

1 August 2022 - 31 July 2023

Report & Financial Statements

NFTS

**NATIONAL
FILM AND
TELEVISION
SCHOOL**

Our credits tell the story



Image from 2023 Student
Academy Award winning
film *Mum's Spaghetti*.

Company registration number 981903

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NFTS



Chair's Statement

NFTS Chair of Governors
Sophie Turner Laing

Statement from the Chair

After a year at the helm as Chair of the National Film and Television School (NFTS), I can confidently say that the NFTS's impact on the creative landscape is truly remarkable. Over the past twelve months we have achieved significant milestones, and the dedication and passion of our students and staff is the driving force behind the School's continued success on the world stage.

Throughout the year, we have been laser-focused on fulfilling our vision for the future, welcoming a host of industry leading members to our board, including Charlotte Moore, Miranda Wayland, Ollie Madden and Scott Forrest. Setting out the objectives for the next five years through our Corporate Plan has been a priority, and I am delighted to see how it has guided our path forward. Our commitment to excellence and innovation has cemented the NFTS's reputation as a beacon of bold talent, both within the UK and internationally.

Close collaboration with our many industry partners has been instrumental in our achievements. Their support has enabled us to strengthen our programmes and equip our students with the skills needed to thrive in an ever-changing landscape. The demand for our graduates from films, broadcasters, streaming platforms, and gaming companies is a true testament to the level of education and training they receive at the NFTS.

As the industry continues to evolve at an incredible rate, we understand the need to

stay ahead of the curve. The NFTS remains at the forefront of innovation, and we are determined to maintain this position as we embrace emerging technologies and best practices in content creation.

Together, we will continue to shape the NFTS into a leading institution that nurtures creativity, talent, and excellence. The creative industries are a dynamic and vibrant tapestry, and the NFTS is a key thread in its fabric. I am excited about the prospects that lie ahead and the incredible potential we hold to impact the screen sector in the UK and beyond.

As I complete my first year as Chair, I'd like to thank Jon Wardle, the wider Management team and all who have contributed to the NFTS's success. Their commitment and collaboration have been invaluable. As we embark on another exciting chapter in the School's journey, we must ensure that the National Film and Television School remains an indispensable force in shaping the future of the creative industries.

Sophie Turner Laing

Chair of the Board of Governors

NFTS

Director's Statement



**Jon Wardle with award-winning
director, screenwriter and producer
Sir Sam Mendes during a Masterclass
this year.**

Statement from the Director

As the UK solidifies its position as a global hub for film, television and games, we take immense pride in the National Film and Television School's enduring role in identifying and nurturing creative talent, and shaping the stories that enrich British cultural life.

The calibre of raw talent emerging from the NFTS in 2023 remains unmatched. Our students' remarkable work premiered at the Graduate Showcase in February, garnering recognition and accolades at prestigious events like Cannes, BAFTA, the Student Academy Awards, the Grierson Awards, and numerous international festivals. The accomplishments of our alumni in the industry are equally impressive, with over 90% securing graduate-level employment within months of leaving us. Their contributions to major film and television projects worldwide, such as the 15 graduates credited on Barbie in various roles, and individual successes like recent graduate Molly Manning Walker's Cannes Film Festival Un Certain Regard award for her debut 'How to Have Sex', are testament to the excellence fostered at the NFTS.

2022-23 was the final year of our Corporate Plan and we can look back with pride at all that has been achieved over the past five years. From obtaining Taught Degree Awarding Powers to establishing new teaching hubs in Leeds and Wales, expanding student numbers and promoting diversity and inclusivity within our student cohort, we have successfully widened our course portfolio.

We delivered our first UKRI funded research and development programme, and in partnership with Royal Holloway, University of London, we were announced as the preferred bidder for the national CoSTAR lab, which will drive innovation and creativity

in the UK's screen and performance industries.

Marking our 50th anniversary was another celebratory milestone and as custodians of this School our commitment remains strong, focused on enriching the creative lives of those who study and work here.

Looking ahead, we have set ambitious priorities to elevate the School and its students to new heights by 2028. With our renewed Corporate Plan, we aim to significantly expand and deepen our provision in the nations and regions, shape the future of storytelling through our course offerings, and maintain our reputation for teaching excellence through research, innovative practices, and new knowledge. Investing in the wellbeing, resilience, mental health, belonging, and financial support of our students is paramount, along with continued support beyond graduation to facilitate their successful entry into the workforce, tailored to their unique skills and talents.

The future holds much excitement, and I extend heartfelt gratitude to our dedicated staff, students, and the wider NFTS family for their unwavering commitment and hard work. Together, we forge ahead, embracing the government's recent creative industries sector vision as a vote of confidence in the continued growth of the UK film, television and games industry. With renewed determination, we aspire to achieve even greater milestones and leave an indelible mark on the global creative landscape.

Jon Wardle
Director

Management and Advisers

Management Team

Dr Jon Wardle – Director
Trevor Hall – Finance Director
Ijeoma Akigwe – Director of Marketing and External Relations
Gillian Carr – Director of Human Resources
Mark Readman – Director of Curriculum
Eleanor Wheal – Registrar

Company Registration Number

981908

Registered Office

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External Auditors

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Internal Auditors

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London
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Bankers

Lloyds Bank PLC
25 Gresham Street
London
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Solicitors

Eversheds Sutherland LLP
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London
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Actuarles

First Actuarial LLP
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NFTS



Strategic Report

**School to partner on £51m contract to
explore Convergent Screen Technologies
And performance in Realtime (CoSTAR).**

Strategic Report for the Year Ended 31 July 2023

This report reviews the National Film and Television School (the 'School') activities for the year ended 31 July 2023 in the context of the opportunities, challenges and risks within which it operates.

1 Objects, Strategy and Risk Analysis

1.1 Objects, Vision and Values

The main objective of the year was to maintain and develop the world-class education and training of all the students. This remains at the heart of everything the School does as it seeks to achieve its charitable objects.

The charitable objects of the School are to:

- Promote and provide for the advancement of education of the public and in this connection to carry on a School in Great Britain for the education and training of persons concerned in the making of films, television and new media;
- Provide instruction in the art and science of making cinematograph and other films;
- Provide instruction in the art and science of making programmes for television; and
- Provide instruction in the art and science of new media.

These charitable objects form the basis of the School's 2028 Vision, which is outlined in the School's new Corporate Plan (see section 1.5).

The NFTS runs over 40 masters, diploma and certificate courses – as well as numerous short courses – across a range of film, television and games disciplines. We have more behind the camera courses than any other film school, including core craft areas such as directing and cinematography as well as specialist areas such as Script Supervision and Production Accounting.

