television professionals each year. Since 2016, the School has also offered an expanding programme of outreach projects, bringing filmmaking training and education to audiences who could not normally access such opportunities for reasons of cost or geography.

The Governors confirm that they have referred to the Charity Commission's general guidance on public benefit when reviewing the School's objectives and aims and in planning future activities.

**Objectives and activities** (continued)

The School's main objectives for the year were:

- ◆ Ensure that the School is appropriately resourced and situated in contemporary facilities, matching the excellence in our teaching and delivering a peerless learning experience
  - ◇ As described above, the relocation project has been paused during the global pandemic due to financing challenges. The Governing Body and Management Team expect to revisit the pressing issue of suitable facilities as we emerge from the immediate challenges of the pandemic.
- ◆ Ensure our film education is accessible to all UK students irrespective of background or income
  - ◇ Since registering with the Office for Students in 2019, all LFS' postgraduate programmes qualify for postgraduate loan support. New bursaries were introduced in 2020 to support UK students on both MA Filmmaking and MA Screenwriting programmes, and a COVID-19 Relief Fund was also introduced to support students experiencing unexpected hardship as a direct result of the global pandemic.
  - ◇ The School resumed the development of a new Equality, Diversity, and Inclusion (EDI) strategy after the events of summer 2020, recognising that LFS needed to do more to improve access to film education and to promote an anti-racist approach in our work. Developments to date include the formation of an EDI working group comprising staff and students; a review of our existing recruitment approaches and HR policies, and a programme of decolonising the curriculum. A specialist consultant has been engaged to work proactively with the Management Team and staff body more generally to review and update policies and lay the foundations for a new Culture Strategy to guide the School's progress.
- ◆ Maintain our excellent international profile, exporting best-practice around the world and bringing new global perspectives to our pedagogy
  - ◇ The School remained a member of CILECT (the International Association of Film and Television Schools), including attendance at the annual congress in Moscow in 2019, and its regional division GEECT (European Grouping of Film and Television Schools). As can be seen below, LFS graduation work once more enjoyed a year of wide international exposure at festivals and award ceremonies around the world.
- ◆ Ensure our film education offer continues to be among the best in the world and is relevant to the film and wider creative industries of today, and tomorrow.
  - ◇ Our Director of Studies interminably worked closely with the academic team to continue improving quality monitoring and the process by which student feedback is captured, listened and responded to. Our short course and outreach work now comes under the Director of Studies' remit bringing better synergies and sharing of best practice across the full gamut of LFS' educational programmes.

**Objectives and activities** (continued)

- ◆ Build new and lasting partnerships and collaborations with industry and relevant institutions
  - ◇ We continued to build strong links with local industry partners including the BFI, Film London, ScreenSkills, and more. We were especially pleased to continue our partnership with Film London's Equal Access Network.

**Achievements and performance**

LFS filmmakers garnered accolades in a range of festivals and competitions, receiving recognition globally from industry for the quality of their work.

For the second year running, LFS is once again globally recognised as a top filmmaking school through its inclusion in the prestigious 2021 The Hollywood Reporter Top Film Schools list.

***Festivals***

225 films created at London Film School have screened at 191 global film festivals, winning 43 awards and receiving 15 nominations. Film festivals such as the prestigious Locarno Film Festival awarded the graduate film after a room with the Swiss Silver Pardino. BAFTA eligible ASFF screened Skarbnik, and The Beast won Best Comedy.

Clermont-Ferrand International Short Film Festival screened two graduate films, Transit and Some Manifestations of the South. Oscar-eligible Aspen Shortfest screened Summer Shade, Cinematographer ET Ng won the British Society of Cinematographers Awards. Filipiřana, which screened at 19 festivals and won 10 awards including the Silver Bear Jury Prize Short Film at the Berlinale International Film Festival in 2020 and won the Best Film and George Lucas Prix Best in Show at the Academy-eligible Short Shorts Film Festival & Asia winning the third place at the International Association of Film and Television School (CILECT) Prize and screened at the Edinburgh International Film Festival. The film continued to win: London Film Critics Circle Awards, Grand Prix, Best of British at Encounters where two other grad films were screened also: Walter the Dog and WE ALL JUST WANT TO BE MAD. Macchiato was shortlisted at the GSA BAFTA Student Film Award. The London Short Film Festival also screened Filipiřana and grad films Calladita, Garças, after a room, Some Manifestations of the South.

***Annual Graduate Showcase***

As is customary, London Film School celebrates the work created by the students and supported by staff, launches the latest crop of filmmaking talent into the industry. Due to COVID, instead of in-person event, a bespoke microsite was built to showcase the work to the industry.

Over 1,800 people logged into the online Graduate Showcase between 18-23 January 2021, an increase of 360% on 2020's in person event at the BFI compared to an increase of 16% of 2019 to 2020.

**Achievements and performance** (continued)

**Annual Graduate Showcase** (continued)

From those that registered in advance of the event, (about 60% our total audience) we know that:

- ◆ 27% were friends and family
- ◆ 41% were students and staff
- ◆ 32% were industry

On the Films page, viewers spent an average of 10 mins, and our recording of the MA Screenwriting students' scripts was viewed 1,200 times over six days. Our highest proportions of visitors came from the UK (40%), the USA (16%) and China (7%), followed by Papa New Guinea (5%), Portugal (4%) and Australia (3.5%).

Event attendance for the three masterclasses and networking session were up 220% on the previous year and were described by attendees as 'enlightening' and 'inspiring'.

*Honorary Associates*

Honorary Associates are announced at LFS's annual Graduate Showcase, held each year at the end of January.

Kasi Lemmons is an award-winning director/ writer/ producer/ actor and professor. Her acclaimed 1997 feature directorial debut, *Eve's Bayou*, was recently inducted into the National Film Registry and is considered among the first to showcase the beauty of African American Southern culture.

Her fifth feature film, *Harriet*, a powerful drama based on the life of American icon Harriet Tubman, received Academy Award nominations. Other directing work included *Luke Cage*, *Self-Made: Inspired by the Life of Madam C.J. Walker*. As an actor, Lemmons appeared in such notable films as Jonathan Demme's *Silence of the Lambs*, John Woo's *Hard Target* and Spike Lee's *School Daze*.

Marianne Jean-Baptiste is an award-winning actor/director/writer/composer, known for *Without a Trace*, *Secrets & Lies* and *Spy Game*. She gained international acclaim following the success for Mike Leigh's social drama *Secrets & Lies*, for which she received acclaim and earned nominations for the Academy Award for Best Supporting Actor, the Golden Globe and BAFTA Award in the same category.

As writer and composer, Jean-Baptiste recorded an album of jazz songs and composed the musical score for Leigh's 1997 film *Career Girls*. As an actor, Jean-Baptiste has starred in many tv series and films such as Tom Clancy's *Jack Ryan*, *Without a Trace*, *Blindspot*, *Homecoming*, *Broadchurch*, *Edge of Tomorrow*, *Spy Game*, *Robocop*. Jean-Baptiste was praised for her stage performance in the 2013 National Theatre production of James Baldwin's play *The Amen Corner*, directed by Rufus Norris.

## **Achievements and performance** (continued)

### **Annual Graduate Showcase** (continued)

#### *Honorary Associates* (continued)

Our Honorary Associate Marianne Jean-Baptiste wrote to congratulate 'the standard and individuality' of the films.

Past Honouree's span all areas of the screen industry and in the course of the school's rich history, have included Abi Morgan, Amma Asante, Asif Kapadia, Stephen Frears, Jim Broadbent, Christine Langan, Tessa Ross, Philip French, Ralph Fiennes, Ken Loach and Lynne Ramsay, alongside the diverse graduates of the School's film programmes.

The Associates remain an integral part of the School's wide-ranging pool of industry experts and student mentors for years to come. The School's Honouree programme is possible with the generous assistance of the School's Graduation sponsors: Panalux, Sargent-Disc and Final Draft. As part of the Honorary Associate role, they will visit the School during the coming year as part of its long-running Masterclass programme, an exclusive series of industry and alumni-focused events dedicated to the School's filmmaking students.

Students described the Showcase as 'fantastic', 'beautifully made' 'really, really appreciated', 'a stellar showcase'. Industry described the platform as 'truly magnificent...enjoyable and intuitive'.

## **Financial review**

A summary of the year's results can be found on page **Error! Bookmark not defined.** of the attached financial statements. Total income for the year was £5,561,877 (2020 – £4,281,728). The majority of the income is from MA tuition fees.

Total expenditure for the year amounted to £5,983,135 (2020 – £5,607,840).

The net movement in funds for the year was a deficit of £421,258 (2020 – deficit £424,430).

### **Reserves policy and financial position**

In light of post-pandemic recovery planning and a wider review of the strategic plan for the School going forward, the reserves policy for the School is under review and will be further developed in the coming year. In devising a new reserves policy, Governors will have regard to the School's future plans, liquidity requirements, and proportionate contingency funds against unexpected adverse events.

Previously, Governors have considered that a free reserves level (i.e. those unrestricted funds not invested in tangible fixed assets, designated for specific purposes or otherwise committed) of approximately six months' annual expenditure on unrestricted funds has been appropriate given the nature of the Schools' work.

**Financial review** (continued)

***Reserves policy and financial position*** (continued)

On 31 August 2021, the School had total funds of £658,138 (2020 – £1,079,396). Included in total funds is an amount of £20,406 (2020 – £15,406) which is restricted. These monies have either been raised for, and their use restricted to specific purposes, or they comprise donations subject to donor-imposed conditions. Full details of these restricted funds can be found in note 13 to the financial statements together with an analysis of movements in the year.

Unrestricted funds of the charity at 31 August 2021 amounted to £637,732 (2020 – £1,063,990), which are net of a £1.5m CBILS loan. These funds include tangible fixed assets with a net book value of £223,551 (2020 – £115,550) as well as other funds designated for specific projects of £nil (2020 – £794,487). Free reserves of the School at 31 August 2021, were £414,181 (2020 – £153,953).

While the free reserves are below the level of 6 months' expenditure stated above, the policy is kept under review. As a contingency and in order to support the School through any further uncertainty in the coming year, the School has also arranged a £1.5m loan facility through the Coronavirus Business Interruption Loan Scheme (CBILS).

**Plans for the future**

The School is now four years into its five-year strategic plan, approved by the Board of Governors in 2018, which sets the key strategic objectives as:

- ◆ Ensure that LFS is appropriately resourced and situated in contemporary facilities, matching the excellence in our teaching and delivering a peerless learning experience
- ◆ Ensure our film education is accessible to all UK students irrespective of background or income
- ◆ Maintain our excellent international profile, exporting best practice around the world and bringing new global perspectives to our pedagogy

Ensure our film education offer continues to be among the best in the world and is relevant to the film and wider creative industries of today, and tomorrow

- ◆ Build new and lasting partnerships and collaborations with industry and relevant institutions.

Whilst COVID-19 continues to present immediate and future challenges for all providers of practical film education, the School's attentions are also turning to a post-pandemic future, including reviewing the impact of the pandemic on our delivery and taking the opportunity to evaluate those adaptations that may become permanent improvements to our activities.

**Plans for the future** (continued)

Key projects for the coming year will include a new Strategic plan from 2023; resuming work on the School's longstanding ambition to renew its teaching facilities; continuing to remove barriers to entry for UK students through financial support from postgraduate loans and increasing our bursaries and scholarships funds; continuing to support the development of our students and their future successes on the national and international stage; and continuing to develop new outreach and short course programmes that complement our existing provision and contribute to our vision of LFS as a distinctive global leader in contemporary, practice-based film education and research.

Approved by the Governing Body and signed on its behalf by:



Governor Gregory Dyke

Approved by the Governors on: 24 February 2022

## Statement of corporate governance and internal control

The following statement is provided to enable readers of the annual report and financial statements of London Film School Limited to obtain a better understanding of its governance and legal structure. The statement covers the period from 1 September 2020 to 31 August 2021 and up to the date of the approval of the annual report and financial statements.

The School endeavours to conduct its business:

1. Having due regard to the UK Corporate Governance Code 2018 in so far as it is applicable to the Higher Education Sector; and
2. Complying with Office for Students on-going conditions or regulations and terms of conditions of funding as well as other regulatory responsibilities.

We have adopted the UK Corporate Governance Code. We have reported on our Corporate Governance arrangements by drawing upon best practice available, including those aspects of the UK Corporate Governance Code that we consider relevant to the Higher Education Sector.

The Governors recognise that the School, as a body entrusted with both public and private funds, has a particular duty to observe the highest standards of corporate governance at all times.

### **Legal Status**

The London Film School is a Registered Charity and a Private Limited Company by guarantee without share capital.

The Governors confirm that they have due regard for the Charity Commission's guidance on public benefit and that the required statement appears elsewhere within these financial statements.

## Statement of corporate governance and internal control

### Governors

The members who served as Governors during the year and up to the date of signature of this report are listed below.

<b>Governor</b>	<b>Appointed/Resigned</b>
Greg Dyke (Chair)	
Amanda Nevill (Vice Chair)	Appointed 17 December 2020
Kemal Akhtar	
Peter Armstrong	Resigned 14 October 2021
Suzy Black	Appointed 17 December 2020
Helen Dudley CBE	Retired 31 December 2020
Professor Diana Green CBE (Vice Chair)	Retired 31 December 2020
Diane Herbert	Appointed 17 December 2020, resigned 15 September 2021
Peter Hogenson (Student Governor)	Retired 31 July 2021
Rhys Holland (Student Governor)	Appointed 1 August 2021
Peter Holliday	Appointed 23 October 2019
Nick Humby	
Olivier Kaempfer	
William MacPherson	Appointed 17 December 2020
Moshe Nitzani (Staff Governor)	Retired 25 September 2020
Cindy Rampersaud	Appointed 17 December 2020
Joan Watson	Appointed 17 December 2020
Sophia Wellington (Staff Governor)	Appointed 28 September 2020

### Governors' interests

Governors are shown above and except for any instance mentioned above have served throughout the year. None of the Governors have any interests within the company.

### Meeting procedures

Formal agendas, papers and reports are supplied to the Governors in a timely manner, prior to Governing Body meetings. Briefings are also provided on an ad hoc basis. Reports include overall financial performance of the School together with other information such as performance against funding targets, proposed capital expenditure, quality matters and personnel related matters such as health and safety issues. The Governing Body met 8 times in 2020/21.

The Governing Body receives advice on the conduct of its business from five committees. Each committee has its own terms of reference which have been approved by the Governing Body. These committees are: Audit and Risk; Nominations; Remuneration; Relocation; and the Academic Board.

London Film School has a strong and independent non-executive element, and no individual or group dominates its decision-making process. The School considers that each of its non-executive members is independent of management and free from any business or other relationship which could materially interfere with exercise of their independent judgement.

There is a clear division of responsibility in that the roles of the Chair and Accounting Officer are separate.

## Statement of corporate governance and internal control

### Appointment to the Governing Body

The Nominations Committee undertakes a skills analysis of the Governing Body and role profiles are agreed, against which the School recruits new Governors. New Governors must have empathy with film and creative art industries. Their induction includes a tour of the School, screenings and from time to time an away day attended by the Governing Body, the principal officers and the wider Management Team. An information pack about the School is also given to each new Governor.

### Governing Body performance

The Governing Body has made a strong contribution to the improvements made in 2020/21 through the setting of challenging targets with regular scrutiny of performance. There is strong performance management at Governing Body meetings. The Governors provide robust scrutiny and challenge. Governors are pro-active in their oversight of the School and are involved in the planning and discharging of Governing Body business.

### Committees

#### *Audit and Risk Committee*

The Audit and Risk Committee is responsible to the Governing Body in discharging its responsibilities for monitoring the integrity of the Institute's financial statements, the effectiveness of financial controls with regard to internal risk assessment and the performance and objectivity of external auditors.

The members who served on the committee during the year and up to the date of signature of this report are listed below.

<b>Governor</b>	<b>Appointed/Resigned</b>
Professor Diana Green CBE	Retired 31 December 2020
Peter Holliday	
Nick Humby	
Cindy Rampersaud (Committee Chair)	Appointed 17 December 2020
Tamsin Ashmore (co-opted member)	Appointed 23 October 2019
William McPherson	Appointed 17 December 2020
Joan Watson	Appointed 17 December 2020

The Audit & Risk Committee has appointed its first co-opted member, who has particular expertise in finance and audit. The Committee is responsible for the following:

- ◆ To appoint external auditors and agree the audit fee, meet with the external auditors to discuss the scope and nature of the audit and to discuss the findings included within the management letter and management responses.
- ◆ To satisfy itself that all public funds received by the Institute are managed in line with regularity, propriety, and value for money.
- ◆ To satisfy itself that satisfactory arrangements are in place to promote best value, and to monitor other performance as shall be deemed to be reliable and appropriate measures of effectiveness.

## Statement of corporate governance and internal control

### Internal Control

#### ***Scope of responsibility***

The Governing Body is ultimately responsible for the organisations' system of internal control and for reviewing its effectiveness. However, such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives and can only provide reasonable and not absolute assurance against material misstatement or loss.

The Governing Body has delegated the day-to-day responsibility to the Director & CEO, as Accounting Officer, for maintaining a sound system of internal control that supports the achievement of the organisations policies, aims and objectives, whilst safeguarding the public funds and assets. The Accounting Officer is also responsible for reporting to the Governing Body any material weaknesses or breakdowns in internal control.

#### ***The purpose of the system of internal control***

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure and can only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of organisation policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place at the organisation for the year ended 31 August 2021 and up to the date of approval of the annual report and financial statements.

#### ***Capacity to handle risk***

The Governors have reviewed the key risks to which the organisation is exposed, together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Governors are of the view that there was a formal on-going process for identifying, evaluating and managing the School's significant risks that had been in place for the year ended 31 August 2021 and up to the date of approval of the annual report and financial statements.

#### ***The risk and control framework***

The system of internal control is based on a framework of regular management information, administrative procedures including the segregation of duties, and a system of delegation and accountability. It includes:

- ◆ comprehensive budgeting systems with an annual budget which is reviewed and agreed by the Governors
- ◆ regular reviews by the Governing Body of periodic and annual financial reports which indicate financial performance against forecasts
- ◆ setting targets to measure financial performance
- ◆ the adoption of formal project management disciplines, where appropriate.

## Statement of corporate governance and internal control

### Internal Control (continued)

#### **Review of effectiveness**

The Accounting Officer delegates to the Financial Controller the responsibility for reviewing the effectiveness of the system of internal control. The Financial Controller's review of the effectiveness of the system of internal control is informed by:

- ◆ the work of the external auditors;
- ◆ the work of the senior managers within the organisation who have responsibility for the development and maintenance of the internal control framework; and
- ◆ comments made by the organisation's financial statements and regularity auditors in their management letters and other reports.

There are no significant internal control weaknesses reported for the period.

The Management Team receives reports setting out key performance and risk indicators and considers possible control issues brought to their attention by early warning mechanisms, which are embedded within the departments. The Management Team and the Audit and Risk Committee also receive regular reports, which include recommendations for improvement.

The Audit and Risk Committee's role in this area is confined to a high-level review of the arrangements for internal control. The Governors' agenda includes a regular item for consideration of risk and control and receives reports thereon from the Management Team and the Audit and Risk Committee.

The emphasis is on obtaining the relevant degree of assurance and not merely reporting by exception. At its 16<sup>th</sup> December 2021 meeting, the governors carried out the annual assessment for the year ended 31 August 2021 by considering documentation from the Management Team and taking account of events since 31 August 2020.

Based on above and reports by the Director & CEO, the Governing Body is of the opinion that the organisation has an adequate and effective framework for governance, risk management and control to manage the achievements of the School's objectives for the year ended 31 August 2021 and it has fulfilled its statutory responsibility for "the effective and efficient use of resources, the solvency of the institution and the safeguarding of their assets".

## Statement of corporate governance and internal control

### Regularity, propriety, and compliance

The School has considered its responsibility to notify the Office for Students of material irregularity, impropriety and non-compliance with Office for Students terms and conditions of funding.

We confirm, on behalf of the School, that after due enquiry and to the best of its knowledge, the Governing Body believes it is able to identify any material irregularity or improper use of funds by the School, or material non-compliance with terms and conditions of funding under the organisations financial regulations. As part of our consideration we have had due regard to our financial regulations. We confirm that no instances of material irregularity, impropriety or funding non-compliance have been discovered to date. If any instances are identified after the date of this statement these will be notified to the Office for Students.

### Going Concern

Details on Governors' going concern assessment are set out on page 31.

Approved by the Governing Body and signed on its behalf by:



Chair Gregory Dyke



Director & CEO (Accounting Officer) Gisli Snaer

Date: 24 February 2022

**Independent auditor's report to the members of The London Film School Limited**

**Opinion**

We have audited the financial statements of The London Film School Limited (the 'charitable company') for the year ended 31 August 2021 which comprise the statement of financial activities, the balance sheet, the statement of cash flows 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).

In our opinion, the financial statements:

- ◆ give a true and fair view of the state of the charitable company's affairs as at 31 August 2021 and of its income and expenditure, changes in reserves and cash flows for the year then ended;
- ◆ have been properly prepared in accordance with UK Generally Accepted Accounting Practice;
- ◆ have been prepared in accordance with the requirements of the Companies Act 2006;
- ◆ where applicable, funds from whatever source administered by the provider for specific purposes have been properly applied to those purposes and managed in accordance with relevant legislation;
- ◆ where applicable, funds provided by the OfS and by Research England have been applied in accordance with the relevant terms and conditions; and
- ◆ meet the requirements of the Office for Student's Accounts Direction 2019/20.

**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 that are 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 relating to going concern**

In auditing the financial statements, we have concluded that the members of the Governors' 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 Governors with respect to going concern are described in the relevant sections of this report.

**Other information**

The Governors 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.

In connection with our audit of the financial statements, 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.

**Opinions on other matters prescribed by the Companies Act 2006**

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

- ◆ the information given in the Governors' report, which is also the directors' report 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 Governors' report, which is also the directors' report for the purposes of company law, has been prepared in accordance with applicable legal requirements.

**Matters on which we are required to report by exception**

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 Governors' 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
- ◆ the financial statements are not in agreement with the accounting records and returns; or
- ◆ certain disclosures of Governors' remuneration specified by law are not made; or
- ◆ we have not received all the information and explanations we require for our audit; or
- ◆ the Governors were not entitled to take advantage of the small companies' exemptions from the requirement to prepare a strategic report.

We have nothing to report in respect of the following matter in relation to which the OfS Accounts Direction 2019/20 requires us to report to you if, in our opinion:

- ◆ the charitable company's grant and fee income, as disclosed in note 1 to these Financial Statements has been materially misstated.

**Responsibilities of governors**

As explained more fully in the Governors' responsibilities statement, the Governors 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 Governors 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 Governors 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 Governors 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**

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.

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:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- ◆ the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- ◆ we identified the laws and regulations applicable to the charitable company through discussions with management, and from our knowledge and experience of the sector;
- ◆ we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the charitable company, including the Charities SORP FRS 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Charities Act 2011, the OfS Accounts Direction, data protection legislation, anti-bribery, safeguarding, employment, health and safety legislation;
- ◆ we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- ◆ identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the charitable company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- ◆ making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- ◆ considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

**Auditor's responsibilities for the audit of the financial statements** (continued)

To address the risk of fraud through management bias and override of controls, we:

- ◆ performed analytical procedures to identify any unusual or unexpected relationships;
- ◆ tested journal entries to identify unusual transactions; and
- ◆ assessed whether judgements and assumptions made in determining the accounting estimates set out in the accounting policies were indicative of potential bias;

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- ◆ agreeing financial statement disclosures to underlying supporting documentation;
- ◆ reading the minutes of Board of Governors meetings;
- ◆ enquiring of management as to actual and potential litigation and claims; and
- ◆ reviewing any available correspondence with HMRC and the charitable company's legal advisors.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the Governors' and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

**Independent auditor's report** Year to 31 August 2021

**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.



Shachi Blakemore (Senior Statutory Auditor)  
For and on behalf of Buzzacott LLP, Statutory Auditor  
130 Wood Street  
London  
EC2V 6DL

Date: 25 February 2022

**Statement of financial activities** Year to 31 August 2021

		<b>Unrestricted funds</b>	<b>Restricted funds</b>	<b>2021 Total funds</b>	Unrestricted funds	Restricted funds	2020 Total funds
	Notes	£	£	£	£	£	£
<b>Income from:</b>							
Donations	1	10	—	10	—	—	—
Charitable activities	2	5,281,246	60,767	5,342,013	4,110,664	115,142	4,225,806
Investments		298	—	298	5,169	692	5,861
Other income							
. Surplus on disposal of equipment	9	150,000	—	150,000	—	—	—
. Miscellaneous income		69,556	—	69,556	50,061	—	50,061
<b>Total income</b>		<b>5,501,110</b>	<b>60,767</b>	<b>5,561,877</b>	<b>4,165,894</b>	<b>115,834</b>	<b>4,281,728</b>
<b>Expenditure on:</b>							
Raising funds	3	40,340	—	40,340	65,183	613	65,796
Charitable activities							
. Provision of education	4	5,887,028	55,767	5,942,795	4,535,951	104,825	4,640,776
. Write down of capitalised assets	9	—	—	—	901,268	—	901,268
<b>Total expenditure</b>		<b>5,927,368</b>	<b>55,767</b>	<b>5,983,135</b>	<b>5,502,402</b>	<b>105,438</b>	<b>5,607,840</b>
<b>Net (expenditure) income before transfers</b>	6	<b>(426,258)</b>	<b>5,000</b>	<b>(421,258)</b>	<b>(1,336,508)</b>	<b>10,396</b>	<b>(1,326,112)</b>
<b>Transfer between funds</b>	13	<b>—</b>	<b>—</b>	<b>—</b>	<b>18,543</b>	<b>(18,543)</b>	<b>—</b>
<b>Net (expenditure) income and net movement in funds</b>		<b>(426,258)</b>	<b>5,000</b>	<b>(421,258)</b>	<b>(1,317,965)</b>	<b>(8,147)</b>	<b>(1,326,112)</b>
<b>Reconciliation of funds</b>							
Fund balances brought forward at 1 September		1,063,990	15,406	1,079,396	2,381,955	23,553	2,405,508
Fund balances carried forward at 31 August		637,732	20,406	658,138	1,063,990	15,406	1,079,3

There is no difference between the net movement in funds stated above and the historical cost equivalent.

All of the charitable company's activities are derived from continuing operations during the above two financial periods.

The charitable company has no recognised gains and losses other than those shown above.

**Balance sheet** 31 August 2021

	Notes	2021 £	2021 £	2020 £	2020 £
<b>Fixed assets</b>					
Tangible fixed assets	9		<b>223,551</b>		115,550
<b>Current assets</b>					
Debtors	10	<b>582,193</b>		584,566	
Cash at bank and in hand		<b>3,347,133</b>		2,967,505	
		<b>3,929,326</b>		3,552,071	
<b>Liabilities</b>					
Creditors: amounts falling due within one year	11	<b>(2,094,739)</b>		(2,588,225)	
<b>Net current assets</b>			<b>1,834,587</b>		963,846
<b>Total assets less current liabilities</b>			<b>2,058,138</b>		1,079,396
<b>Creditors: amounts falling due after more than one year</b>					
	12		<b>(1,400,000)</b>		—
<b>Net assets</b>			<b>658,138</b>		1,079,396
<b>The funds of the charity</b>					
Restricted funds	13		<b>20,406</b>		15,406
Unrestricted funds					
. General fund			<b>414,181</b>		153,953
. Tangible fixed assets fund	14		<b>223,551</b>		115,550
. Designated funds	15		<b>—</b>		794,487
<b>Total funds</b>	16		<b>658,138</b>		1,079,396

Approved by the governors  
and signed on their behalf by:



Governor Gregory Dyke

Approved on: 24 February 2022

Company Limited by Guarantee  
Registration Number 01197026 (England and Wales)

Statement of cash flows 31 August 2021

	Notes	2021 £	2020 £
<b>Cash flows from operating activities:</b>			
Net cash provided by operating activities	A	<b>395,725</b>	606,821
<b>Cash inflow from investing activities:</b>			
Investment income		<b>298</b>	5,861
Payments to acquire tangible fixed assets		<b>(16,395)</b>	(237,305)
<b>Net cash used in investing activities</b>		<b>(16,097)</b>	(231,444)
<b>Change in cash and cash equivalents in the year</b>		<b>379,628</b>	375,377
<b>Cash and cash equivalents at 1 September</b>	B	<b>2,967,505</b>	2,592,128
<b>Cash and cash equivalents at 31 August</b>	B	<b>3,347,133</b>	2,967,505

Notes to the statement of cash flows for the year ended 31 August 2021

**A Reconciliation of net movement in funds to net cash provided by operating activities**

	2021 £	2020 £
<b>Net movement in funds (as per the statement of financial activities)</b>	<b>(421,258)</b>	(1,326,112)
<b>Adjustments for:</b>		
Depreciation and impairment of assets	<b>58,394</b>	944,765
Surplus on disposal of equipment	<b>(150,000)</b>	—
Investment income	<b>(298)</b>	(5,861)
Decrease in debtors	<b>2,373</b>	173,282
Increase in creditors	<b>906,514</b>	820,747
<b>Net cash inflow from operating activities</b>	<b>395,725</b>	606,821

**B Analysis of changes in net debt**

	2020 £'000	Cash flows £'000	2021 £'000
Cash at bank and in hand	2,967,505	379,628	<b>3,347,133</b>
Short term deposits (less than three months)	—	(1,500,000)	<b>(1,500,000)</b>
<b>Total net debt</b>	<b>2,967,505</b>	<b>(1,120,372)</b>	<b>1,847,133</b>

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are laid out below.

#### **Basis of preparation**

These financial statements have been prepared for the year to 31 August 2021 and are presented in sterling and are rounded to the nearest pound.

The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant accounting policies below or the notes to these financial statements.

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) (Charities SORP FRS 102) issued on 16 July 2014, the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

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

#### **Critical accounting estimates and areas of judgement**

Preparation of the financial statements requires the Governors and management to make significant judgements and estimates.

The items in the financial statements where these judgements and estimates have been made include:

- ◆ estimating the useful economic life of tangible fixed assets;
- ◆ determining the provision for bad and doubtful debts;
- ◆ determining the value of provisions for liabilities;
- ◆ determining the point from which costs incurred in relation to the development project should be capitalised and the likelihood of completion of the project; and
- ◆ estimating the impact of COVID-19 on the School's income and expenditure flows for the purpose of preparing cash flow forecasts and budgets to assist in the assessment of going concern

#### **Assessment of going concern**

The Governors have assessed whether the use of the going concern assumption is appropriate in preparing these financial statements. The Governors have made this assessment in respect to a period of one year from the date of approval of these financial statements.

**Assessment of going concern** (continued)

In February 2021 the Governing Body considered a range of downside scenarios to stress-test the School's going concern assessment, in the context of a full UK-wide lockdown and deep uncertainty as to the short to medium term future for the School.

At that time, it was demonstrated that in extremis, and conditional on the completion of loan documentation for the £1.5m CBILS loan (which was subsequently completed), the School could withstand full closure for up to a further two terms.

Upon considering the same question this year, circumstances are markedly improved. The successful rollout of the UK's vaccination programme has dramatically altered the calculus with the pandemic and made a future full lockdown forcing the School's closure less likely.

Despite another loss-making year with significant COVID-related costs in 2020/21, and a roughly break-even year projected for 21/22 accounting for further COVID uncertainty in the near term, future projections for the School are healthy and show a return to profitability and net cash generation in 2022/23, even retaining the CBILS loan as a safety cushion and/or for strategic future investment.

On the basis of the above the Governors have concluded that there are no material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern.

**Income recognition**

Income is recognised in the period in which the charity has entitlement to the income, the amount of income can be measured reliably and it is probable that the income will be received.

Income comprises grants and donations, tuition fees and charges, interest received and other income.

Donations are recognised when the charity has confirmation of both the amount and settlement date. In the event of donations pledged but not received, the amount is accrued for where the receipt is considered probable. In the event that a donation is subject to conditions that require a level of performance before the charity 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 charity and it is probable that those conditions will be fulfilled in the reporting period.

Income from charitable activities includes tuition fees and grants. The income is generally recognised in the period to which the fees or grants relate.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

### **Expenditure recognition**

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to make a payment to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis and includes attributable VAT which cannot be recovered.

Expenditure comprises the costs of charitable activities including expenditure on the provision of education and associated support and governance costs.

### **Tangible fixed assets**

All assets costing more than £2,000 and with an expected useful life exceeding one year are capitalised.

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided to write off the cost less estimated residual value of each asset on a straight line basis over its expected useful life as follows:

- ◆ Cinema equipment - five years
- ◆ Fixtures, fittings and equipment - five years

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments.