The School is recognised internationally as a model of excellence in specialist higher education and one of the world's pre-eminent institutions in film and the moving image; it is the only UK film school, and one of only two globally, to be consistently listed in the Hollywood Reporter's top international film schools list.

Our students are taught by industry professionals, with access to state-of-the-art facilities and once-in-a-lifetime masterclasses from world-renowned film, television and games makers.

The NFTS leads the way in bringing forward the best film, television and games design talent and is an essential talent pipeline for the UK's creative industries. We are committed to supporting diversity and inclusion within the film, television and games industries with one in four of our graduates in recent years being ethnically diverse, and growing numbers of students from the lowest socio-economic background.

1.2 Outreach and Widening Participation

The School is committed to reaching out to students from a wide range of different cultural, socio-economic and geographic backgrounds, with the aim of promoting greater creativity and authenticity, widening the talent pool, giving fair access to the industry, and searching for unheard voices and untold stories. Along with the School's official outreach programme, Access NFTS, the School worked towards this goal through the following methods:

- i) Scholarship and bursary support: The School raised and distributed £2m in financial aid to students during the year;
- ii) Access NFTS delivered 95 events engaging more than 5,000 people;
- iii) UK Tour events reached Preston, Blackpool, Inverness, Glasgow, Birmingham and Liverpool;
- iv) We launched the Access NFTS: Summer Sessions. Ten free workshops for young people aged 11 – 16 during the school summer holidays. Held at the Beaconsfield campus, more than 240 young people attended;
- v) Building relationships with advocacy groups including the London Gypsy and Travellers Community, Females in Focus and the Black Association for the Arts, among others;
- vi) More accurate targeting has seen us work with Special Schools in London, Liverpool, Hampshire and locally in Bucks – focused mostly on physical and mental disability;
- vii) Supporting 30 school/college careers events and working with the local council to target schools in areas identified as part of the Levelling Up scheme;
- viii) Continuing to support the Ghetto Film School, London Screen Academy, Bucks Skills Show and Pinewood Futures Festival;
- ix) Delivered the BFI Film Academy Residential in April 2023, working with 66 young people from across the UK to make six short films; and
- x) Launched new access schemes with Disney and Prime Video.

1.3 Community Engagement

The School takes its position within the local community seriously and is always keen to forge links with outside organisations and support worthy causes where it can. The Oswald Morris Building and Rose Building continue to provide a facility that the wider Beaconsfield community can make use of – whether for screenings by the Beaconsfield Film Society, or by the many charitable groups in the area. The School is a strong supporter of community groups and charities in the local area and provides free use of its facilities to charitable groups for fundraising activities.

1.4 Strategic Plan

2022–2023 was the final year of the School's Corporate Plan 2023, which is focused on ensuring the School is recognised internationally as the leading film, television and games school in the world.

The headline themes around which the plan was focused were:

- Creating opportunity;
- Working UK-wide;
- Exploring future storytelling;
- Unlocking and celebrating our legacy; and
- Building on our success.

The School has made good progress in each of these areas over the past five years and last 12 months. Specifically:

Creating Opportunity

- Developed a new Indie Games Development Certificate;
- Doubled the intake on the Virtual Production Certificate;
- Minimised fee increases for home students, ensuring that the impact of any increases on our diversity and inclusion targets is carefully assessed; and
- Developed a new trainee programme with Prime Video specifically targeted at those from under represented backgrounds.

Working UK-Wide

- Grew the provision in Scotland, Leeds and Wales delivering a range of courses to hundreds of participants and delivering schemes to address skills gaps and shortages with leading industry partners.

Exploring Future Storytelling

- Developed and funded new immersive storytelling productions;
- Facilitated placements for specialists from film, television and games to explore the opportunities of immersive storytelling; and
- Applied for a new UKRI grant to lead the CoSTAR: Convergent Screen Technologies And performance in Realtime programme. At the time of writing we have been named as the preferred bidder.

Unlocking and Celebrating our Legacy

- Delivered a very successful fundraising gala to raise funds to grow the School's scholarship fund.

Building on our Success

- Progressing our inclusion plan to make our staff base as diverse as the student body;
- Secured Taught Degree Awarding Powers; and
- Progressed our environment action plan with an ambition to reduce the School's carbon footprint by at least 20% by 2025.

1.5 Looking Forward

It is with confidence and ambition that the School has developed a new corporate plan to map out its journey for the next five years.

The five-year plan is designed to consolidate our global status as a centre of excellence for film, television and games education by fostering talent, widening participation, enhancing teaching excellence, developing strong industry partnerships, and shaping new practice.

Strategic Report for the Year Ended 31 July 2023 (continued)

The six objectives of the NFTS 2023 – 2028 plan are:

- i) Expanding nations and regions provision;
- ii) Shaping future storytelling;
- iii) Promoting teaching excellence through research and development;
- iv) New approaches to delivery;
- v) Enhancing student support; and
- vi) Fostering new graduate opportunities.

To achieve these objectives the School will:

- Grow our hubs in Scotland, Wales and Leeds by offering more courses to fill skills gaps and identify new voices;
- Develop a new regional hub in order to increase our reach and ensure that we fulfil our role as the UK's national film and television school;
- Develop new courses in areas relating to games, virtual and real-time production, immersive storytelling, audio, and artificial intelligence to maintain our position at the forefront of moving image storytelling;
- Amplify our existing research and development work through projects and partnerships with industry, and support our staff and students to produce and disseminate new knowledge through professional practice and scholarship;
- Commit to making the School more accessible by exploring and developing different modes of learning, such as apprenticeships, online and hybrid provision, and alternative models of full-time learning, which allow students to blend work and study;
- Enhance our relationship with industry to develop continuing professional development opportunities for existing employees;
- Raise new hardship and scholarship funding, ensure that our facilities are fully accessible and sustainable, and explore possibilities of student accommodation;
- Support every student in making the transition to employment, helping them identify opportunities and make connections with employers by creating the new role of Talent and Alumni Manager; and
- Make it easier for employers to identify NFTS talent by making our graduates more visible.

The School is in good health and can move forward with confidence because of the following factors:

- The demand for places at the School remains at a high and we continue to grow incrementally each year;
- The reputation of the School remains very high as evidenced by our position in the Hollywood Reporter's listing of top international film schools;
- The School's relationship with industry is strengthening further with new partners getting involved each year;
- The School has successfully expanded the number of courses and students moving into new subject areas and modes of delivery;
- The School continues to make good progress in its efforts to widen access to its provision for British students from diverse backgrounds; and
- The quality of student work remains very high with work premiering at the 2023 graduate showcase in competition at Cannes, the BAFTA Student Awards, the Student Academy Awards, Grierson's and dozens of international festivals.

1.6 Key Performance Targets

The School operates an organisational performance monitoring and reporting framework, which includes a set of institutional Key Performance Indicators (KPIs). These are subject to regular review by the School's Finance and General Purposes Committee and Board of Governors.

A suite of performance indicator targets aligned to the School's Corporate Plan 2023 is monitored by the Board, as follows:

		2022-23 (Target)	2022-23 (Actual)
1	Creating Opportunity		
1.1	Number of students	732	803

		2022-23 (Target)	2022-23 (Actual)
1.2	Percentage of ethnically diverse students	26%	36%
1.3	Percentage of students from low socio-economic backgrounds	20%	12%
2	Working UK-wide		
2.1	Number of professionals trained at hubs outside of Beaconsfield	1,022	1,214
3	Unlocking and Celebrating our Legacy		
3.1	Funding for annual scholarships and bursaries	£1,179,000	£2,014,500
4	Building on our Success		
4.1	Student satisfaction	84%	83%
4.2	Percentage of MA and diploma students in graduate-level jobs within six months of graduation	94%	92%
4.3	Staff satisfaction	90%	89%

Creating Opportunity – student numbers in 2022-23 have been buoyed by strong recruitment to the School's core MA and Diploma courses, complemented by delivering two cohorts of the certificate in Post Production Supervision during the year and the growth of certificate courses delivered in the hubs. The success of the School's ongoing campaign to encourage more ethnically diverse students is reflected in this year's recruitment figure of 36% from ethnically diverse backgrounds, a further increase on last year's figure of 26%.

Recruitment of students from low socio-economic backgrounds for 2022-23 is in line with the prior year at 12%, but still lagging behind the School's ambition to increase this to 20% of the annual cohort. Work is underway to develop an apprenticeship offer to support training for applicants from low socio-economic backgrounds and to review how the School's scholarship and bursary offer may encourage more applicants from this background.

Working UK-Wide – with the restrictions imposed by Covid now a distant memory, the regional hubs have enjoyed significant growth in short course and other activity in 2022-23, engaging 1,214 participants in the year compared to 1,022 in 2021-22.

Unlocking and Celebrating our Legacy – the School continues to work hard to grow its level of external scholarship and bursary funding provided by both corporate and individual donors. The School increased its scholarship and bursary funding in 2022-23 by a further 16% on the prior year to £2,014,500.

Building on our Success – The School fell just short of target at 83% student satisfaction but is a significant improvement on the prior year result of 79%, reflecting a marked increase in student satisfaction with the quality of teaching.

Student employability fell just short of target at 92% but is back to pre-Covid levels at above 90% (2021-22: 86%).

Staff satisfaction in 2022-23 dipped slightly below last year's figure of 90% but is still commendable at 89%. 98% of staff expressed that they are "proud to work at the School".

A new Corporate Plan 2023 – 2028, was approved by the NFTS Board in June 2023 (see 1.5 Looking Forward) and presents new opportunities and risk to the School. A new set of Key Performance Targets have been approved by the Board to monitor progress against the new objectives of the Corporate Plan going forwards.

1.7 Risk Analysis

The School has in place a risk management policy that forms part of the School's enhanced internal control and corporate governance arrangements. The policy explains the School's underlying approach to risk management and documents the roles and responsibilities of the management team and other key parties. It also outlines key aspects of the risk management process and identifies the main reporting procedures.

Strategic Report for the Year Ended 31 July 2023 (*continued*)

The following key principles inform the School's approach to risk management and internal control:

- The Board of Governors has responsibility for overseeing risk management within the institution as a whole and the Audit Committee monitor and review risk and update the Board of Governors, as appropriate;
- The School adopts an open and receptive approach to addressing risk;
- The School makes conservative and prudent recognition and disclosure of the financial and non-financial risks; and
- Key risk indicators are identified and closely monitored on a regular basis.

In general, the School would wish to adopt a circumspect approach to risk-taking, as this would be the approach expected from a publicly funded Higher Education Institution (HEI). However, in some areas of activity – such as the level of creative risk students are encouraged to take in making their films, television shows and games – we may adopt a more open attitude.

In addition to the Audit Committee's quarterly review of the risk register, the Board of Governors and the Finance and General Purposes Committee regularly review the key operational risks.

The School's key risks are at present:

- **Student recruitment and retention** – demand for the School's courses remains high, with application numbers ahead of the previous year. Securing degree-awarding powers means that the School may now accept applicants from overseas students onto its post graduate diploma courses, further widening the pool of applicants.

Notwithstanding that, the School is cognisant of the cost pressures on students to fund their studies and continues to grow its pool of scholarship and bursary funding (see 1.6 Key Performance Targets), as well as seeking to reduce the living cost burden on students, such as subsidising catering and other services, and increasing the availability of hardship funding (see 4.2 Value for Money).

- **Cost inflation** – 2022-23 has seen a sharp increase in the cost of goods and services procured by the School, particularly for professional services. Major contracts have been renegotiated, such as cleaning, catering, security and insurance, with costs fixed for the coming financial year and budgets bolstered, where appropriate, to meet the increase in the cost of essential services.

Staff costs remains the School's biggest expenditure, constituting over 40% of the School's cost base. To help staff meet the current cost of living crisis, all staff were awarded a one-off cost of living payment in July 2023, and an affordable pay rise was agreed with staff for the coming financial year.



Academic Review

**Musa Alderson-Clarke on the Red Carpet
at Cannes 2023 with his graduation film
Killing Boris Johnson.**

2 Academic Review

2.1 Overview and Highlights

The School continued to demonstrate remarkable success in 2022-23, as its filmmakers garnered accolades in a range of festivals and competitions, receiving recognition around the world from industry for the quality of their work. Although too many to list in full, the NFTS took home nine out of the eleven postgraduate prizes at the Royal Television Society Student Awards, one of our recent Games Design graduation teams won the Yugo BAFTA award, a Science and Natural History film won first prize in Yale University's prestigious 360 Environment Film Contest, four NFTS films have been selected from over 4,000 submissions for the Oscar-qualifying Encounters Film Festival (the largest festival in the UK for short films), and an NFTS film was included in the Cannes La Cinef selection – the only UK student film to feature.

2.2 Learning and Teaching

The School runs more behind-the-camera courses than any other film school in the world. Currently there are 17 masters programmes, 14 diploma courses and 10 certificate courses.