### **Debtors**

Debtors are recognised at their settlement amount, less any provision for non-recoverability. Prepayments are valued at the amount prepaid. They have been discounted to the present value of the future cash receipt where such discounting is material.

### **Cash at bank and in hand**

Cash at bank and in hand represents such accounts and instruments that are available on demand or have a maturity of less than three months from the date of acquisition.

### **Creditors and provisions**

Creditors and provisions are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Creditors and provisions are recognised at the amount the charity anticipates it will pay to settle the debt.

### **Financial instruments**

The School only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the School and their measurement basis are as follows:

*Financial assets* – other debtors are basic financial instruments and are debt instruments measured at amortised cost. Listed investments are a basic financial instrument as detailed above. Prepayments are not financial instruments.

*Cash at bank* – classified as a basic financial instrument and is measured at face value.

*Financial liabilities* – accruals and other creditors are financial instruments, and are measured at amortised cost.

### **Pension costs**

Contributions by the School in respect to a defined contribution pension scheme are charged to the statement of financial activities in the period in which they are payable.

### **Leased assets**

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged on a straight-line basis over the lease term.

### **Fund structure**

Restricted funds comprise monies raised for, or their use restricted to, a specific purpose, or contributions subject to donor imposed conditions.

Designated funds comprise those resources which may be used towards meeting the charitable objectives of the School, but which have been set aside out of the general funds and designated for specific purposes by the Governors.

The tangible fixed assets fund comprises non-liquid funds represented by the net book value of tangible fixed assets.

The unrestricted general fund represents those monies which are freely available for application towards achieving any charitable purpose that falls within the School's charitable objects.

## 1 Donations

	Unrestricted funds £	Restricted funds £	Total funds 2021 £
<b>2021 Total funds: Donations for development project</b>	<b>10</b>	<b>—</b>	<b>10</b>
<i>2020 Total funds: Donations for development project</i>	<i>—</i>	<i>—</i>	<i>—</i>

## 2 Income from charitable activities

	Unrestricted funds £	Restricted funds £	2021 Total funds £
Tuition fees and charges	5,399,120	—	<b>5,399,120</b>
Less: bursaries awarded	(117,874)	—	<b>(117,874)</b>
	<b>5,281,246</b>	<b>—</b>	<b>5,281,246</b>
Grant income from the Office for Students	—	44,116	<b>44,116</b>
Other grants	—	16,651	<b>16,651</b>
	<b>5,281,246</b>	<b>60,767</b>	<b>5,342,013</b>

	Unrestricted funds £	Restricted funds £	Total funds 2020 £
<i>Tuition fees and charges</i>	<i>4,157,767</i>	<i>—</i>	<i>4,157,767</i>
<i>Less: bursaries awarded</i>	<i>(47,103)</i>	<i>—</i>	<i>(47,103)</i>
	<i>4,110,664</i>	<i>—</i>	<i>4,110,664</i>
<i>Grant income from the Office for Students</i>	<i>—</i>	<i>61,529</i>	<i>61,529</i>
<i>Other grants</i>	<i>—</i>	<i>53,613</i>	<i>53,613</i>
<i>2020 Total funds</i>	<i>4,110,664</i>	<i>115,142</i>	<i>4,225,806</i>

During the year ended 31 August 2021, 9 (2020 – 40) students received a bursary to support their tuition fees. The amounts shown above include £55,433 (2020 - £2,882) directly from the School, in 2021, and £62,441 (2020 - £44,221) from funding received from the Leverhulme Trust.

### 3 Expenditure on raising funds

	Unrestricted funds £	Restricted funds £	2021 Total funds £
Staff costs	40,340	—	<b>40,340</b>
Fundraising costs	—	—	<b>—</b>
<b>2021 Total funds</b>	<b>40,340</b>	<b>—</b>	<b>40,340</b>

	Unrestricted funds £	Restricted funds £	Total funds 2020 £
Staff costs	35,918	338	36,256
Fundraising costs	29,265	275	29,540
<b>2020 Total funds</b>	<b>65,183</b>	<b>613</b>	<b>65,796</b>

External fundraising support for the capital project has been paused since the onset of COVID-19 and will be reviewed as plans for renewing LFS' facilities progress. Internal fundraising resources have been refocussed on support for bursaries, scholarships and hardship funds.

### 4 Expenditure on charitable activities – provision of education

	Unrestricted funds £	Restricted funds £	2021 Total funds £
Direct costs			
. Staff costs	1,695,671	17,364	<b>1,713,035</b>
. Visiting lectures	770,058	7,886	<b>777,944</b>
. Premises	427,024	4,195	<b>431,219</b>
. Production allowances and costs	268,335	3,595	<b>271,930</b>
. Repairs and technical maintenance	111,885	1,196	<b>113,081</b>
. Depreciation	57,670	724	<b>58,394</b>
. IT costs	123,909	—	<b>123,909</b>
. Marketing costs	59,779	—	<b>59,779</b>
. Other costs	882,730	8,246	<b>890,976</b>
	<b>4,397,061</b>	<b>43,206</b>	<b>4,440,267</b>
Support costs			
. Staff costs	1,068,501	6,735	<b>1,075,236</b>
. Legal and professional	20,082	510	<b>20,592</b>
. Other costs	302,514	4,599	<b>307,113</b>
. Governance costs (note 5)	98,870	717	<b>99,587</b>
	<b>1,489,967</b>	<b>12,561</b>	<b>1,502,528</b>
<b>2021 Total funds</b>	<b>5,887,028</b>	<b>55,767</b>	<b>5,942,795</b>

**4 Expenditure on charitable activities – provision of education (continued)**

	Unrestricted funds £	Restricted funds £	2020 £
<i>Direct costs</i>			
. Staff costs	1,421,938	84,078	1,506,016
. Visiting lecturers	335,521	3,085	338,606
. Premises	392,862	3,771	396,633
. Production allowances and costs	378,461	4,459	382,920
. Repairs and technical maintenance	123,721	1,163	124,884
. Depreciation	43,034	463	43,497
. IT costs	134,064	—	134,064
. Marketing costs	79,645	—	79,645
. Other costs	285,107	2,630	287,737
	<u>3,194,353</u>	<u>99,649</u>	<u>3,294,002</u>
<i>Support costs</i>			
. Staff costs	970,780	—	970,780
. Legal and professional	54,663	458	55,121
. Other costs	239,339	4,052	243,391
. Governance costs (note 5)	76,816	666	77,482
	<u>1,341,598</u>	<u>5,176</u>	<u>1,346,774</u>
<b>2020 Total funds</b>	<u>4,535,951</u>	<u>104,825</u>	<u>4,640,776</u>

Adaptations to delivery, particularly on the MA Filmmaking programme, made during the year to enable teaching to continue in a COVID-safe way led to considerable exceptional costs in the year which would be expected to fall away in future years. Notable examples include external studios (shown as Premises above), £427k (2021) vs £67k (2019); and Visiting Lecturers £770k (2021) vs £410k (2019).

**5 Governance costs**

	Unrestricted funds £	Restricted funds £	<b>2021 Total funds £</b>
Audit and advisory fees	29,129	211	<b>29,340</b>
Other professional costs	69,741	506	<b>70,247</b>
<b>2021 Total funds</b>	<u>98,870</u>	<u>717</u>	<b>99,587</b>

	Unrestricted funds £	Restricted funds £	Total funds 2020 £
Audit and advisory fees	22,782	198	22,980
Other professional costs	54,034	468	54,502
<b>2020 Total funds</b>	<u>76,816</u>	<u>666</u>	<u>77,482</u>

**Notes to the financial statements** 31 August 2021

**6 Net movement in funds**

This is stated after charging:

	2021 £	2020 £
Depreciation – owned assets	<b>58,394</b>	43,497
Operating lease rentals – Land and buildings	<b>322,927</b>	282,727
Operating lease rentals – Equipment hire	<b>314,123</b>	46,058
Auditor’s remuneration (including VAT)		
. Statutory audit	<b>21,000</b>	19,200
. Other services	<b>6,000</b>	3,780
Staff costs (including visiting lecturers) (note 7)	<b>3,606,555</b>	2,851,658

**7 Staff costs**

	2021 £	2020 £
Wages and salaries	<b>2,540,243</b>	2,245,997
Social security costs	<b>230,663</b>	208,680
Pension costs	<b>57,705</b>	58,375
	<b>2,828,611</b>	2,513,052

In addition to the staff costs disclosed above, the amount paid to visiting lecturers used by the School in year was £7,944,777 (2020 – £338,606).

The average number of employees, excluding visiting lecturers and temporary staff, during the year was as follows:

	2021 Number	2020 Number
Provision of education		
. Academic staff	<b>42</b>	38
. Support staff	<b>20</b>	18
	<b>62</b>	56

The number of employees who earned £60,000 per annum or more (including taxable benefits but excluding employer pension contributions) during the year was as follows:

	2021 Number	2020 Number
£60,001 - £65,000	<b>1</b>	1
£75,001 - £80,000	<b>1</b>	—
£80,001 - £85,000	<b>—</b>	1
£90,001 - £95,000	<b>1</b>	—
£95,001 - £100,000	<b>1</b>	—
£100,001 - £105,000	<b>—</b>	1
	<b>4</b>	3

**7 Staff costs** (continued)

The key management personnel of the charity in charge of directing and controlling, running and operating the charity comprise the governors and the Management Team. The total remuneration (including taxable benefits and employer's pension contributions) of the key management personnel for the year was £597,905 (2020 – £484,167).

During the year, staff governors received remuneration only in relation to their roles as staff members. No member(s) of the governing body received any remuneration in respect of their services as governors during the year (2020 – £nil).

No expenses were reimbursed to the governing body members during the year (2020 - £nil).

**Remuneration of Director and Chief Executive Officer**

	2021 £	2020 £
Basic salary	95,950	102,500
Bonus	—	—
Pension contribution	1,316	1,315
	<b>97,266</b>	<b>103,815</b>

The remuneration package of senior members of staff, including the Director and Chief Executive Officer, is subject to annual review by the Remuneration Committee who use benchmarking information to provide objective guidance.

The Director and Chief Executive Officer reports to the Chair of the Board, who undertakes an annual review of his performance against the School's overall objectives using both qualitative and quantitative measures of performance.

	2021 £	2020 £
Chief Executive's basic salary as a multiple of the median of all staff	2.83	2.99
Chief Executive's total remuneration as a multiple of the median of all staff	2.81	2.89

**8 Taxation**

The London Film School Limited is a registered charity and therefore is not liable to income tax or corporation tax derived from its charitable activities, as it falls within the various exemptions available to registered charities.

**9 Tangible fixed assets**

	Leasehold premises in course of construction £	Cinema equipment £	Fixtures, fittings and computer equipment £	Total £
<b>Cost</b>				
At 1 September 2020	901,268	214,035	105,166	<b>1,220,469</b>
Additions	—	166,395	—	<b>166,395</b>
At 31 August 2021	<u>901,268</u>	<u>380,430</u>	<u>105,166</u>	<b><u>1,386,864</u></b>
<b>Depreciation/Write down</b>				
At 1 September 2020	901,268	129,142	74,509	<b>1,104,919</b>
Charge for the year	—	40,382	18,012	<b>58,394</b>
At 31 August 2021	<u>901,268</u>	<u>169,524</u>	<u>92,521</u>	<b><u>1,163,313</u></b>
<b>Net book values</b>				
At 31 August 2020	—	84,893	30,657	<b>115,550</b>
At 31 August 2021	<u>—</u>	<u>210,906</u>	<u>12,645</u>	<b><u>223,551</u></b>

Leasehold premises in course of construction relates to expenditure arising during the post-feasibility phase of the School's relocation project. The COVID-19 pandemic and its subsequent impact on the availability of finance has stalled further progress in the relocation project. Reflecting the change in the likelihood of the London City Island relocation project in the near future, the capitalised costs incurred to date were written down in the year ended 31 August 2020.

During the year ended 31 July 2021 certain cinema equipment which had been purchased a number of years ago, and which had not been capitalised, was exchanged for new cinema equipment with a market value of £150,000. This new equipment has been capitalised at its market value and this has been recognised as gain on disposal in the statement of financial activities.

**10 Debtors**

	2021 £	2020 £
Trade debtors	<b>124,163</b>	137,403
Other debtors	<b>113,759</b>	83,244
Prepayments and accrued income	<b>344,271</b>	363,919
	<b><u>582,193</u></b>	<u>584,566</u>

Notes to the financial statements 31 August 2021

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

	2021 £	2020 £
Trade creditors	268,170	130,527
Taxation and social security creditor	—	54,540
Accruals and deferred income	1,603,309	2,332,066
Sundry creditors	123,260	71,092
CBILS Loan (see note 12)	100,000	—
	<b>2,094,739</b>	<b>2,588,225</b>

	2021 £	2020 £
Deferred income at 1 September	2,003,069	952,507
Released during the year	(2,003,069)	(952,507)
Resources deferred in the year	1,031,200	2,003,069
Deferred income at 31 August	<b>1,031,200</b>	<b>2,003,069</b>

Deferred income consists principally of fee income received in advance.

**12 Creditors: amounts falling due in more than one year**

	2021 £	2020 £
CBILS Loan	<b>1,400,000</b>	—

<b>Maturity of debt</b>	2021 £	2020 £
CBILS loan repayable within one year	100,000	—
CBILS loan repayable between one and two years	300,000	—
CBILS loan repayable between two and five years	900,000	—
CBILS loan repayable in more than five years	200,000	—
	<b>1,500,000</b>	—

The CBILS loan was drawn down in full in April 2021 it is unsecured with a fixed interest rate of 3% per annum. The first year is interest and repayment free; the balance is then to be repaid over five years at £25,000 per month plus interest from May 2022.

### 13 Restricted funds

The income funds of the School include restricted funds comprising the following unexpended balances of grants and donations to be applied for specific purposes.

	At 1 September 2020 £	Income £	Expenditure £	Transfer between funds £	At 31 August 2021 £
Office for Students	—	44,115	(44,115)	—	—
Skillset Academy Fund	692	12,609	(7,609)	—	5,692
Kickstart	—	4,043	(4,043)	—	—
Adam Sedgwick Award	5,010	—	—	—	5,010
Leverhulme fund	9,704	—	—	—	9,704
	15,406	60,767	(55,767)	—	20,406

	At 1 September 2019 £	Income £	Expenditure £	Transfer between funds £	At 31 August 2020 £
Office for Students	—	61,529	(61,529)	—	—
Skillset Academy Fund	—	692	—	—	692
Building and Development fund	18,543	—	—	(18,543)	—
Adam Sedgwick Award	5,010	—	—	—	5,010
Leverhulme fund	—	43,217	(33,513)	—	9,704
Outreach projects	—	10,396	(10,396)	—	—
	23,553	115,834	(105,438)	(18,543)	15,406

#### **Office for Students fund**

The Office for Students fund is restricted to supporting teaching through spend related to the delivery of course costs.

#### **Skillset Academy fund**

The Skillset Academy fund is restricted to the funding of bursaries for the Skillset Screen Academy Project, specific new teaching and associated overheads.

#### **Kickstart Scheme**

The Kickstart Scheme provides funding to employers to create jobs for 16 to 24 year olds on Universal Credit as a high quality 6-month job placement.

#### **Building and Development fund**

This fund represents monies raised specifically to fund the new building relocation project. Transfers from this fund to unrestricted funds represent capital expenditure incurred through the restricted funds.

#### **Adam Sedgwick Award**

The Adam Sedgwick Award is restricted to the funding of a grant to help a graduating student after the completion of the course.

**13 Restricted funds (continued)**

**Leverhulme fund**

The Leverhulme Trust has donated to this fund which is dedicated to applicants of high academic standard who could not otherwise continue their studies throughout the academic year and beyond without funding assistance.

**Outreach Projects**

Partners across a range of our projects have included the British Film Institute, Film London's Equal Access Network, Creative England's iFeatures scheme, British Council and many more.

**14 Tangible fixed assets fund**

	2021 £	2020 £
At 1 September	115,550	823,010
Net movements in year	108,001	(707,460)
At 31 August	223,551	115,550

The tangible fixed assets fund represents the net book value of the School's fixed assets. A decision was made to separate this fund from the other unrestricted funds of the School in recognition of the fact that the tangible fixed assets are essential to the day-to-day operation of the school. The fund value, therefore, cannot be easily realised without jeopardising the ongoing operation of the School.