Activity: Two-Year MA Courses: 2022-23

- Cinematography
- Composing for Film and Television
- Creative Business for Entrepreneurs and Executives
- Digital Effects
- Directing Animation
- Directing Fiction
- Directing Documentary
- Directing and Producing Science and Natural History
- Directing and Producing Television Entertainment
- Editing
- Film Studies, Programming and Curation
- Games Design and Development
- Marketing, Distribution, Sales and Exhibition
- Producing
- Production Design
- Screenwriting
- Sound Design for Film and Television

Activity: One-Year to 18-Month Diploma Courses: 2022-23

- Assistant Camera (focus pulling and loading)
- Assistant Directing and Floor Managing
- Cameras, Sound and Vision Mixing for Television Production
- Creative Producing for Digital Platforms
- Directing Commercials (part-time)
- Factual Development and Production (part-time)
- Motion Graphics and Titles
- Model Making for Animation
- Production Accounting for Film and Television (part-time)
- Production Management for Film and Television
- Production Sound for Film and Television
- Script Development (part-time)
- Sports Production
- Writing and Producing Comedy (part-time)

Activity: Certificate Courses: 2022-23

- Casting
- Character Animation
- Filmmaking
- Location Management for Film and Television Production
- Post Production Supervision
- Producing Your First Feature
- Screenwriting: Finding Your Voice
- Script Supervision and Continuity for Film and Television
- TV Drama: Creating the Bible
- Virtual Production

NFTS Scotland

2022-23 has been a busy and productive year despite the impact of the cost of living crisis. NFTS Scotland was supported by core funding from Screen Scotland; this funding enabled the hub to hire a part-time administrator and a part-time project manager. These additional staff members have allowed the Head of NFTS Scotland and the Development Manager to focus on developing more training, cultivating partnerships and other initiatives. It also provided a bursary fund, which plays a pivotal role in promoting accessibility and inclusivity for individuals facing financial and other barriers.

Over the year, NFTS Scotland delivered 36 short courses, three certificates and the Production Accounting Diploma (sponsored by Disney) for 379 participants. In addition, the hub delivered 8 Taster Days for Channel 4 to 60 people, some of whom went on to apply for certificate courses at Beaconsfield and at the other hubs. NFTS Scotland's online week of sessions on Script and Storytelling, also delivered for Channel 4, had 2,428 attendances. This year, although a number of courses were still delivered online, the majority were in person.

The hub delivered several masterclasses, networking events and an access event run in partnership with the Scottish Refugee Council.

NFTS Scotland also delivered a range of courses for external contracts including ScreenSkills, Channel 4, BECTU and Screen Ireland. A three week Multi-Camera Conversion Course, funded primarily by Screen Scotland, was delivered to 13 participants. It took place in Glasgow and at the NFTS TV Studio in Beaconsfield. This led directly to the development of a longer Scottish Broadcast Training Programme, which will run for a year (2023-24) funded by Screen Scotland, BBC Studioworks and the OB company QTV.

NFTS Leeds

This last 12 months has seen NFTS Leeds establish itself in the region as a leading training provider, with the hub having a successful year financially, in terms of diversity of programme and in participant numbers.

The hubs partnership with 4 Skills saw delivery of a flagship 11-month programme to ten trainees from Leeds. These trainees have gone on to work across films, television dramas and daytime entertainment shows.

The hub delivered training in Newcastle, Belfast, Birmingham, Manchester, Leeds and Bradford over the last 12 months, and developed a new part time certificate course in Script Supervision which will be delivered in late 2023. Short courses are running regularly, with the newly designed Introduction to Intimacy Coordination course being one of the most successful. The hub has also delivered four Intro to Production Accounting courses in Malta (in person) and two extended online courses in the Dominican Republic.

NFTS Cymru Wales

During the financial year, NFTS Cymru Wales delivered a total of 48 courses with 378 attendees. This relates to short and part-time courses run for freelancers and production companies both in person and online. In addition, NFTS Cymru Wales delivered a week of online events for Channel 4 as part of the school's ongoing partnership activity. Also, over five days the hub delivered a range of webinars aimed at new entrants, which were hugely popular and attracted over 2,000 attendees from all over the UK.

Screenwriting courses have been consistently popular and the hub comfortably recruited for a second *Finding Your Voice* certificate course, with most of the cohort receiving a bursary. The hub also launched a new screenwriting course in Welsh, *O'r Sgript I'r Sinema*, which is funded by the Welsh Government as part of their scheme to support more feature films in the Welsh language. The aim is that this will be a returning course for the next few years.

Two of the largest independent production companies in Wales, Cwmni Da and Boom Cymru, continue to regularly request bespoke training courses for their staff. A new Business & Leadership course, funded by the Welsh Government, has helped raise the hubs profile in the sector and has attracted participants from new companies in Wales.

Short Courses at Beaconsfield

During 2022-23, the Short Courses at Beaconsfield team ran 153 predominantly face-to-face but also online courses, training 1,130 individuals including employees sent by Baillie Gifford, Attaboy TV, Rural Media, Pretty Bird, Objective Fiction, Studio Ramsay, Factory Transmedia, Nova International, OFQUAL, Rondo Media, Channel 4, World Productions, Cwmni Da, Sybo Games, Amazon prime, ITN, North One TV, BBC, Netflix Studios, Mentorn Media, Aspect Film & Video, Freemantle, The Bureau, Fulwell 73, Dramatic Encounters, Portopia Productions, Parti Productions, Boom TV, NBC Universal, New Name Media, Kailash Films, Trinny London, Midtown Productions, Big Book Media and Warner Bros.

Strategic Report for the Year Ended 31 July 2023 (*continued*)

Short Courses at Beaconsfield also continued to deliver four part-time diplomas – Script Development, Writing and Producing Comedy, Factual Development and Production, and Production Accounting for Film and Television (in partnership with Disney and NFTS Scotland), graduating over 60 students in February 2023.

In addition to the above, in the last six months Short Courses has produced 16 comedy graduation films, delivered an eight-week TV Drama: Writing the Bible certificate course, a nine-week Directors Programme for NYU, four eight- to ten-week online Writing Labs, two four-week Directors Series courses, and also a range of bespoke training programmes for Netflix, Oxbelly Greece, British Council – Jamaica, All3Media Fulwell 73, and BBC News.

Curriculum, Recruitment and Access

Recruitment continues to be healthy – applications for most courses considerably exceed available places, although some courses do not reach capacity until later in the application process.