**15 Designated funds**

The income funds of the School include the following designated funds which have been set aside by the governors for specific purposes:

	At 1 September 2020 £	New designation £	Utilised £	At 31 August 2021 £
Relocation fund	794,487	—	(794,487)	—

	At 1 September 2019 £	New designations £	Utilised £	At 31 August 2020 £
Relocation fund	1,000,000	—	(205,513)	794,487

The relocation fund consists of monies set aside by the governors towards the cost of relocation project. These funds have been released to general funds in the year as the project is no longer expected to go ahead.

## Notes to the financial statements 31 August 2021

### 16 Operating lease commitments

At 31 August the School had the following future minimum commitments under non-cancellable operating leases:

	Equipment		Land and buildings	
	2021	2020	2021	2020
	£	£	£	£
Operating lease payable:				
Within one year	—	—	89,400	89,400
	—	—	89,400	89,400

The lease renewals for both properties occupied by the School are in place including clauses which allow the School a break option subject to giving six months' notice. This will enable a move to new premises once the development project is complete.

### 17 Related and connected parties disclosure

At 31 August 2021 the School was owed £nil (2020 – £nil) by The London Film Society Limited, charity registration number 1146656, company number 07886379. During the year ended 31 August 2021 the school paid expenses totalling £nil on behalf of The London Film Society, and there were no other transactions between the School and the Society during the year (2020 – expenses totalling £nil). One Governor of the School and two members of the School's Management Team served as the trustees of the London Film Society Limited during the year. The London Film Society Limited was dissolved on 20 October 2020.

The School has taken exemption from preparing consolidated financial statements on the grounds that the London Film Society Limited is not material for the purpose of giving a true and fair view.



**London  
Film  
School  
Limited**

**Annual Report and Financial  
Statements**

31 August 2021

Company Limited by Guarantee  
Registration Number  
01197026 (England and Wales)

Charity Registration Number  
270302

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## Reference and administrative information

**Governors**

Gregory Dyke (Chair)  
Amanda Nevill CBE (Vice Chair – appointed 17/12/2020)  
Kemal Akhtar  
Peter Armstrong (resigned 14/10/2021)  
Suzy Black (appointed 17/12/2020)  
Helen Dudley CBE (retired 31/12/2020)  
Professor Diana Green (Vice Chair – retired 14/10/2020)  
Diane Herbert (appointed 17/12/2020, resigned 15/09/2021)  
Peter Hogenson (Student Governor, resigned 31/07/2021)  
Rhys Holland (appointed 01/08/2021)  
Peter Holliday (appointed 23/10/2019)  
Nick Humby  
Olivier Kaempfer  
William MacPherson (appointed 17/12/2020)  
Moshe Nitzani (Staff Governor, retired 25/9/2020)  
Cindy Rampersaud (appointed 17/12/2020)  
Joan Watson (appointed 17/12/2020)  
Sophia Wellington (Staff Governor, appointed 28/09/2020)

**Management Team**

Gisli Snaer (Director and Chief Executive Officer)  
Femi Kolade (Director of Studies)  
Dan Lawson (Chief Operating Officer)  
Veronique Fricke (Head of Marketing & Student Recruitment)  
Robin Graham (Secretary to the Board)  
Tiana Harper (MA Filmmaking Course Leader)  
Michele Maher (Academic Registrar)  
Anita O'Connor (Financial Controller)  
Victoria Thomas (MA International Film Business Course Leader)  
Caroline Ward (Head of HR)  
Sophia Wellington (MA Screenwriting Course Leader)

**Company Secretary** Robin Graham

**Principal address and registered office**

24 Shelton Street  
London  
WC2H 9UB

Telephone 0207 836 9642

Facsimile 0207 497 3718

Website [www.lfs.org.uk](http://www.lfs.org.uk)

E-mail [info@lfs.org.uk](mailto:info@lfs.org.uk)

**Company registration number** 01197026 (England and Wales)

## Reference and administrative information

<b>Charity registration number</b>	270302
<b>Auditor</b>	Buzzacott LLP 130 Wood Street London EC2V 6DL
<b>Bankers</b>	Royal Bank of Scotland London Drummonds Branch 49 Charing Cross London SW1A 2DX
<b>Solicitors</b>	Pinsent Masons LLP 30 Crown Place London EC2A 4ES

## Chair's introduction

### **Chair's Introduction to Annual Report and Financial Statements, 31 August 2021**

These accounts for London Film School cover the year ending 31st August 2021. In that year COVID-19 has tested our School like no other event in its long history but thankfully our students, staff, actors and visiting lecturers have risen to the challenge magnificently.

With considerable efforts on the part of our teaching staff and visiting industry professionals, all of our practical film productions have been carried out under industry-led 'COVID-safe' protocols, with no compromise in their usual outstanding quality. On top of that at least 60% of our scheduled teaching was delivered in-person, even as the UK cautiously emerged from the long lockdown in the first half of 2021.

Our MA Screenwriting and MA International Film Business continued with both online and in-person elements, before resuming in-person delivery in autumn 2021.

The essential adaptations we made to make our operations 'COVID-safe' have come at a financial cost. These included hiring external studio facilities, doubling teaching time for smaller groups, higher direct production costs, and providing hardship support to students impacted by the pandemic. In all, since the pandemic began early in 2020 we estimate that COVID has cost the School more than £2m in exceptional costs and lost income, and of course there was a physical and mental challenge to both staff and students who were constantly asked to adapt to new and unpredictable circumstances.

We believe very strongly that it was right to prioritise delivering practical education for our students whilst ensuring a safe environment for all. Now, with the UK's successful vaccination programme and improving health outcomes, we hope to return more of our teaching and production to normal operations.

Despite the challenges, our graduates once again enjoyed outstanding successes with over 200 film screenings at international film festivals including Locarno, Clermont-Ferrand, Aspen and Berlin, garnering over 40 awards along the way.

Looking to the future, our focus is now on developing a new, post-pandemic strategic plan. I'm pleased to have welcomed a number of new Governors to our board in the past year to help us on that journey, and we look forward to sharing our plans in due course.

Once again, on behalf of the Governors, I extend our thanks and admiration to the staff and students for their continued commitment to the long-term success of LFS.

Greg Dyke

February 2022

## **Governors' report** Year to 31 August 2021

The Governors present their annual report together with the financial statements of London Film School Limited for the year ended 31 August 2021.

The financial statements have been prepared in accordance with the accounting policies set out on pages 31 to 34 and comply with the charitable company's memorandum and articles of association, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), effective from accounting periods commencing 1 January 2015 or later.

### **Governance, structure and management**

#### ***Constitution***

London Film School Limited ("LFS" or "the School") is a registered charity (Charity Registration No. 270302) and a company limited by guarantee (Company Registration No. 01197026). The charitable company's memorandum and articles of association dated 20 January 1975 (as amended by special resolution of 21 July 1975 and 21 March 2002) are its primary governing documents.

#### ***Members' liability***

The liability of the members in the event of winding up is limited to 50 pence per member.

#### ***Governors***

The Governors of the School also constitute directors of the charitable company for the purposes of company law and trustees for charity law. This report is also a directors' report as required by section 415 of the Companies Act 2006. The Governors who held office during the financial year and at the date of signing this report are set out on page 1.

Governors are appointed by election at the Annual General Meeting (AGM). The Student Governor is elected by students and the Staff Governor is elected by the staff.

Members of the Management Team, as set out on page 1, cannot be appointed as Governors of the School.

The size of the Governing Body is set between 8 and 25 Governors. Approximately one third of the Governing Body retire annually, by rotation in order of seniority, and can offer themselves for re-election at the AGM.

**Governance, structure and management** (continued)

**Governors** (continued)

The Nominations Committee undertakes a skills analysis of the Governing Body and role profiles are agreed, against which the School recruits new Governors. Governors must have empathy with film and the creative industries. Newly appointed Governors receive a full induction to the School, bespoke to their needs. The Governing Body regularly holds an away day, joined by members of the Management Team.

**Organisation**

Under normal circumstances the Governing Body meets six times a year, although since the onset of the global pandemic in March 2020 it has met more regularly in order to ensure the School's response has been effective and timely.

Its governance structure includes four committees:

- ◆ a Nominations Committee to oversee the appointment, induction and development of its governors;
- ◆ a Remuneration Committee to make senior appointments, decide and agree the remuneration for the Director and senior members of staff, and consider recommendations from the Director on pay and reward more generally across the School;
- ◆ an Audit & Risk Committee to advise on risk, internal control, governance and promoting value for money; and
- ◆ a Relocation Committee, to review the School's estates strategy and oversee progress on renewing its facilities.

The Governing Body also receives minutes from the Academic Board as a line of sight on all academic matters.

The day-to-day running of the School is delegated to the Director and the Management Team.

**Key management personnel**

The key management personnel of the School comprise the Governors and the Management Team.

The Management Team are a dedicated team of management personnel that have the authority and responsibility of planning, directing and controlling the activities of the School, directly or indirectly. Within the School this includes the Director, Director of Studies, Chief Operating Officer, Head of Marketing & Student Recruitment, Academic Registrar, Financial Controller and Head of HR. Since September 2021, Course Leaders for each of the MA programmes have also joined the Management Team, ensure greater visibility of academic matters and greater academic inclusion. The Management Team meets formally on a fortnightly basis, with minutes of each meeting shared with all staff.

**Governance, structure and management** (continued)

***Statement of governors' responsibilities***

The Governors (who are also directors of The London Film School Limited for the purposes of company law) are responsible for preparing the governors' report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Governors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the income and expenditure of the charitable company for that period. In preparing these financial statements, the Governors are required to:

- ◆ select suitable accounting policies and then apply them consistently;
- ◆ observe the methods and principles in Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102);
- ◆ 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 the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The Governors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company 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 charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Each of the Governors confirms that:

- ◆ as far as they are aware, there is no relevant audit information of which the charitable company's auditor is unaware; and
- ◆ they have taken all the steps that they ought to have taken as a governor in order to make themselves aware of any relevant audit information and to establish that the charitable company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

**Governance, structure and management** (continued)

***Risk management***

The Governors have assessed the major risks to which the charity is exposed, in particular those relating to the specific operational areas of the School and its finances. The Governors believe that by monitoring reserves levels, by ensuring controls exist over key financial systems, and by examining the operational and business risks faced by the School, they have established effective systems to mitigate those risks. Our keys risks include:

***COVID-19***

The academic year 2020-21 was again defined by the ongoing global coronavirus pandemic, and in common with other Higher Education Providers, London Film School continued to adapt its delivery with a primary focus on ensuring as much face-to-face teaching could safely take place, whilst ensuring the health and safety of staff and students. The School again enjoyed tremendous commitment, dedication and resilience amongst staff and students.

In particular, the UK-wide lockdown of January 2021 presented a significant challenge as Higher Education Providers were advised to cease all in-person teaching. This meant rapidly replanning the delivery of the intensely practical MA Filmmaking course, whilst other programmes could resume online delivery.

A by no means exhaustive list of key elements of the School's COVID-19 response in 2020/21 includes:

- ◆ taking a balanced and risk-based approach to resuming in-person teaching activities across the Filmmaking and Screenwriting programmes, with an average of 60% of scheduled teaching activity taking place in person by the summer term of 2021;
- ◆ rescheduling the delivery of the MA Filmmaking course in response to the UK government's lockdown of January 2021, compressing the spring, summer, and autumn terms into a 9-month period to ensure no lost learning for students across the remainder of the calendar year
- ◆ continuing our expansive programme of exclusive masterclasses and other activities to keep students engaged with the School during the lockdown periods;
- ◆ making judicious use of off-site studio facilities to ensure film production could safely continue throughout the academic year; and
- ◆ extending the COVID-19 Relief Fund to alleviate hardship amongst students whose financial circumstances had changed dramatically and unexpectedly due to the effects of the pandemic.

In 2020 the School reintroduced a means-tested bursary scheme which benefits UK and EU students. It continues to be in a position to offer a small number of scholarships to students from other countries where access to film education is limited. The School receives funding from The Leverhulme Trust to provide bursaries to students and allocates London Film School and Leverhulme bursaries according to students' needs.

**Governance, structure and management** (continued)

***Risk management*** (continued)

*Student Recruitment*

Despite early and sector-wide concerns as to the impact of COVID-19 on student recruitment, particularly amongst international students, interest and applications from the international market remained strong for LFS' MA programmes since the start of the pandemic. In common with other UK Higher Education Providers, London Film School experienced reductions in demand from the EEA markets.

The diversity of an international cohort brings many unique benefits to LFS and continues to be one of the School's unique selling points. With the School now registered with the Office for Students, UK students are now able to access postgraduate loan support towards their studies, which we expect to be particularly impactful on the MA Screenwriting course. The MA Screenwriting course benefited from a 42% application increase in 2021 from August 2019. Across the three MA Filmmaking intakes, MA Filmmaking had an average application increase of 86% from 2020.

London Film School participates in the William D. Ford Direct Student Loan Program authorised by the US Education Department to help with student recruitment from the USA.

*Regulatory Environment*

As a registered Higher Education Provider under the Office for Students, LFS is subject to considerable regulatory oversight aimed at ensuring its courses offer high levels of quality and value for money. In order to ensure ongoing compliance with the new regulatory environment the School has made further progress in reviewing and updating the School's policy frameworks, with an emphasis on quality assurance, and regular internal monitoring and reviews.

LFS' continued membership of CILECT, the confederation of international film schools, and now also of GuildHE, ensures it has a supportive network of providers in the same field with whom to share and learn best practice.

*Relocation*

The School has a longstanding ambition to refresh its premises and facilities to ensure they continue to offer a peerless learning environment to match the high-quality teaching across our programmes.

In the 2019/20 statutory accounts, development costs incurred to date on the London City Island (LCI) project were written down, reflecting the worsening outlook for capital fundraising in the early stages of the coronavirus pandemic.

At the time of preparing these accounts, that picture has not improved materially and the LCI project remains on hold. The Governors and Management Team expect to revisit the question of suitable facilities for the School's long-term future as we emerge from the immediate challenges of the global pandemic.

**Governance, structure and management** (continued)

***Fundraising***

The School's fundraising approach is to engage only with trusts, foundations and other grant making institutions.

During the course of the year, we were awarded Leverhulme Trust Arts Scholarships to the amount of £185,016 in their latest round of funding which will be available from September 2022, enabling talented students without the financial means to access both our MA Filmmaking and MA Screenwriting programmes, and we continued our partnership with The Saïd Foundation supporting students of Syrian, Jordanian, Lebanese or Palestinian nationality to study at the School at no cost.

Due to COVID-19, the School has not actively sought funds from the general public, and therefore is not yet subscribed to any fundraising regulation schemes or standards. External fundraising support for the capital project has paused since the onset of COVID-19 and will be reviewed from 2022 as plans for renewing LFS' facilities progress while internal fundraising resources refocused efforts on supporting bursaries, scholarships, and hardship funds during the pandemic.

There have not been any complaints arising as a result of the School's fundraising activities in the year.

***Relationship with other organisations***

In pursuit of its objectives, the School works with a number of other organisations including ScreenSkills, the University of Exeter, the University of Warwick, the Deutsche Film und Fernsehakademie Berlin (DFFB) and UGC Series Mania. Other partners across a range of our projects have included the British Film Institute, Film London's Equal Access Network, Creative England's iFeatures scheme, the British Council and many more.

***Objectives and activities***

The School's principle purpose is the provision of professional level training in the art and technique of film production and feature film screenwriting. Our core provision includes a two-year MA Filmmaking degree covering all of film's craft and interpretive departments, and a one-year MA in Screenwriting. The MA in International Film Business continues in partnership with Exeter University, as does a successful PhD by Practice programme.

The School also offers over 50 short course workshops for film and television professionals each year. Since 2016, the School has also offered an expanding programme of outreach projects, bringing filmmaking training and education to audiences who could not normally access such opportunities for reasons of cost or geography.

The Governors confirm that they have referred to the Charity Commission's general guidance on public benefit when reviewing the School's objectives and aims and in planning future activities.

**Objectives and activities** (continued)

The School's main objectives for the year were:

- ◆ Ensure that the School is appropriately resourced and situated in contemporary facilities, matching the excellence in our teaching and delivering a peerless learning experience
  - ◇ As described above, the relocation project has been paused during the global pandemic due to financing challenges. The Governing Body and Management Team expect to revisit the pressing issue of suitable facilities as we emerge from the immediate challenges of the pandemic.
- ◆ Ensure our film education is accessible to all UK students irrespective of background or income
  - ◇ Since registering with the Office for Students in 2019, all LFS' postgraduate programmes qualify for postgraduate loan support. New bursaries were introduced in 2020 to support UK students on both MA Filmmaking and MA Screenwriting programmes, and a COVID-19 Relief Fund was also introduced to support students experiencing unexpected hardship as a direct result of the global pandemic.
  - ◇ The School resumed the development of a new Equality, Diversity, and Inclusion (EDI) strategy after the events of summer 2020, recognising that LFS needed to do more to improve access to film education and to promote an anti-racist approach in our work. Developments to date include the formation of an EDI working group comprising staff and students; a review of our existing recruitment approaches and HR policies, and a programme of decolonising the curriculum. A specialist consultant has been engaged to work proactively with the Management Team and staff body more generally to review and update policies and lay the foundations for a new Culture Strategy to guide the School's progress.
- ◆ Maintain our excellent international profile, exporting best-practice around the world and bringing new global perspectives to our pedagogy
  - ◇ The School remained a member of CILECT (the International Association of Film and Television Schools), including attendance at the annual congress in Moscow in 2019, and its regional division GEECT (European Grouping of Film and Television Schools). As can be seen below, LFS graduation work once more enjoyed a year of wide international exposure at festivals and award ceremonies around the world.
- ◆ Ensure our film education offer continues to be among the best in the world and is relevant to the film and wider creative industries of today, and tomorrow.
  - ◇ Our Director of Studies interminably worked closely with the academic team to continue improving quality monitoring and the process by which student feedback is captured, listened and responded to. Our short course and outreach work now comes under the Director of Studies' remit bringing better synergies and sharing of best practice across the full gamut of LFS' educational programmes.

**Objectives and activities** (continued)

- ◆ Build new and lasting partnerships and collaborations with industry and relevant institutions
  - ◇ We continued to build strong links with local industry partners including the BFI, Film London, ScreenSkills, and more. We were especially pleased to continue our partnership with Film London's Equal Access Network.

**Achievements and performance**

LFS filmmakers garnered accolades in a range of festivals and competitions, receiving recognition globally from industry for the quality of their work.

For the second year running, LFS is once again globally recognised as a top filmmaking school through its inclusion in the prestigious 2021 The Hollywood Reporter Top Film Schools list.

***Festivals***

225 films created at London Film School have screened at 191 global film festivals, winning 43 awards and receiving 15 nominations. Film festivals such as the prestigious Locarno Film Festival awarded the graduate film after a room with the Swiss Silver Pardino. BAFTA eligible ASFF screened Skarbnik, and The Beast won Best Comedy.

Clermont-Ferrand International Short Film Festival screened two graduate films, Transit and Some Manifestations of the South. Oscar-eligible Aspen Shortfest screened Summer Shade, Cinematographer ET Ng won the British Society of Cinematographers Awards. Filipiřana, which screened at 19 festivals and won 10 awards including the Silver Bear Jury Prize Short Film at the Berlinale International Film Festival in 2020 and won the Best Film and George Lucas Prix Best in Show at the Academy-eligible Short Shorts Film Festival & Asia winning the third place at the International Association of Film and Television School (CILECT) Prize and screened at the Edinburgh International Film Festival. The film continued to win: London Film Critics Circle Awards, Grand Prix, Best of British at Encounters where two other grad films were screened also: Walter the Dog and WE ALL JUST WANT TO BE MAD. Macchiato was shortlisted at the GSA BAFTA Student Film Award. The London Short Film Festival also screened Filipiřana and grad films Calladita, Garças, after a room, Some Manifestations of the South.

***Annual Graduate Showcase***

As is customary, London Film School celebrates the work created by the students and supported by staff, launches the latest crop of filmmaking talent into the industry. Due to COVID, instead of in-person event, a bespoke microsite was built to showcase the work to the industry.

Over 1,800 people logged into the online Graduate Showcase between 18-23 January 2021, an increase of 360% on 2020's in person event at the BFI compared to an increase of 16% of 2019 to 2020.

**Achievements and performance** (continued)

**Annual Graduate Showcase** (continued)

From those that registered in advance of the event, (about 60% our total audience) we know that:

- ◆ 27% were friends and family
- ◆ 41% were students and staff
- ◆ 32% were industry

On the Films page, viewers spent an average of 10 mins, and our recording of the MA Screenwriting students' scripts was viewed 1,200 times over six days. Our highest proportions of visitors came from the UK (40%), the USA (16%) and China (7%), followed by Papa New Guinea (5%), Portugal (4%) and Australia (3.5%).

Event attendance for the three masterclasses and networking session were up 220% on the previous year and were described by attendees as 'enlightening' and 'inspiring'.

*Honorary Associates*

Honorary Associates are announced at LFS's annual Graduate Showcase, held each year at the end of January.

Kasi Lemmons is an award-winning director/ writer/ producer/ actor and professor. Her acclaimed 1997 feature directorial debut, *Eve's Bayou*, was recently inducted into the National Film Registry and is considered among the first to showcase the beauty of African American Southern culture.

Her fifth feature film, *Harriet*, a powerful drama based on the life of American icon Harriet Tubman, received Academy Award nominations. Other directing work included *Luke Cage*, *Self-Made: Inspired by the Life of Madam C.J. Walker*. As an actor, Lemmons appeared in such notable films as Jonathan Demme's *Silence of the Lambs*, John Woo's *Hard Target* and Spike Lee's *School Daze*.

Marianne Jean-Baptiste is an award-winning actor/director/writer/composer, known for *Without a Trace*, *Secrets & Lies* and *Spy Game*. She gained international acclaim following the success for Mike Leigh's social drama *Secrets & Lies*, for which she received acclaim and earned nominations for the Academy Award for Best Supporting Actor, the Golden Globe and BAFTA Award in the same category.

As writer and composer, Jean-Baptiste recorded an album of jazz songs and composed the musical score for Leigh's 1997 film *Career Girls*. As an actor, Jean-Baptiste has starred in many tv series and films such as Tom Clancy's *Jack Ryan*, *Without a Trace*, *Blindspot*, *Homecoming*, *Broadchurch*, *Edge of Tomorrow*, *Spy Game*, *Robocop*. Jean-Baptiste was praised for her stage performance in the 2013 National Theatre production of James Baldwin's play *The Amen Corner*, directed by Rufus Norris.

## **Achievements and performance** (continued)

### ***Annual Graduate Showcase*** (continued)

#### *Honorary Associates* (continued)

Our Honorary Associate Marianne Jean-Baptiste wrote to congratulate 'the standard and individuality' of the films.

Past Honouree's span all areas of the screen industry and in the course of the school's rich history, have included Abi Morgan, Amma Asante, Asif Kapadia, Stephen Frears, Jim Broadbent, Christine Langan, Tessa Ross, Philip French, Ralph Fiennes, Ken Loach and Lynne Ramsay, alongside the diverse graduates of the School's film programmes.

The Associates remain an integral part of the School's wide-ranging pool of industry experts and student mentors for years to come. The School's Honouree programme is possible with the generous assistance of the School's Graduation sponsors: Panalux, Sargent-Disc and Final Draft. As part of the Honorary Associate role, they will visit the School during the coming year as part of its long-running Masterclass programme, an exclusive series of industry and alumni-focused events dedicated to the School's filmmaking students.

Students described the Showcase as 'fantastic', 'beautifully made' 'really, really appreciated', 'a stellar showcase'. Industry described the platform as 'truly magnificent...enjoyable and intuitive'.

## **Financial review**

A summary of the year's results can be found on page **Error! Bookmark not defined.** of the attached financial statements. Total income for the year was £5,561,877 (2020 – £4,281,728). The majority of the income is from MA tuition fees.

Total expenditure for the year amounted to £5,983,135 (2020 – £5,607,840).

The net movement in funds for the year was a deficit of £421,258 (2020 – deficit £424,430).

### ***Reserves policy and financial position***

In light of post-pandemic recovery planning and a wider review of the strategic plan for the School going forward, the reserves policy for the School is under review and will be further developed in the coming year. In devising a new reserves policy, Governors will have regard to the School's future plans, liquidity requirements, and proportionate contingency funds against unexpected adverse events.

Previously, Governors have considered that a free reserves level (i.e. those unrestricted funds not invested in tangible fixed assets, designated for specific purposes or otherwise committed) of approximately six months' annual expenditure on unrestricted funds has been appropriate given the nature of the Schools' work.

**Financial review** (continued)

***Reserves policy and financial position*** (continued)

On 31 August 2021, the School had total funds of £658,138 (2020 – £1,079,396). Included in total funds is an amount of £20,406 (2020 – £15,406) which is restricted. These monies have either been raised for, and their use restricted to specific purposes, or they comprise donations subject to donor-imposed conditions. Full details of these restricted funds can be found in note 13 to the financial statements together with an analysis of movements in the year.

Unrestricted funds of the charity at 31 August 2021 amounted to £637,732 (2020 – £1,063,990), which are net of a £1.5m CBILS loan. These funds include tangible fixed assets with a net book value of £223,551 (2020 – £115,550) as well as other funds designated for specific projects of £nil (2020 – £794,487). Free reserves of the School at 31 August 2021, were £414,181 (2020 – £153,953).

While the free reserves are below the level of 6 months' expenditure stated above, the policy is kept under review. As a contingency and in order to support the School through any further uncertainty in the coming year, the School has also arranged a £1.5m loan facility through the Coronavirus Business Interruption Loan Scheme (CBILS).

**Plans for the future**

The School is now four years into its five-year strategic plan, approved by the Board of Governors in 2018, which sets the key strategic objectives as:

- ◆ Ensure that LFS is appropriately resourced and situated in contemporary facilities, matching the excellence in our teaching and delivering a peerless learning experience
- ◆ Ensure our film education is accessible to all UK students irrespective of background or income
- ◆ Maintain our excellent international profile, exporting best practice around the world and bringing new global perspectives to our pedagogy

Ensure our film education offer continues to be among the best in the world and is relevant to the film and wider creative industries of today, and tomorrow

- ◆ Build new and lasting partnerships and collaborations with industry and relevant institutions.

Whilst COVID-19 continues to present immediate and future challenges for all providers of practical film education, the School's attentions are also turning to a post-pandemic future, including reviewing the impact of the pandemic on our delivery and taking the opportunity to evaluate those adaptations that may become permanent improvements to our activities.

**Plans for the future** (continued)

Key projects for the coming year will include a new Strategic plan from 2023; resuming work on the School's longstanding ambition to renew its teaching facilities; continuing to remove barriers to entry for UK students through financial support from postgraduate loans and increasing our bursaries and scholarships funds; continuing to support the development of our students and their future successes on the national and international stage; and continuing to develop new outreach and short course programmes that complement our existing provision and contribute to our vision of LFS as a distinctive global leader in contemporary, practice-based film education and research.

Approved by the Governing Body and signed on its behalf by:



Governor Gregory Dyke

Approved by the Governors on: 24 February 2022

## Statement of corporate governance and internal control

The following statement is provided to enable readers of the annual report and financial statements of London Film School Limited to obtain a better understanding of its governance and legal structure. The statement covers the period from 1 September 2020 to 31 August 2021 and up to the date of the approval of the annual report and financial statements.

The School endeavours to conduct its business:

1. Having due regard to the UK Corporate Governance Code 2018 in so far as it is applicable to the Higher Education Sector; and
2. Complying with Office for Students on-going conditions or regulations and terms of conditions of funding as well as other regulatory responsibilities.

We have adopted the UK Corporate Governance Code. We have reported on our Corporate Governance arrangements by drawing upon best practice available, including those aspects of the UK Corporate Governance Code that we consider relevant to the Higher Education Sector.

The Governors recognise that the School, as a body entrusted with both public and private funds, has a particular duty to observe the highest standards of corporate governance at all times.

### **Legal Status**

The London Film School is a Registered Charity and a Private Limited Company by guarantee without share capital.

The Governors confirm that they have due regard for the Charity Commission's guidance on public benefit and that the required statement appears elsewhere within these financial statements.

## Statement of corporate governance and internal control

### Governors

The members who served as Governors during the year and up to the date of signature of this report are listed below.

<b>Governor</b>	<b>Appointed/Resigned</b>
Greg Dyke (Chair)	
Amanda Nevill (Vice Chair)	Appointed 17 December 2020
Kemal Akhtar	
Peter Armstrong	Resigned 14 October 2021
Suzy Black	Appointed 17 December 2020
Helen Dudley CBE	Retired 31 December 2020
Professor Diana Green CBE (Vice Chair)	Retired 31 December 2020
Diane Herbert	Appointed 17 December 2020, resigned 15 September 2021
Peter Hogenson (Student Governor)	Retired 31 July 2021
Rhys Holland (Student Governor)	Appointed 1 August 2021
Peter Holliday	Appointed 23 October 2019
Nick Humby	
Olivier Kaempfer	
William MacPherson	Appointed 17 December 2020
Moshe Nitzani (Staff Governor)	Retired 25 September 2020
Cindy Rampersaud	Appointed 17 December 2020
Joan Watson	Appointed 17 December 2020
Sophia Wellington (Staff Governor)	Appointed 28 September 2020

### Governors' interests

Governors are shown above and except for any instance mentioned above have served throughout the year. None of the Governors have any interests within the company.

### Meeting procedures

Formal agendas, papers and reports are supplied to the Governors in a timely manner, prior to Governing Body meetings. Briefings are also provided on an ad hoc basis. Reports include overall financial performance of the School together with other information such as performance against funding targets, proposed capital expenditure, quality matters and personnel related matters such as health and safety issues. The Governing Body met 8 times in 2020/21.

The Governing Body receives advice on the conduct of its business from five committees. Each committee has its own terms of reference which have been approved by the Governing Body. These committees are: Audit and Risk; Nominations; Remuneration; Relocation; and the Academic Board.

London Film School has a strong and independent non-executive element, and no individual or group dominates its decision-making process. The School considers that each of its non-executive members is independent of management and free from any business or other relationship which could materially interfere with exercise of their independent judgement.

There is a clear division of responsibility in that the roles of the Chair and Accounting Officer are separate.

## Statement of corporate governance and internal control

### Appointment to the Governing Body

The Nominations Committee undertakes a skills analysis of the Governing Body and role profiles are agreed, against which the School recruits new Governors. New Governors must have empathy with film and creative art industries. Their induction includes a tour of the School, screenings and from time to time an away day attended by the Governing Body, the principal officers and the wider Management Team. An information pack about the School is also given to each new Governor.

### Governing Body performance

The Governing Body has made a strong contribution to the improvements made in 2020/21 through the setting of challenging targets with regular scrutiny of performance. There is strong performance management at Governing Body meetings. The Governors provide robust scrutiny and challenge. Governors are pro-active in their oversight of the School and are involved in the planning and discharging of Governing Body business.

### Committees

#### *Audit and Risk Committee*

The Audit and Risk Committee is responsible to the Governing Body in discharging its responsibilities for monitoring the integrity of the Institute's financial statements, the effectiveness of financial controls with regard to internal risk assessment and the performance and objectivity of external auditors.

The members who served on the committee during the year and up to the date of signature of this report are listed below.

<b>Governor</b>	<b>Appointed/Resigned</b>
Professor Diana Green CBE	Retired 31 December 2020
Peter Holliday	
Nick Humby	
Cindy Rampersaud (Committee Chair)	Appointed 17 December 2020
Tamsin Ashmore (co-opted member)	Appointed 23 October 2019
William McPherson	Appointed 17 December 2020
Joan Watson	Appointed 17 December 2020

The Audit & Risk Committee has appointed its first co-opted member, who has particular expertise in finance and audit. The Committee is responsible for the following:

- ◆ To appoint external auditors and agree the audit fee, meet with the external auditors to discuss the scope and nature of the audit and to discuss the findings included within the management letter and management responses.
- ◆ To satisfy itself that all public funds received by the Institute are managed in line with regularity, propriety, and value for money.
- ◆ To satisfy itself that satisfactory arrangements are in place to promote best value, and to monitor other performance as shall be deemed to be reliable and appropriate measures of effectiveness.

## Statement of corporate governance and internal control

### Internal Control

#### ***Scope of responsibility***

The Governing Body is ultimately responsible for the organisations' system of internal control and for reviewing its effectiveness. However, such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives and can only provide reasonable and not absolute assurance against material misstatement or loss.

The Governing Body has delegated the day-to-day responsibility to the Director & CEO, as Accounting Officer, for maintaining a sound system of internal control that supports the achievement of the organisations policies, aims and objectives, whilst safeguarding the public funds and assets. The Accounting Officer is also responsible for reporting to the Governing Body any material weaknesses or breakdowns in internal control.

#### ***The purpose of the system of internal control***

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure and can only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of organisation policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place at the organisation for the year ended 31 August 2021 and up to the date of approval of the annual report and financial statements.