There was an increase in overall student numbers from 732 to 803 in 2022-23. In addition to our full-time students, over 1,000 participants have been trained on a variety of Short Courses, which have included: an eight week evening online Creating Short Film Lab; an in-person Composing for Film, TV & Games course in Beaconsfield; and a practical Directing Actors Workshop from the School's Golden Square premises. Participants have joined from organisations such as Pretty Bird, Midtown Productions, Attaboy Television, Baillie Gifford, Rural Media, Fulwell 73, Factory Transmedia, Safe Harbour, Studio Ramsay, Freemantle, Neal Street and Cwmni Da.

The School's Academic Standards Committee (ASC) continues to monitor the curriculum – recognising and disseminating good practice and making suggestions for enhancements. The Annual Course Evaluation process (which took place in March 2023) is a key aspect of the Quality Assurance process, ensuring that all courses take stock and review progress on their respective action plans. In early 2023, the whole curriculum was scrutinised through the Periodic Review process (which takes place every five years) and resulted in some key recommendations to improve the quality of teaching and learning, many of which have already been implemented and others of which are in train.

The School's Validation Agreement with the Royal College of Art (RCA) regarding the MA Film and Television award will end in December 2024. All students who enrolled on Master's degrees in January 2023 will receive an NFTS award. The RCA will continue to accredit students who enrolled in January 2022 and who will complete their courses at the end of 2024.

The School has a responsibility to include voices that represent the full diversity of British society by virtue of its unparalleled status as the pre-eminent feeder institution for the creative industries. It continues to work hard to ensure that increasing numbers of ethnically diverse students enrol on its courses. The BFI Academy, a scheme inaugurated by the School in 2012, brings dozens of 16- to 19-year-olds from all over the UK to the School to work with world-class filmmakers. The scheme targets young people from backgrounds that are traditionally underrepresented in the screen industries. This ran very successfully again in April with 66 participants from a variety of diverse backgrounds. The School is continuing its commitment to diversifying its student body through the ongoing delivery of its anti-racism action plan. This sets out clear commitments to the steps the School will take to ensure that students from diverse backgrounds feel welcomed, encouraged and supported during their application, interview and enrolment stage, and are supported financially, where needed. Focus is also being placed on disability, to ensure that disabled applicants and students receive the support and adjustments they need to be successful, and a new Disability Advocate has been appointed in order to ensure that this commitment is realised.

Another new appointment is that of the Apprenticeship Development Manager, whose brief is to explore the viability of running apprenticeships, thus facilitating partnerships with companies keen to access the levy they are required to pay.

Student feedback remains very positive. The results of the 2023 annual student survey (conducted online in late 2022) demonstrated that, once again, the majority of students are very satisfied with their experience at the School. There was a response rate of 72% and students fed back on Quality of Teaching and Learning, Assessment and Feedback, Organisation and Management, and Professional Development. The only category to fall below 80% satisfaction was Organisation and Management – skewed by a small number of courses.

Student representation within the School is strong with a formally constituted Student Union. A sabbatical Student President is elected annually, supported by three elected student representatives, and the President is a member of the Board of Governors and Academic Standards Committee. The President works with members of the senior management team to ensure that the views of students are represented in key decisions.

The assessment statistics for the MA courses were as follows: 49 students were awarded an Excellent (compared with 39 in 2022 and 46 in 2021); 74 Very Good (compared with 74 in 2022 and 72 in 2021); 29 Good (compared with 18 in 2022 and 27 in 2021); 9 Passes (compared with 2 in 2022 and 3 in 2021). There were no Fails (compared with no Fails in 2022 and 2021).

2.3 “Bridges to Industry” and Masterclasses

NFTS students had the opportunity to attend 38 masterclasses during the year. These included in-person, online and hybrid events to provide maximum opportunities and access. We also held in-person masterclasses in the hubs, providing NFTS access across the UK.

In the autumn of 2022, we ran a special Masterclass programme of online events with Lord David Puttnam.

Through the year, the Masterclass programme offered students a diverse range of guests, both in terms of their craft and themselves.

Guests included: Writers Jack Thorne, Simon Beaufoy, Krysty Wilson-Cairns, Keith Beauchamp, Phoebe Waller-Bridge and Steven Moffat; Documentary filmmakers Asif Kapadia, Matthew Bauer, George Amponsah and Ella Glendining; Writer-directors Martin McDonagh, Clio Barnard, Peter Strickland, Lukas Dhont, Joachim Trier, Christopher McQuarrie and Charlotte Regan; Producers Barbara Broccoli, Hélène Sifre, Theo Barrowclough, Kurban Kassam and Fodhla Cronin O'Reilly; Editors Úna Ní Dhonghaile, Eddie Hamilton and Lesley Posso; Animation filmmakers Nora Twomey and Roy Conli; Directors Ryan Coogler, Corin Hardy, Aneil Karia, Anna Rose Holmer and Saela Davis; TV series teams Lewis Arnold & Sacha Szwarc, Philip Barantini & Grace Ofori-Attah and Junior Okoli & Chas Appeti; Composers Sarah Warne and Alastair McNamara; Cinematographer Diana Olifirova; Visual researcher Phil Clark; Motion graphics creator Adam Smith; Film and television executives Charlotte Moore, Fiona Lamptey and Tony Chambers; and Casting director Shaheen Baig.

During the new students' 'Springboard Week', there were Masterclasses with special guests discussing topics related to the School's values, inclusion and representation, respectful collaboration, and creative resilience.

BBC Film renewed the Bridges to Industry scheme to make a short film funded by the BBC for a further year. We agreed an increased level of funding from BBC Film reflecting increasing production costs. The opportunity was offered out to NFTS graduates in Spring 2023 and there were over 30 submissions, of which six were shortlisted. Following pitching/further discussion meetings with the shortlisted teams, BBC Film selected *The Department of They* by animation directing graduate Lisa Kenny, screenwriting graduate Jack Maraghy and producing graduate Martina Buendia Silva. The live action short film is a dark comedy which follows two women and their illicit pet snail in a secret workplace rebellion that pits unspoken affections against oppressive company policy. The project is now in script development.

Previous BBC Film Bridge to Industry shorts have progressed well: 2019's *Original Skin* by Mdamiri Á Nkemi completed post-production and is being entered for festivals, 2020's *Shé* by Renee Zhan successfully shot and has nearly completed post-production, and 2022's *Stomach Bug* by Matty Crawford script developed well and is going into pre-production, looking to shoot later in 2023.

Tea Is Served was selected as the next project for a further round of the StoryFutures Immersive Bridges to Industry. It is an immersive game in which the player needs to avoid being eaten by various monsters round a tea table by performing certain tasks for them. Animation and play-testing took place through autumn 2022 and Spring 2023, and the team delivered the finished piece.

The two Bridges to Industry projects for the Wiener Holocaust Library, *Witness* by Katia Lom and *An Audio Testimony* by James Alexandrou, were successfully created and delivered. They were showcased at a launch event at the Wiener Holocaust Library, introduced by filmmaker Jonathan Glazer, who was executive producer and advisor on the projects.

At the end of 2022 the Creative Industries Liaison Group was formed. It is a subcommittee of the School's Board of Governors and focuses on how the School is responding to creative change in the industry and how it prepares students for employment. The subcommittee met for the first time in January 2023 and will continue to meet twice a year to act as a sounding board for new ideas and developments. It is chaired by Sue Vertue and includes a range of knowledgeable and influential members, such as David Flynn (*Youngest Media*), Katherine Bidwell (*State of Play*), Lewis Arnold (*Director/Alumni*), Adil Ray (*Cornered Tiger*), Alison Owen (*Monumental Pictures*), and Jane Featherstone (*Sister Pictures*).

Co-Op Rate Responsibility

Dragon Slayers United, one of six films sponsored by Disney, Star Imagine JK, to support directors from diverse backgrounds.



3 Corporate Responsibility

3.1 Staff

Our people are integral to the School's success. The School engages with staff in a number of ways, including termly all-staff meetings, and the Director's monthly meetings with Heads of Departments. Facebook Workplace is widely used to help further collaboration and communication within the School.

The School's staff survey launched in July 2016 and has been repeated annually. The results from the survey are used to shape the School's People Plan and initiatives to further improve life at the School. All employees have an annual appraisal, and are regularly encouraged to apply for Continued Professional Development, which can range from attending a course or conference, shadowing another colleague or visiting other organisations to gain insight and experience elsewhere. In addition, teaching staff at the School are regularly supported to attend festivals, conferences and events. The School supports teaching staff to complete the HEA Fellowship Programme, with four cohorts now having completed or completing their Fellowship accreditation, and a further cohort beginning the programme in the Autumn 2023 term. Each department is required to report on their staff-development activity as part of the Annual Course Evaluation process. An elected member of staff also sits on our Board of Governors and is reappointed every three years, with a new staff governor appointed in September 2023.

We have comprehensive staff policies and procedures, which cover all aspects of employment.

3.2 Environmental Sustainability

In 2021, the School's Board signed off the School's sustainability plan to reduce its carbon emissions by at least 20% by 2025. An implementation team, drawn from a range of staff and students from across the School, goes from strength to strength to both identify and implement opportunities to reduce the School's carbon emissions and also engage staff and students to be more environmentally sustainable.

Notable successes delivered over the last 12 months to reduce emissions and raise awareness include:

- Moving the School's gas supply provision to biomass – with gas supplied by the School's energy providers now sourced and generated from renewable sources such as leftover food and farm waste. This is virtually carbon neutral when burned, making it a greener and a more sustainable option for the future;
- Ensuring additions to the School's fleet of production vans are ULEZ compliant as it slowly phases out its old fleet; and
- Running the first Sustainability Awareness Week, led by the School's Student Union.

Plans for 2023-24 include: developing a travel plan to educate and encourage changes in behaviour of staff and students to make greater use of more green and sustainable modes of transport; sourcing 100% of the School's electricity supply from renewable sources such as tidal, wind and solar from October 2023; and considering how the School may make its productions more sustainable.

3.3 Equality and Diversity

The School recognises that equality of opportunity and valuing inclusion and diversity are vital to its success, and is committed to building a culture of inclusion and diversity for staff and students to ensure equality for all.

The School acknowledges its responsibilities under the legislation governing equality and diversity and, in particular, the Equality Act 2010, including Section 149 of the Act – known as the Equality Duty – which is supported by specific duties. The School has a set of Equality, Diversity and Inclusion objectives. The Equality Objectives and the School's Equality, Diversity and Inclusion Strategy are available from the School's website.

The School has published its anti-racism commitment to recognise the inequalities that exist across the industry and to strive for lasting and systemic change resulting in a more multi-racial UK film, television and games industry in generations to come. The School has also published a Disabled Talent commitment. As part of our commitment to delivering change in this area, we have developed an action plan of steps we will take to counter the physical, cultural and structural barriers faced by disabled creatives.

The anti-racism and disabled talent commitments are available on the School's website.

3.4 Trade Union Facility Time

The Trade Union (Facility Time Publication Requirements) Regulations 2017 came into force on 1 April 2017. These regulations place a legislative requirement on relevant public sector employers to calculate and publish, on an annual basis, a range of data on the amount and cost of facility time within their organisation.

BECTU is a trade union recognised by the School and its elected representatives are permitted to take reasonable paid time off to carry out some union duties. For the period April 2022 to March 2023, the amount of time spent by staff on trade union activities and the cost related to that time was:

- Number of trade union representatives 4.
- Time spent on union activities by these employees was in the band 1% to 50%.
- School's total staff cost £8,644,958.
- Cost of time spent on union activities £2,443.
- Staff cost related to trade union activities as a percentage of the School's total staff cost 0.03%.
- Time spent on paid trade union activities 1.32%.

NFTS



Financial

**NFTS students at the 2023 Gala
helping to raise vital funds for
future scholarships.**

4 Financial

4.1 Financial Review of the Year Ended 31 July 2023

Over the last 12 months, the School has seen revenue grow by 17% to £22.2m (2021-22: £19.2m). Income from tuition fees grew 10% on 2021-22, reflecting the increase in demand for short courses and certificates in Beaconsfield and the regional hubs post Covid. The School also enjoyed the first full year of its partnership with Amazon to sponsor a new training academy, and partnered with Disney to make six short films with filmmakers from ethnically diverse backgrounds under the banner of Disney Imagine.

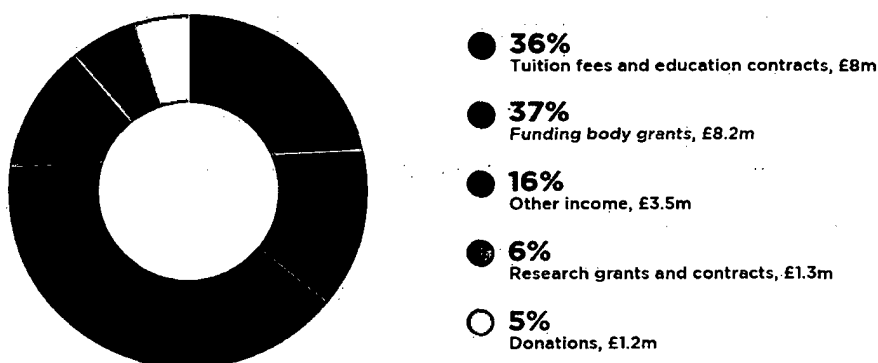
In November 2023, the OfS confirmed the renewal of the School's Specialist Provider Funding. This saw a £2.0m increase on its current annual funding for the next five years to enable the School to maintain its position as a world-leading film school.