#### ***Capacity to handle risk***

The Governors have reviewed the key risks to which the organisation is exposed, together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Governors are of the view that there was a formal on-going process for identifying, evaluating and managing the School's significant risks that had been in place for the year ended 31 August 2021 and up to the date of approval of the annual report and financial statements.

#### ***The risk and control framework***

The system of internal control is based on a framework of regular management information, administrative procedures including the segregation of duties, and a system of delegation and accountability. It includes:

- ◆ comprehensive budgeting systems with an annual budget which is reviewed and agreed by the Governors
- ◆ regular reviews by the Governing Body of periodic and annual financial reports which indicate financial performance against forecasts
- ◆ setting targets to measure financial performance
- ◆ the adoption of formal project management disciplines, where appropriate.

## Statement of corporate governance and internal control

### Internal Control (continued)

#### **Review of effectiveness**

The Accounting Officer delegates to the Financial Controller the responsibility for reviewing the effectiveness of the system of internal control. The Financial Controller's review of the effectiveness of the system of internal control is informed by:

- ◆ the work of the external auditors;
- ◆ the work of the senior managers within the organisation who have responsibility for the development and maintenance of the internal control framework; and
- ◆ comments made by the organisation's financial statements and regularity auditors in their management letters and other reports.

There are no significant internal control weaknesses reported for the period.

The Management Team receives reports setting out key performance and risk indicators and considers possible control issues brought to their attention by early warning mechanisms, which are embedded within the departments. The Management Team and the Audit and Risk Committee also receive regular reports, which include recommendations for improvement.

The Audit and Risk Committee's role in this area is confined to a high-level review of the arrangements for internal control. The Governors' agenda includes a regular item for consideration of risk and control and receives reports thereon from the Management Team and the Audit and Risk Committee.

The emphasis is on obtaining the relevant degree of assurance and not merely reporting by exception. At its 16<sup>th</sup> December 2021 meeting, the governors carried out the annual assessment for the year ended 31 August 2021 by considering documentation from the Management Team and taking account of events since 31 August 2020.

Based on above and reports by the Director & CEO, the Governing Body is of the opinion that the organisation has an adequate and effective framework for governance, risk management and control to manage the achievements of the School's objectives for the year ended 31 August 2021 and it has fulfilled its statutory responsibility for "the effective and efficient use of resources, the solvency of the institution and the safeguarding of their assets".

## Statement of corporate governance and internal control

### Regularity, propriety, and compliance

The School has considered its responsibility to notify the Office for Students of material irregularity, impropriety and non-compliance with Office for Students terms and conditions of funding.

We confirm, on behalf of the School, that after due enquiry and to the best of its knowledge, the Governing Body believes it is able to identify any material irregularity or improper use of funds by the School, or material non-compliance with terms and conditions of funding under the organisations financial regulations. As part of our consideration we have had due regard to our financial regulations. We confirm that no instances of material irregularity, impropriety or funding non-compliance have been discovered to date. If any instances are identified after the date of this statement these will be notified to the Office for Students.

### Going Concern

Details on Governors' going concern assessment are set out on page 31.

Approved by the Governing Body and signed on its behalf by:



Chair Gregory Dyke



Director & CEO (Accounting Officer) Gisli Snaer

Date: 24 February 2022

**Independent auditor's report to the members of The London Film School Limited**

**Opinion**

We have audited the financial statements of The London Film School Limited (the 'charitable company') for the year ended 31 August 2021 which comprise the statement of financial activities, the balance sheet, the statement of cash flows 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).

In our opinion, the financial statements:

- ◆ give a true and fair view of the state of the charitable company's affairs as at 31 August 2021 and of its income and expenditure, changes in reserves and cash flows for the year then ended;
- ◆ have been properly prepared in accordance with UK Generally Accepted Accounting Practice;
- ◆ have been prepared in accordance with the requirements of the Companies Act 2006;
- ◆ where applicable, funds from whatever source administered by the provider for specific purposes have been properly applied to those purposes and managed in accordance with relevant legislation;
- ◆ where applicable, funds provided by the OfS and by Research England have been applied in accordance with the relevant terms and conditions; and
- ◆ meet the requirements of the Office for Student's Accounts Direction 2019/20.

**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 that are 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 relating to going concern**

In auditing the financial statements, we have concluded that the members of the Governors' 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 Governors with respect to going concern are described in the relevant sections of this report.

**Other information**

The Governors 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.

In connection with our audit of the financial statements, 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.

**Opinions on other matters prescribed by the Companies Act 2006**

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

- ◆ the information given in the Governors' report, which is also the directors' report 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 Governors' report, which is also the directors' report for the purposes of company law, has been prepared in accordance with applicable legal requirements.

**Matters on which we are required to report by exception**

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 Governors' 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
- ◆ the financial statements are not in agreement with the accounting records and returns; or
- ◆ certain disclosures of Governors' remuneration specified by law are not made; or
- ◆ we have not received all the information and explanations we require for our audit; or
- ◆ the Governors were not entitled to take advantage of the small companies' exemptions from the requirement to prepare a strategic report.

We have nothing to report in respect of the following matter in relation to which the OfS Accounts Direction 2019/20 requires us to report to you if, in our opinion:

- ◆ the charitable company's grant and fee income, as disclosed in note 1 to these Financial Statements has been materially misstated.

**Responsibilities of governors**

As explained more fully in the Governors' responsibilities statement, the Governors 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 Governors 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 Governors 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 Governors 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**

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.

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:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- ◆ the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- ◆ we identified the laws and regulations applicable to the charitable company through discussions with management, and from our knowledge and experience of the sector;
- ◆ we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the charitable company, including the Charities SORP FRS 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Charities Act 2011, the OfS Accounts Direction, data protection legislation, anti-bribery, safeguarding, employment, health and safety legislation;
- ◆ we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- ◆ identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the charitable company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- ◆ making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- ◆ considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

**Auditor's responsibilities for the audit of the financial statements** (continued)

To address the risk of fraud through management bias and override of controls, we:

- ◆ performed analytical procedures to identify any unusual or unexpected relationships;
- ◆ tested journal entries to identify unusual transactions; and
- ◆ assessed whether judgements and assumptions made in determining the accounting estimates set out in the accounting policies were indicative of potential bias;

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- ◆ agreeing financial statement disclosures to underlying supporting documentation;
- ◆ reading the minutes of Board of Governors meetings;
- ◆ enquiring of management as to actual and potential litigation and claims; and
- ◆ reviewing any available correspondence with HMRC and the charitable company's legal advisors.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the Governors' and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

**Independent auditor's report** Year to 31 August 2021

**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.



Shachi Blakemore (Senior Statutory Auditor)  
For and on behalf of Buzzacott LLP, Statutory Auditor  
130 Wood Street  
London  
EC2V 6DL

Date: 25 February 2022

**Statement of financial activities** Year to 31 August 2021

		<b>Unrestricted funds</b>	<b>Restricted funds</b>	<b>2021 Total funds</b>	Unrestricted funds	Restricted funds	2020 Total funds
	Notes	£	£	£	£	£	£
<b>Income from:</b>							
Donations	1	10	—	10	—	—	—
Charitable activities	2	5,281,246	60,767	5,342,013	4,110,664	115,142	4,225,806
Investments		298	—	298	5,169	692	5,861
Other income							
. Surplus on disposal of equipment	9	150,000	—	150,000	—	—	—
. Miscellaneous income		69,556	—	69,556	50,061	—	50,061
<b>Total income</b>		<b>5,501,110</b>	<b>60,767</b>	<b>5,561,877</b>	<b>4,165,894</b>	<b>115,834</b>	<b>4,281,728</b>
<b>Expenditure on:</b>							
Raising funds	3	40,340	—	40,340	65,183	613	65,796
Charitable activities							
. Provision of education	4	5,887,028	55,767	5,942,795	4,535,951	104,825	4,640,776
. Write down of capitalised assets	9	—	—	—	901,268	—	901,268
<b>Total expenditure</b>		<b>5,927,368</b>	<b>55,767</b>	<b>5,983,135</b>	<b>5,502,402</b>	<b>105,438</b>	<b>5,607,840</b>
<b>Net (expenditure) income before transfers</b>	6	<b>(426,258)</b>	<b>5,000</b>	<b>(421,258)</b>	<b>(1,336,508)</b>	<b>10,396</b>	<b>(1,326,112)</b>
<b>Transfer between funds</b>	13	<b>—</b>	<b>—</b>	<b>—</b>	<b>18,543</b>	<b>(18,543)</b>	<b>—</b>
<b>Net (expenditure) income and net movement in funds</b>		<b>(426,258)</b>	<b>5,000</b>	<b>(421,258)</b>	<b>(1,317,965)</b>	<b>(8,147)</b>	<b>(1,326,112)</b>
<b>Reconciliation of funds</b>							
Fund balances brought forward at 1 September		1,063,990	15,406	1,079,396	2,381,955	23,553	2,405,508
Fund balances carried forward at 31 August		637,732	20,406	658,138	1,063,990	15,406	1,079,3

There is no difference between the net movement in funds stated above and the historical cost equivalent.

All of the charitable company's activities are derived from continuing operations during the above two financial periods.

The charitable company has no recognised gains and losses other than those shown above.

**Balance sheet** 31 August 2021

	Notes	2021 £	2021 £	2020 £	2020 £
<b>Fixed assets</b>					
Tangible fixed assets	9		<u>223,551</u>		<u>115,550</u>
<b>Current assets</b>					
Debtors	10	582,193		584,566	
Cash at bank and in hand		<u>3,347,133</u>		<u>2,967,505</u>	
		<b>3,929,326</b>		<b>3,552,071</b>	
<b>Liabilities</b>					
Creditors: amounts falling due within one year	11	<u>(2,094,739)</u>		<u>(2,588,225)</u>	
<b>Net current assets</b>			<b>1,834,587</b>		<b>963,846</b>
<b>Total assets less current liabilities</b>			<u><b>2,058,138</b></u>		<u><b>1,079,396</b></u>
<b>Creditors:</b> amounts falling due after more than one year	12		<u>(1,400,000)</u>		<u>—</u>
<b>Net assets</b>			<u><b>658,138</b></u>		<u><b>1,079,396</b></u>
<b>The funds of the charity</b>					
Restricted funds	13		<b>20,406</b>		15,406
Unrestricted funds					
. General fund			<b>414,181</b>		153,953
. Tangible fixed assets fund	14		<b>223,551</b>		115,550
. Designated funds	15		<u>—</u>		<u>794,487</u>
<b>Total funds</b>	16		<u><b>658,138</b></u>		<u><b>1,079,396</b></u>

Approved by the governors  
and signed on their behalf by:



Governor Gregory Dyke

Approved on: 24 February 2022

Company Limited by Guarantee  
Registration Number 01197026 (England and Wales)

Statement of cash flows 31 August 2021

	Notes	2021 £	2020 £
<b>Cash flows from operating activities:</b>			
Net cash provided by operating activities	A	<b>395,725</b>	606,821
<b>Cash inflow from investing activities:</b>			
Investment income		<b>298</b>	5,861
Payments to acquire tangible fixed assets		<b>(16,395)</b>	(237,305)
<b>Net cash used in investing activities</b>		<b>(16,097)</b>	(231,444)
<b>Change in cash and cash equivalents in the year</b>		<b>379,628</b>	375,377
<b>Cash and cash equivalents at 1 September</b>	B	<b>2,967,505</b>	2,592,128
<b>Cash and cash equivalents at 31 August</b>	B	<b>3,347,133</b>	2,967,505

Notes to the statement of cash flows for the year ended 31 August 2021

**A Reconciliation of net movement in funds to net cash provided by operating activities**

	2021 £	2020 £
<b>Net movement in funds (as per the statement of financial activities)</b>	<b>(421,258)</b>	(1,326,112)
<b>Adjustments for:</b>		
Depreciation and impairment of assets	<b>58,394</b>	944,765
Surplus on disposal of equipment	<b>(150,000)</b>	—
Investment income	<b>(298)</b>	(5,861)
Decrease in debtors	<b>2,373</b>	173,282
Increase in creditors	<b>906,514</b>	820,747
<b>Net cash inflow from operating activities</b>	<b>395,725</b>	606,821

**B Analysis of changes in net debt**

	2020 £'000	Cash flows £'000	2021 £'000
Cash at bank and in hand	2,967,505	379,628	<b>3,347,133</b>
Short term deposits (less than three months)	—	(1,500,000)	<b>(1,500,000)</b>
<b>Total net debt</b>	<b>2,967,505</b>	<b>(1,120,372)</b>	<b>1,847,133</b>

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are laid out below.

#### **Basis of preparation**

These financial statements have been prepared for the year to 31 August 2021 and are presented in sterling and are rounded to the nearest pound.

The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant accounting policies below or the notes to these financial statements.

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) (Charities SORP FRS 102) issued on 16 July 2014, the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

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

#### **Critical accounting estimates and areas of judgement**

Preparation of the financial statements requires the Governors and management to make significant judgements and estimates.

The items in the financial statements where these judgements and estimates have been made include:

- ◆ estimating the useful economic life of tangible fixed assets;
- ◆ determining the provision for bad and doubtful debts;
- ◆ determining the value of provisions for liabilities;
- ◆ determining the point from which costs incurred in relation to the development project should be capitalised and the likelihood of completion of the project; and
- ◆ estimating the impact of COVID-19 on the School's income and expenditure flows for the purpose of preparing cash flow forecasts and budgets to assist in the assessment of going concern

#### **Assessment of going concern**

The Governors have assessed whether the use of the going concern assumption is appropriate in preparing these financial statements. The Governors have made this assessment in respect to a period of one year from the date of approval of these financial statements.

**Assessment of going concern** (continued)

In February 2021 the Governing Body considered a range of downside scenarios to stress-test the School's going concern assessment, in the context of a full UK-wide lockdown and deep uncertainty as to the short to medium term future for the School.

At that time, it was demonstrated that in extremis, and conditional on the completion of loan documentation for the £1.5m CBILS loan (which was subsequently completed), the School could withstand full closure for up to a further two terms.

Upon considering the same question this year, circumstances are markedly improved. The successful rollout of the UK's vaccination programme has dramatically altered the calculus with the pandemic and made a future full lockdown forcing the School's closure less likely.

Despite another loss-making year with significant COVID-related costs in 2020/21, and a roughly break-even year projected for 21/22 accounting for further COVID uncertainty in the near term, future projections for the School are healthy and show a return to profitability and net cash generation in 2022/23, even retaining the CBILS loan as a safety cushion and/or for strategic future investment.

On the basis of the above the Governors have concluded that there are no material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern.

**Income recognition**

Income is recognised in the period in which the charity has entitlement to the income, the amount of income can be measured reliably and it is probable that the income will be received.

Income comprises grants and donations, tuition fees and charges, interest received and other income.

Donations are recognised when the charity has confirmation of both the amount and settlement date. In the event of donations pledged but not received, the amount is accrued for where the receipt is considered probable. In the event that a donation is subject to conditions that require a level of performance before the charity 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 charity and it is probable that those conditions will be fulfilled in the reporting period.

Income from charitable activities includes tuition fees and grants. The income is generally recognised in the period to which the fees or grants relate.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

### **Expenditure recognition**

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to make a payment to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis and includes attributable VAT which cannot be recovered.

Expenditure comprises the costs of charitable activities including expenditure on the provision of education and associated support and governance costs.

### **Tangible fixed assets**

All assets costing more than £2,000 and with an expected useful life exceeding one year are capitalised.

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided to write off the cost less estimated residual value of each asset on a straight line basis over its expected useful life as follows:

- ◆ Cinema equipment - five years
- ◆ Fixtures, fittings and equipment - five years

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments.

### **Debtors**

Debtors are recognised at their settlement amount, less any provision for non-recoverability. Prepayments are valued at the amount prepaid. They have been discounted to the present value of the future cash receipt where such discounting is material.

### **Cash at bank and in hand**

Cash at bank and in hand represents such accounts and instruments that are available on demand or have a maturity of less than three months from the date of acquisition.

### **Creditors and provisions**

Creditors and provisions are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Creditors and provisions are recognised at the amount the charity anticipates it will pay to settle the debt.

### **Financial instruments**

The School only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the School and their measurement basis are as follows:

*Financial assets* – other debtors are basic financial instruments and are debt instruments measured at amortised cost. Listed investments are a basic financial instrument as detailed above. Prepayments are not financial instruments.

*Cash at bank* – classified as a basic financial instrument and is measured at face value.