The School's research into Immersive Storytelling entered its final year in 2022-23, with activity ending in August 2023.

Other income grew by 9% in 2022-23, reflecting the first full year of Amazon's sponsorship of the new Prime Video training academy.

In June 2023, the School ran another successful annual gala, raising over £500k. All monies raised are designated to provide scholarship and bursary funding for students in the coming financial year.

Income 2022-23 (£'millions)



The School continues to maintain its significant student financial support programme through bursary and scholarship programmes. The combined scholarship and bursary support for tuition fees for the year was £1.7m and covered approximately 23% of the total tuition fee income for MAs and diplomas in the year. The School's bursaries are funded mainly by industry parties, whilst scholarship funds are generated by the ongoing generosity of individual scholarship donors. The scholarship and bursary funds are critical to enable the most talented students to attend the School, regardless of their background or financial means.

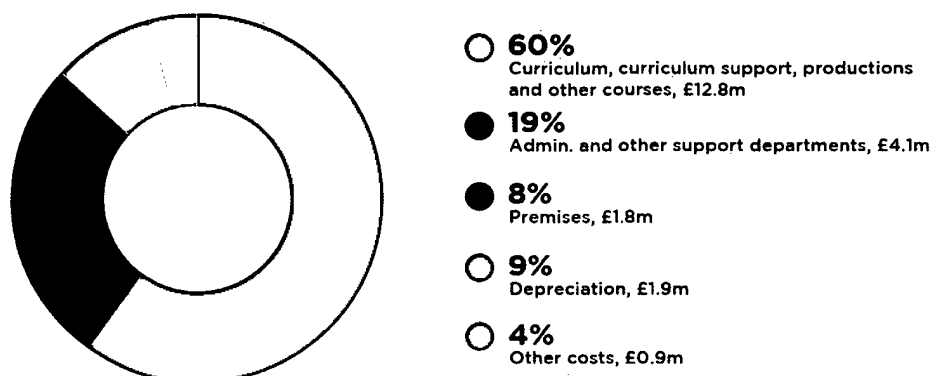
The School would like to thank all its core funders for maintaining their continued support for the School and its students.

2023 has proven to be yet another challenging year from a cost perspective, with high energy prices, rising labour costs and the general increase in the cost of all goods and services in the face of rising inflation. The School has sought to manage its cost base robustly, renegotiating major contracts, pre-ordering major goods and equipment, and keeping a tight rein on budgets.

To help staff meet the current cost of living crisis, all staff were awarded a one-off cost of living payment in July 2023, and an affordable pay rise was agreed with staff for the coming financial year.

The School continues to explore opportunities to create best value from its resources, driving economies and scalability from its cost base (see 4.2 Value for Money).

Expenditure 2022-23 (£'millions)



Overall, the School delivered a net surplus of £1.1m, an increase of £0.4m on the prior year. The actuarial valuation of the deficit on the School's closed defined benefit scheme has decreased by a further £0.3m, reflecting the School's increase in financial contributions to ensure that the School brings the Scheme deficit in balance by 2029, tempered by weak returns on equities in what has been a challenging financial market through 2022-23.

The School's net assets increased to £14.3m as at 31 July 2023 (2022: £13.4m), reflecting the operating results for the year above, net of an actuarial loss of £0.2m on the School's defined benefits scheme, as highlighted above.

The School has generated a net cash outflow of £4.5m from operating activities compared with positive inflows of £0.02m in 2021-22 (see page 40 Statement of Cash Flows) as the School utilised its advance funding from AHRC to fund the final year of the School's Immersive Storytelling research project, which ended in August 2023.

During the year, the School invested £1.5m in new equipment and facilities, reflecting the School's continued commitment to ensure that its students are trained on the latest industry-standard tools and equipment.

In response to rising interest rates, the School paid off the balance of the loan with Allica Bank (£0.3m) in February 2023. By doing so, the School also released the existing loan covenants over the School.

4.2 Value for Money

2022-23 has seen a sharp increase in the cost of goods and services procured by the School, particularly for professional services. Major contracts have been renegotiated, such as cleaning, catering, security and insurance, with costs fixed for the coming financial year and budgets bolstered, where appropriate, to meet the increase in the cost of essential services.

The School continues to invest in the latest equipment, hardware and software to ensure that students are industry ready on graduation. Reflecting the School's strong working relationship with the leading industry suppliers, the School was able to secure discounts on list price ranging from 10-50% on new, additional cameras and other capital expenditure, equating to procurement savings of approximately £240k on retail prices.

To support students with the increased costs of living, breakfast was provided free every day and the cost of hot food at lunch times reduced. Free sanitary products were also made available in bathrooms throughout the School. An increased range of social events and activities including coach trips were offered by the Students' Union, and Student Support and Wellbeing continued to develop ways in which they can support students with their mental health.

4.3 Investments

In February 2023, the School sought to take advantage of the prevailing high interest rates, placing £3.0m on deposit with Barclays Plc. These are on short-term notice not exceeding 95 days.

4.4 Payment of Creditors

The policy of the School is to pay its creditors in accordance with agreed terms. In the absence of any agreement to the contrary, it is the intention of the School to pay supplier invoices within 30 days of the invoice date.

4.5 Accounting Systems and Processes

The School finance system is provided by the ACCESS Group. The School continues to invest in new modules of the system to drive further efficiency and effectiveness.

4.6 Going Concern

The Board of Governors approved the School's new five-year Corporate Plan 2023-2028 in June 2023, with the School projected to grow over the next five years to July 2028. In September, the Board assessed the School's solvency and liquidity for at least 12 months from the date the accounts are approved and assured themselves that the School is a going concern.

Demand for places at the School remains high with application numbers for courses starting in September 2023 and January 2024 ahead of the previous year.

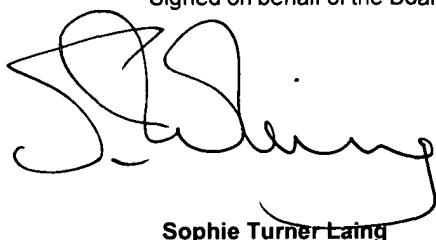
In November 2023, the OfS confirmed the School's Specialist Provider funding for the next five years. This saw a £2.0m increase in annual funding, supporting the School's position as a world-leading film school.