*Financial liabilities* – accruals and other creditors are financial instruments, and are measured at amortised cost.

### **Pension costs**

Contributions by the School in respect to a defined contribution pension scheme are charged to the statement of financial activities in the period in which they are payable.

### **Leased assets**

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged on a straight-line basis over the lease term.

### **Fund structure**

Restricted funds comprise monies raised for, or their use restricted to, a specific purpose, or contributions subject to donor imposed conditions.

Designated funds comprise those resources which may be used towards meeting the charitable objectives of the School, but which have been set aside out of the general funds and designated for specific purposes by the Governors.

The tangible fixed assets fund comprises non-liquid funds represented by the net book value of tangible fixed assets.

The unrestricted general fund represents those monies which are freely available for application towards achieving any charitable purpose that falls within the School's charitable objects.

## 1 Donations

	Unrestricted funds £	Restricted funds £	Total funds 2021 £
<b>2021 Total funds: Donations for development project</b>	<b>10</b>	<b>—</b>	<b>10</b>
<i>2020 Total funds: Donations for development project</i>	<i>—</i>	<i>—</i>	<i>—</i>

## 2 Income from charitable activities

	Unrestricted funds £	Restricted funds £	2021 Total funds £
Tuition fees and charges	5,399,120	—	<b>5,399,120</b>
Less: bursaries awarded	(117,874)	—	<b>(117,874)</b>
	<b>5,281,246</b>	<b>—</b>	<b>5,281,246</b>
Grant income from the Office for Students	—	44,116	<b>44,116</b>
Other grants	—	16,651	<b>16,651</b>
	<b>5,281,246</b>	<b>60,767</b>	<b>5,342,013</b>

	Unrestricted funds £	Restricted funds £	Total funds 2020 £
<i>Tuition fees and charges</i>	<i>4,157,767</i>	<i>—</i>	<i>4,157,767</i>
<i>Less: bursaries awarded</i>	<i>(47,103)</i>	<i>—</i>	<i>(47,103)</i>
	<i>4,110,664</i>	<i>—</i>	<i>4,110,664</i>
<i>Grant income from the Office for Students</i>	<i>—</i>	<i>61,529</i>	<i>61,529</i>
<i>Other grants</i>	<i>—</i>	<i>53,613</i>	<i>53,613</i>
<i>2020 Total funds</i>	<i>4,110,664</i>	<i>115,142</i>	<i>4,225,806</i>

During the year ended 31 August 2021, 9 (2020 – 40) students received a bursary to support their tuition fees. The amounts shown above include £55,433 (2020 - £2,882) directly from the School, in 2021, and £62,441 (2020 - £44,221) from funding received from the Leverhulme Trust.

### 3 Expenditure on raising funds

	Unrestricted funds £	Restricted funds £	2021 Total funds £
Staff costs	40,340	—	<b>40,340</b>
Fundraising costs	—	—	<b>—</b>
<b>2021 Total funds</b>	<b>40,340</b>	<b>—</b>	<b>40,340</b>

	Unrestricted funds £	Restricted funds £	Total funds 2020 £
Staff costs	35,918	338	36,256
Fundraising costs	29,265	275	29,540
<b>2020 Total funds</b>	<b>65,183</b>	<b>613</b>	<b>65,796</b>

External fundraising support for the capital project has been paused since the onset of COVID-19 and will be reviewed as plans for renewing LFS' facilities progress. Internal fundraising resources have been refocussed on support for bursaries, scholarships and hardship funds.

### 4 Expenditure on charitable activities – provision of education

	Unrestricted funds £	Restricted funds £	2021 Total funds £
Direct costs			
. Staff costs	1,695,671	17,364	<b>1,713,035</b>
. Visiting lectures	770,058	7,886	<b>777,944</b>
. Premises	427,024	4,195	<b>431,219</b>
. Production allowances and costs	268,335	3,595	<b>271,930</b>
. Repairs and technical maintenance	111,885	1,196	<b>113,081</b>
. Depreciation	57,670	724	<b>58,394</b>
. IT costs	123,909	—	<b>123,909</b>
. Marketing costs	59,779	—	<b>59,779</b>
. Other costs	882,730	8,246	<b>890,976</b>
	<b>4,397,061</b>	<b>43,206</b>	<b>4,440,267</b>
Support costs			
. Staff costs	1,068,501	6,735	<b>1,075,236</b>
. Legal and professional	20,082	510	<b>20,592</b>
. Other costs	302,514	4,599	<b>307,113</b>
. Governance costs (note 5)	98,870	717	<b>99,587</b>
	<b>1,489,967</b>	<b>12,561</b>	<b>1,502,528</b>
<b>2021 Total funds</b>	<b>5,887,028</b>	<b>55,767</b>	<b>5,942,795</b>

**4 Expenditure on charitable activities – provision of education (continued)**

	Unrestricted funds £	Restricted funds £	2020 £
<i>Direct costs</i>			
. Staff costs	1,421,938	84,078	1,506,016
. Visiting lecturers	335,521	3,085	338,606
. Premises	392,862	3,771	396,633
. Production allowances and costs	378,461	4,459	382,920
. Repairs and technical maintenance	123,721	1,163	124,884
. Depreciation	43,034	463	43,497
. IT costs	134,064	—	134,064
. Marketing costs	79,645	—	79,645
. Other costs	285,107	2,630	287,737
	<u>3,194,353</u>	<u>99,649</u>	<u>3,294,002</u>
<i>Support costs</i>			
. Staff costs	970,780	—	970,780
. Legal and professional	54,663	458	55,121
. Other costs	239,339	4,052	243,391
. Governance costs (note 5)	76,816	666	77,482
	<u>1,341,598</u>	<u>5,176</u>	<u>1,346,774</u>
<b>2020 Total funds</b>	<u>4,535,951</u>	<u>104,825</u>	<u>4,640,776</u>

Adaptations to delivery, particularly on the MA Filmmaking programme, made during the year to enable teaching to continue in a COVID-safe way led to considerable exceptional costs in the year which would be expected to fall away in future years. Notable examples include external studios (shown as Premises above), £427k (2021) vs £67k (2019); and Visiting Lecturers £770k (2021) vs £410k (2019).

**5 Governance costs**

	Unrestricted funds £	Restricted funds £	<b>2021 Total funds £</b>
Audit and advisory fees	29,129	211	<b>29,340</b>
Other professional costs	69,741	506	<b>70,247</b>
<b>2021 Total funds</b>	<u>98,870</u>	<u>717</u>	<b>99,587</b>

	Unrestricted funds £	Restricted funds £	Total funds 2020 £
Audit and advisory fees	22,782	198	22,980
Other professional costs	54,034	468	54,502
<b>2020 Total funds</b>	<u>76,816</u>	<u>666</u>	<u>77,482</u>

**Notes to the financial statements** 31 August 2021

**6 Net movement in funds**

This is stated after charging:

	2021 £	2020 £
Depreciation – owned assets	<b>58,394</b>	43,497
Operating lease rentals – Land and buildings	<b>322,927</b>	282,727
Operating lease rentals – Equipment hire	<b>314,123</b>	46,058
Auditor’s remuneration (including VAT)		
. Statutory audit	<b>21,000</b>	19,200
. Other services	<b>6,000</b>	3,780
Staff costs (including visiting lecturers) (note 7)	<b>3,606,555</b>	2,851,658

**7 Staff costs**

	2021 £	2020 £
Wages and salaries	<b>2,540,243</b>	2,245,997
Social security costs	<b>230,663</b>	208,680
Pension costs	<b>57,705</b>	58,375
	<b>2,828,611</b>	2,513,052

In addition to the staff costs disclosed above, the amount paid to visiting lecturers used by the School in year was £7,944,777 (2020 – £338,606).

The average number of employees, excluding visiting lecturers and temporary staff, during the year was as follows:

	2021 Number	2020 Number
Provision of education		
. Academic staff	<b>42</b>	38
. Support staff	<b>20</b>	18
	<b>62</b>	56

The number of employees who earned £60,000 per annum or more (including taxable benefits but excluding employer pension contributions) during the year was as follows:

	2021 Number	2020 Number
£60,001 - £65,000	<b>1</b>	1
£75,001 - £80,000	<b>1</b>	—
£80,001 - £85,000	<b>—</b>	1
£90,001 - £95,000	<b>1</b>	—
£95,001 - £100,000	<b>1</b>	—
£100,001 - £105,000	<b>—</b>	1
	<b>4</b>	3

**7 Staff costs** (continued)

The key management personnel of the charity in charge of directing and controlling, running and operating the charity comprise the governors and the Management Team. The total remuneration (including taxable benefits and employer's pension contributions) of the key management personnel for the year was £597,905 (2020 – £484,167).

During the year, staff governors received remuneration only in relation to their roles as staff members. No member(s) of the governing body received any remuneration in respect of their services as governors during the year (2020 – £nil).

No expenses were reimbursed to the governing body members during the year (2020 - £nil).

**Remuneration of Director and Chief Executive Officer**

	2021 £	2020 £
Basic salary	95,950	102,500
Bonus	—	—
Pension contribution	1,316	1,315
	<b>97,266</b>	<b>103,815</b>

The remuneration package of senior members of staff, including the Director and Chief Executive Officer, is subject to annual review by the Remuneration Committee who use benchmarking information to provide objective guidance.

The Director and Chief Executive Officer reports to the Chair of the Board, who undertakes an annual review of his performance against the School's overall objectives using both qualitative and quantitative measures of performance.

	2021 £	2020 £
Chief Executive's basic salary as a multiple of the median of all staff	2.83	2.99
Chief Executive's total remuneration as a multiple of the median of all staff	2.81	2.89

**8 Taxation**

The London Film School Limited is a registered charity and therefore is not liable to income tax or corporation tax derived from its charitable activities, as it falls within the various exemptions available to registered charities.

**9 Tangible fixed assets**

	Leasehold premises in course of construction £	Cinema equipment £	Fixtures, fittings and computer equipment £	Total £
<b>Cost</b>				
At 1 September 2020	901,268	214,035	105,166	<b>1,220,469</b>
Additions	—	166,395	—	<b>166,395</b>
At 31 August 2021	<u>901,268</u>	<u>380,430</u>	<u>105,166</u>	<b><u>1,386,864</u></b>
<b>Depreciation/Write down</b>				
At 1 September 2020	901,268	129,142	74,509	<b>1,104,919</b>
Charge for the year	—	40,382	18,012	<b>58,394</b>
At 31 August 2021	<u>901,268</u>	<u>169,524</u>	<u>92,521</u>	<b><u>1,163,313</u></b>
<b>Net book values</b>				
At 31 August 2020	—	84,893	30,657	<b>115,550</b>
At 31 August 2021	<u>—</u>	<u>210,906</u>	<u>12,645</u>	<b><u>223,551</u></b>

Leasehold premises in course of construction relates to expenditure arising during the post-feasibility phase of the School's relocation project. The COVID-19 pandemic and its subsequent impact on the availability of finance has stalled further progress in the relocation project. Reflecting the change in the likelihood of the London City Island relocation project in the near future, the capitalised costs incurred to date were written down in the year ended 31 August 2020.

During the year ended 31 July 2021 certain cinema equipment which had been purchased a number of years ago, and which had not been capitalised, was exchanged for new cinema equipment with a market value of £150,000. This new equipment has been capitalised at its market value and this has been recognised as gain on disposal in the statement of financial activities.

**10 Debtors**

	2021 £	2020 £
Trade debtors	<b>124,163</b>	137,403
Other debtors	<b>113,759</b>	83,244
Prepayments and accrued income	<b>344,271</b>	363,919
	<b><u>582,193</u></b>	<u>584,566</u>

Notes to the financial statements 31 August 2021

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

	2021 £	2020 £
Trade creditors	268,170	130,527
Taxation and social security creditor	—	54,540
Accruals and deferred income	1,603,309	2,332,066
Sundry creditors	123,260	71,092
CBILS Loan (see note 12)	100,000	—
	<b>2,094,739</b>	<b>2,588,225</b>

	2021 £	2020 £
Deferred income at 1 September	2,003,069	952,507
Released during the year	(2,003,069)	(952,507)
Resources deferred in the year	1,031,200	2,003,069
Deferred income at 31 August	<b>1,031,200</b>	<b>2,003,069</b>

Deferred income consists principally of fee income received in advance.

**12 Creditors: amounts falling due in more than one year**

	2021 £	2020 £
CBILS Loan	<b>1,400,000</b>	—

<b>Maturity of debt</b>	2021 £	2020 £
CBILS loan repayable within one year	100,000	—
CBILS loan repayable between one and two years	300,000	—
CBILS loan repayable between two and five years	900,000	—
CBILS loan repayable in more than five years	200,000	—
	<b>1,500,000</b>	—

The CBILS loan was drawn down in full in April 2021 it is unsecured with a fixed interest rate of 3% per annum. The first year is interest and repayment free; the balance is then to be repaid over five years at £25,000 per month plus interest from May 2022.

### 13 Restricted funds

The income funds of the School include restricted funds comprising the following unexpended balances of grants and donations to be applied for specific purposes.

	At 1 September 2020 £	Income £	Expenditure £	Transfer between funds £	At 31 August 2021 £
Office for Students	—	44,115	(44,115)	—	—
Skillset Academy Fund	692	12,609	(7,609)	—	5,692
Kickstart	—	4,043	(4,043)	—	—
Adam Sedgwick Award	5,010	—	—	—	5,010
Leverhulme fund	9,704	—	—	—	9,704
	15,406	60,767	(55,767)	—	20,406

	At 1 September 2019 £	Income £	Expenditure £	Transfer between funds £	At 31 August 2020 £
Office for Students	—	61,529	(61,529)	—	—
Skillset Academy Fund	—	692	—	—	692
Building and Development fund	18,543	—	—	(18,543)	—
Adam Sedgwick Award	5,010	—	—	—	5,010
Leverhulme fund	—	43,217	(33,513)	—	9,704
Outreach projects	—	10,396	(10,396)	—	—
	23,553	115,834	(105,438)	(18,543)	15,406

#### **Office for Students fund**

The Office for Students fund is restricted to supporting teaching through spend related to the delivery of course costs.

#### **Skillset Academy fund**

The Skillset Academy fund is restricted to the funding of bursaries for the Skillset Screen Academy Project, specific new teaching and associated overheads.

#### **Kickstart Scheme**

The Kickstart Scheme provides funding to employers to create jobs for 16 to 24 year olds on Universal Credit as a high quality 6-month job placement.

#### **Building and Development fund**

This fund represents monies raised specifically to fund the new building relocation project. Transfers from this fund to unrestricted funds represent capital expenditure incurred through the restricted funds.

#### **Adam Sedgwick Award**

The Adam Sedgwick Award is restricted to the funding of a grant to help a graduating student after the completion of the course.

**13 Restricted funds (continued)**

**Leverhulme fund**

The Leverhulme Trust has donated to this fund which is dedicated to applicants of high academic standard who could not otherwise continue their studies throughout the academic year and beyond without funding assistance.

**Outreach Projects**

Partners across a range of our projects have included the British Film Institute, Film London's Equal Access Network, Creative England's iFeatures scheme, British Council and many more.

**14 Tangible fixed assets fund**

	2021 £	2020 £
At 1 September	115,550	823,010
Net movements in year	108,001	(707,460)
At 31 August	223,551	115,550

The tangible fixed assets fund represents the net book value of the School's fixed assets. A decision was made to separate this fund from the other unrestricted funds of the School in recognition of the fact that the tangible fixed assets are essential to the day-to-day operation of the school. The fund value, therefore, cannot be easily realised without jeopardising the ongoing operation of the School.

**15 Designated funds**

The income funds of the School include the following designated funds which have been set aside by the governors for specific purposes:

	At 1 September 2020 £	New designation £	Utilised £	At 31 August 2021 £
Relocation fund	794,487	—	(794,487)	—

	At 1 September 2019 £	New designations £	Utilised £	At 31 August 2020 £
Relocation fund	1,000,000	—	(205,513)	794,487

The relocation fund consists of monies set aside by the governors towards the cost of relocation project. These funds have been released to general funds in the year as the project is no longer expected to go ahead.

## Notes to the financial statements 31 August 2021

### 16 Operating lease commitments

At 31 August the School had the following future minimum commitments under non-cancellable operating leases:

	Equipment		Land and buildings	
	2021	2020	2021	2020
	£	£	£	£
Operating lease payable:				
Within one year	—	—	89,400	89,400
	—	—	89,400	89,400

The lease renewals for both properties occupied by the School are in place including clauses which allow the School a break option subject to giving six months' notice. This will enable a move to new premises once the development project is complete.

### 17 Related and connected parties disclosure

At 31 August 2021 the School was owed £nil (2020 – £nil) by The London Film Society Limited, charity registration number 1146656, company number 07886379. During the year ended 31 August 2021 the school paid expenses totalling £nil on behalf of The London Film Society, and there were no other transactions between the School and the Society during the year (2020 – expenses totalling £nil). One Governor of the School and two members of the School's Management Team served as the trustees of the London Film Society Limited during the year. The London Film Society Limited was dissolved on 20 October 2020.

The School has taken exemption from preparing consolidated financial statements on the grounds that the London Film Society Limited is not material for the purpose of giving a true and fair view.

**Post Audit Management Report**

**London Film School Limited**

Year ended 31 August 2021

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### Key contacts

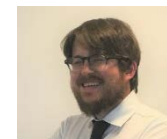


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## Executive summary

The purpose of this report is to bring to your attention the findings from our recent audit of the financial statements of London Film School for the year ended 31 August 2021. We appreciate that you will already be aware of some of the matters contained in this letter. However, in accordance with International Standards on Auditing (UK) (ISAs) we are communicating them to you formally.

### Purpose of the external audit

Our work during the audit was performed with a view to expressing an opinion on the financial statements for the year ended 31 August 2021 and other matters required by legislation.

Our audit work included consideration of the internal controls relevant to the preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of your system of internal control.

The matters being reported are limited to those that were identified during the audit and that we conclude are of sufficient importance to merit being reported to those charged with governance.

### Audit progress and outstanding items

We would like to take this opportunity to thank all those with whom we dealt during the audit for their assistance and co-operation, in particular Anita O'Connor (Financial Controller) and Tom Gentle (Management Accountant).

The Audit work began as agreed on 29 November 2021, however the draft Excel financial statements were not received until 4 January 2022, after our audit fieldwork work was scheduled to have been completed, with the draft Word version of the financial statements received on 12 January.

Due to this delay in receiving the draft financial statements, the audit fieldwork could not be completed within the original timetable. This resulted in some inefficiencies due to the work initially progressing without draft accounts, and delays to our scheduled reviews. This staggered approach, with the accounts preparation ongoing during the audit work, increases the risk that disclosures are incomplete or incorrect.

At 19 January 2021, our work is complete with the exception of the following:

- Response to audit query re balance on salaries control account
- Trustee declarations of interest
- Bank mandates and bank authority letters for all accounts
- Signed letter of engagement
- Receipt of the letter of representation which asks the Trustees to confirm to us specific matters relating to the audit and the financial statements in line with International Standards on Auditing; and
- The Charity's going concern assessment as at date of approval of the financial statements, which should be approved and signed on behalf of the Trustees; and
- Confirmation immediately prior to the financial statements being signed that no significant events have taken place since the time of our audit that would impact on the financial statements.

## Key audit findings

### Annual Report and Financial Statements format

The financial statements have been prepared, as last year, in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice (Charities SORP FRS 102).

There are no significant changes to the format of the financial statements this year other than the significant additional requirements from the US Department of Education to include supplemental schedule in the accounts submitted to the US (work in this area is currently outstanding).

### Auditor's report

We do not propose any modifications to our audit opinion and, therefore, we intend to issue an unqualified opinion in our auditor's report. Following recent changes to the International Standards on Auditing (UK), our auditor's report has been updated to include:

- an explanation as to what extent our audit was considered capable of detecting irregularities, including fraud; and
- revised wording for our conclusion relating to the trustees' use of the going concern basis of accounting and the identification of any material uncertainties that may cast significant doubt on the charity's ability to continue as a going concern.

### Adjustments made during the audit

There were a number of errors in the mapping of the trial balance to the Excel financial statements, which meant that the first draft of the financial statements did not balance.

Other than correcting these errors and other presentational amendments which have no impact on the reported results for the year, there were no adjustments made to the figures presented to us for audit.

### Unadjusted misstatements

We are pleased to report that we found only clearly trivial misstatements during our audit for the period.

### Significant deficiencies in the accounting and internal controls systems

Our work during the audit included an examination of some of the charity's transactions, procedures and controls with a view to expressing an opinion on the financial statements for the year ended 31 August 2021.

We found no significant deficiencies in the accounting and internal control systems during our audit.

## **Other deficiencies in the accounting system and financial reporting function**

Our observations and recommendations as a result of our audit work are given in Appendix 2. Each comment has been given a priority rating ranging from A to C. 'A' indicates that, in our opinion, immediate action is required; conversely 'C' indicates that the matter, although important, does not warrant urgent attention.

The detailed observations and recommendations included in the Appendix relate to:

- Old credit balances on the sales ledger

The matters have all been discussed with Anita O'Connor.

## **Accounting policies, accounting estimates and disclosures**

Other than as described below, the accounting policies used in preparing the financial statements are unchanged from the previous year.

Our work included a review of the adequacy of disclosures in the financial statements and consideration of the appropriateness of the accounting policies and estimation techniques adopted by the charity. We found the disclosed accounting policies, significant accounting estimates and the overall disclosure and presentation to be appropriate for the charity.

We have no specific observations to make in this regard.

## **Prior year's post audit report**

We are pleased to report that the matters raised in our report last year have been satisfactorily dealt with except the matter relating to old credit balances noted above. We have raised this again in Appendix 3.

## Key audit risks and outcomes

As part of our pre-audit planning process, we identified those areas where we believe there is a higher possibility that a material error may appear in the financial statements. In the pages which follow we have provided a brief summary of the outcome of our audit work in relation to those higher risk areas.

Risk area	Summary and conclusion
<p><b>Compliance with the Office for Students 2020/21 Accounts Direction</b></p>	<p>The School's financial statements must include a statement of corporate governance and a statement of internal control (or a combined statement) which cover the requirements outlined in the Accounts Direction.</p> <p><i>We confirm that we have reviewed the statement of internal control and corporate governance against the requirements detailed in the Accounts Direction and have concluded that it is compliant. We confirm also that we have undertaken appropriate audit procedures over the grant and fee income disclosures and nothing has come to our attention to suggest that this is materially misstated.</i></p>
<p><b>Going concern assessment</b></p>	<p>As always, the governors' must consider a period of twelve months from the likely date of signature of the financial statements when making their assessment whether they believe the School to be a going concern.</p> <p><i>We have reviewed management budgets and cash flows which extend beyond 12 months from the signature of the financial statements, and which show the School is due to continue to generate a surplus and maintain sufficient cash reserves, with a surplus of £305k forecast for 2021/22 and £684k for 2022/23, and cash balances forecast to remain in excess of £3m over that period.</i></p> <p><i>These budgets are based on the School continuing to operate under its existing strategy and from its current premises. There is still some uncertainty about the long term property and estates strategy, and we understand that the business strategy is currently being updated (see further discussion below), however this will not affect the School in the short term i.e. 12 months from signature of financial statements.</i></p>

Risk area	Summary and conclusion
<p><b>Property and estates strategy</b></p>	<p>There is still significant uncertainty over the School's estates strategy in the medium to long term. The costs which had been previously capitalised in relation to School's planned move to London City Island were written off in the prior year, and there has been no further development or progress on that project in the current year. The School still has an agreement to lease on the site, but is also exploring other options, including potential new arrangements for its current premises in Covent Garden. We will continue to monitor any progress up until the point the accounts are signed and consider whether any additional disclosures are required in the financial statements.</p> <p><i>From our audit work and discussions with management and trustees, we understand that there have been no significant developments in the School's estates strategy during the year, and that the relocation project remains unlikely to go ahead. We understand that the School is currently in the process of formulating its new Strategic Plan which for 2023, and that the School's estates strategy will form part of that plan.</i></p>
<p><b>Compliance with Department for Education's Supplemental Schedule</b></p>	<p>The US Department for Education released an update in September 2021 requiring schools to include a Supplemental Schedule as part of their audited financial statements submission. The Supplemental Schedule must be evaluated and reported on in relation to the financial statements as a whole. As this is a new requirement, there is an increased risk that the disclosures are incomplete.</p> <p><b>Work in this area is current outstanding – Supplementary Schedule to be prepared by School and audited by Buzzacott</b></p>

## Other information

### Professional ethics

In accordance with our profession's ethical guidance and further to our letter to you dated 2 November 2021 confirming audit planning arrangements there are no further matters to bring to your attention in relation to Integrity, Objectivity and Independence.

### Current developments

We have attached a summary of recent and ongoing developments as Appendix 2 to this report.

### Updates, insights and seminars

As part of our commitment to the charity sector, during the year the Charity Team issues occasional Updates and Insights on matters of relevance to the sector and also holds a number of seminars free of charge throughout the year. We would be delighted to welcome representatives of your charity to our seminars or to add trustees and management to our email distribution lists if this would be welcome.

### Conclusion

This report has been prepared for your private use only. It has been prepared on the understanding that it will not be shared with any third party without our prior written consent and we can therefore assume no responsibility to any other party. The advice contained herein is based on the information you have provided and UK law and judicial and administrative interpretation as of the date of this report. Should the facts provided to us be incorrect or incomplete or should they change, our advice may be inappropriate. Buzzacott LLP accepts no liability for losses arising from changes in UK law, interpretation or practice or in public policy that are first published after the date of this report.

If you require any further information or assistance, we shall be very pleased to help you.

We would be pleased to receive your comments and reaction to this letter.

### Buzzacott LLP

## Appendix 1: Audit observations and recommendations

	Observation	Implication	Recommendation	Management comment
C	<p><b>Old credit balances</b></p> <p>During our audit we noted that there were a number of immaterial credit balances on the sales ledger that appear old and may require writing off.</p> <p>The largest balance noted was the item highlighted in the prior year audit of £14,490 relating to a 2010 transaction.</p>	<p>Without regular review of aged balances on the debtors listing, the amount recorded on the accounting system could be misstated.</p>	<p>We recommend that the School regularly reviews sales ledger to ensure that old balances are removed in a timely manner.</p>	

## Appendix 2: Current developments

### Trustees' Annual Report and Accounts

#### Government proposes stricter audit rules for large charities

Under proposals published by the government in March, some of the country's largest charities will face much stricter rules on financial reporting. The proposed reforms said that ministers are "open" to the idea of applying rules to big charities which previously only applied to firms, meaning senior staff at charities with incomes over £100m could become personally liable for any errors in the accuracy of financial reporting.

Under the proposal, "large third sector entities" may be classed as "public interest entities" (PIEs), adding "Until 2016, the Financial Reporting Council inspected the audits of charities with incoming resources exceeding £100m. A similar threshold might usefully be applied to third sector entities for present purposes."

It proposed creating a new regulator, the Audit, Reporting and Governance Authority (ARGA), with stronger powers to act. The Charity Commission said that its existing regulations could be extended, instead of introducing a new body. They believe there are ways to strengthen the transparency of larger charities using existing reporting processes that do not create additional regulatory and reporting burdens.

The reforms contained in the white paper can be found here:

[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/970673/restoring-trust-in-audit-and-corporate-governance-command-paper.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/970673/restoring-trust-in-audit-and-corporate-governance-command-paper.pdf)

### Policy and Governance

#### Charity Governance Code – what has changed?

The Charity Governance code is a simple tool for charity trustee boards to ensure their governance

structures are fit for purpose. It sets out seven principles of good governance for charities of all shapes and sizes in England and Wales. A consultation on refreshing the Charity Governance Code was launched by its "steering group", made up of ACEVO, the Association of Chairs, the Chartered Governance Institute, NCVO, SCC and WCVA, in November 2019 and came to an end on 28 February 2020.

Following the consultation, the steering group have refined two of the seven principles: the Equality, Diversity and Inclusion (EDI) Principle and the Integrity Principle.

The steering group believe that great EDI practice sits at the heart of good governance, and that in order to effectively deliver their public benefit, boards must focus on achieving equality of outcomes carrying out their charitable purpose. To make better and more informed decisions, boards must be diverse. Societal power imbalances must be

prevented from playing out in the boardroom. In addition to this, the steering group believe EDI has the power to create social justice, in boardrooms, organisations, across the charity sector as a whole and ultimately throughout society.

It is recognised that all charities are at different stages in their ongoing diversity journey. Four stages of recommended practice for charities have been set out. Boards should:

- Think about why EDI is important for their charity and assess the current level of understanding.
- Set out plans and targets tailored to each charity and its starting point.
- Monitor and measure how well a charity is doing, based on context specific goals set by the charity.
- Be transparent and publish the charity's progress.

Alongside EDI, the Code's Integrity principle has been updated. In the last couple of years, the charity

sector has learnt a lot about integrity and safeguarding, and the harm that can be caused when integrity is abused. Integrity in charity governance is much more than managing funds and financial assets well. It is also about values, ethical principles in all decision-making and creating a welcoming and supportive culture.

Following the Charity Commission's safeguarding regulatory alert last year, the steering group have put further emphasis on the right of everyone who comes into contact with a charity, including staff, volunteers, partners and beneficiaries – to be safe and to know how to speak up and raise concerns.

More information on the Charity Governance Code, and the updated principles, can be found at: <https://www.charitygovernancecode.org/en>

### Charity Commission guides

The Charity Commission has launched a campaign aimed at helping trustees refresh their knowledge of charity governance and be "certain in uncertain times".

A suite of 5 visually engaging animated videos promoting one of the regulator's 5 minute guides has been developed. The guides provide simple, easy to understand information on all the governance basics trustees need to know. The campaign prompts trustees to consider their understanding of their key responsibilities by posing a question connected to each guide:

- Does every decision help your charity with its mission?
- Could your charity be drifting into activities that your charity is not set up to do?
- Is your charity reporting the right things at the right time?
- Could you spot a conflict of interest and manage it?
- Is there more you can do to prevent fraud?

Further information is provided at: <https://www.gov.uk/government/news/regulators-new-5-minute-guides-will-support-charity-trustees-to-meet-duties>

## Charities Bill

The government has implemented the recommendations made by the Law Commission in 2017 in the reformed Charities Bill. There are four main amendments relating to powers around governing documents, improving how land transactions are carried out, making more use of the permanent endowment and simplification of incorporations and mergers. There are also changes to what charities can do with funds raised from failed fundraising appeals and removing the requirement to seek Charity Commission permission for small ex gratia payments.

A summary of the Bill can be found at: <https://www.gov.uk/government/publications/charities-bill-factsheet/charities-bill-factsheet#what-the-bill-does>

## Companies House reforms

In September 2020, the Department for Business, Energy and Industrial Strategy ('BEIS') published its findings in relation to a consultation on Companies House reform which it launched in May 2019. The

government's response contains an overview of the proposed reforms. The key areas are as follows:

- Knowing more about who is setting up, managing and controlling companies  
The government plans to introduce compulsory identity checks on directors of companies, general partners in Limited Partnerships, designated members in LLPs and people with significant control (PSCs).

- Reforms to Companies House powers  
The government plans to extend the powers of Companies House to query, seek evidence for, amend or remove information on the register, and to share it with law enforcement if certain conditions are met.

- Protecting personal information on the register  
The government plans to improve the processes for removing personal information from the register.

- Improved data accuracy and digital tagging  
The government proposes a further

consultation on how to introduce full digital tagging of accounts to ensure consistency, easier identification and comparability of information on the register.

## Cyber security and privacy

In March 2021, the National Cyber Security Centre (NCSC) issued a stark cyber and privacy warning to the education sector. A rise in ransomware, malware, phishing attacks and general disruption to the online security of educational institutions has led to the NCSC issuing an important alert to the sector as reports of lost coursework, financial records and sensitive coronavirus data increase. In their report, the NCSC details recent trends observed in ransomware attacks on the UK education sector encompassing trends observed during August and September 2020, as well as the recent attacks since February 2021. It also provides mitigation advice to help protect this sector from attack. The report can be read in full at: <https://www.ncsc.gov.uk/files/NCSC-Alert-Further-targeted-ransomware-attacks-education-sector-March-2021.pdf>

## Tax

### National insurance increases

In September 2021, the government announced plans to increase national insurance contributions by both employees and employers by 1.25% from April 2022 for one year. Branded as the “Health and Social Care Levy”, it is anticipated that an additional £12 billion per annum for a three-year period will be generated exclusively for the adult social care sector, and also to combat the NHS Covid backlogs. The government has however suggested that it plans to compensate public sector employers, which includes schools, colleges and universities, for the employer element of the contribution.

Further information on the levy can be found at:

<https://www.gov.uk/government/news/record-36-billion-investment-to-reform-nhs-and-social-care>