The majority of the School's industry partners are on multi-year sponsorship contracts. A new three-year contract was agreed with the Film Distributors Association in August 2023, and the BBC have renewed their funding for a further 12 months. The School's annual funding with the BFI ended in March 2023. However, the School was confirmed as partner on the BFI sponsored South-East Skills Cluster securing funding of c£0.6m over the next three years.

Cash flow projections for 2023-24 remain positive, with funds projected to grow through the year. In February 2023, the School paid off the balance of the loan with Allica Bank (£0.3m), releasing the existing loan covenants over the School.

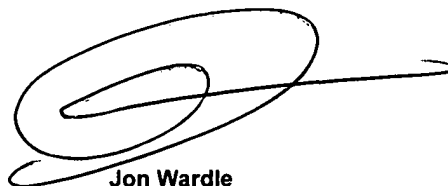
Based on the assessment above, the governors consider the School to be a going concern.

Signed on behalf of the Board of Governors



Sophie Turner Laing

Chair



Jon Wardle

Director

Date: 28 November 2023

NFTS

Public Benefit

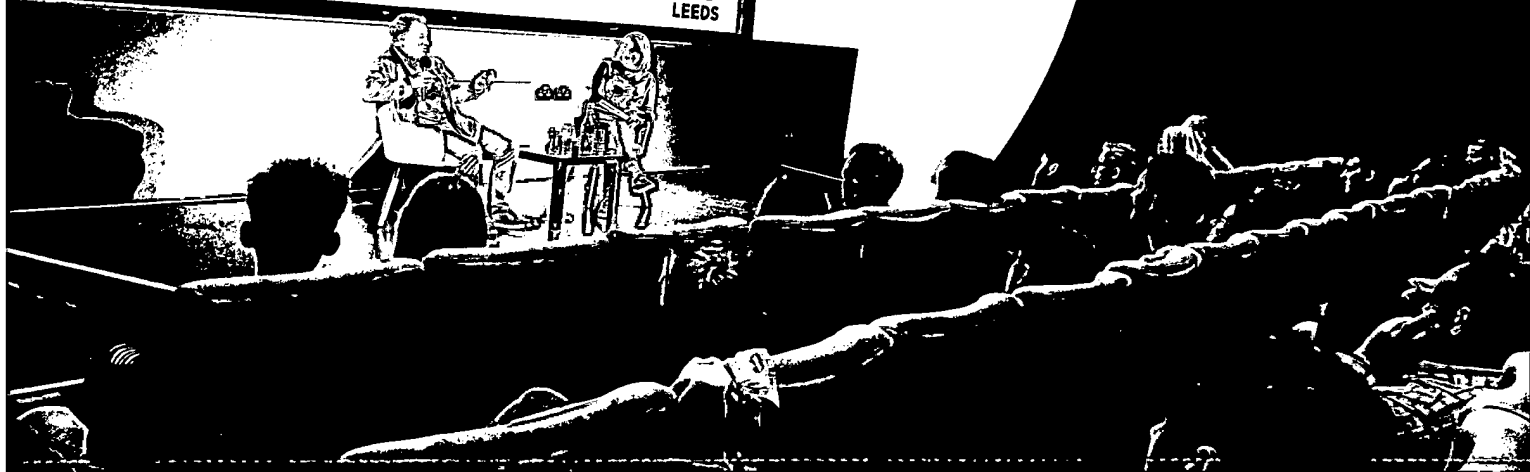
Award-winning screenwriter
Simon Beaufoy delivering a
public Masterclass at Showroom
Cinema in Leeds.

SIMON BEAUFOY
MASTERCLASS

Golden Globe, BAFTA & Oscar Winning Screenwriter of
The Full Monty, *Battle of the Sexes*, *Slumdog Millionaire*, *Trust*

SHOWROOM
CINEMA

NFTS
LEEDS



Statement of Public Benefit

Statement of Public Benefit

The National Film and Television School is a charity under the terms of the Charities Act 2011. As such, it is required to fulfil a public benefit and to publish an annual public benefit statement having regard to relevant Charity Commission guidance. The governors are aware of their responsibilities with regards to the public benefits requirement and are conversant with the Charity Commission guidance.

To achieve its purpose, the NFTS provides public benefit by advancing training in film, television and games education in the following ways:

- i) As a leading postgraduate institution, the NFTS has consistently featured in The Hollywood Reporter's prestigious Top International Film Schools list for 13 consecutive years, the sole European School to maintain this accolade. The School offers a transformative experience to students who go on to play significant roles in British cultural life through their work in the film, television and games industries. Remarkably, NFTS alumni have earned 14 Oscars, 165 BAFTAs, and 15 Emmys, with countless nominations.
- ii) The School offers an extensive array of behind-the-camera courses, surpassing any other film school globally. Its not-for-profit structure encompasses over 40 postgraduate programmes including 17 Masters courses, 14 full and part-time diploma courses and 10 certificate courses, welcoming 803 students in 2023. In December 2022, the School was granted degree awarding powers, a significant landmark achievement which acknowledges the exceptionally high standard of training offered by the School.
- iii) Passionately committed to promoting accessibility and inclusivity, the School welcomes students based on genuine ability, irrespective of their background or financial circumstances. In January 2023, the School proudly enrolled its most diverse cohort of students to date, with 36% of students from ethnically diverse backgrounds. Additionally, the School provides substantial means-tested bursaries and scholarships.
- iv) Operating teaching hubs in Scotland, Wales and Leeds, the School works closely with partners such as the BBC and Channel 4. Through these collaborations, the School generates free valuable opportunities for hundreds of individuals across the UK, addressing key skills gaps and providing world class training.
- v) The School spearheads 'Access NFTS', a national outreach programme open to all and designed to inspire a broader generation of aspiring creative talent. It encompasses dedicated events across the UK, offering insights into various disciplines such as sound and production design. Masterclasses, workshops, and interactions with expert tutors, alumni, and industry professionals provide invaluable exposure to potential career paths in the film, TV, and games industry. Additionally, the programme supports careers education in schools and colleges, showcasing the diverse range of opportunities available within the creative field.
- vi) The School goes beyond its own students, offering a raft of opportunities to young emerging talents aspiring to enter the film, television and games industry. It collaborates with the BFI to host the BFI Film Academy annually, an empowering filmmaking program for 16 to 19-year-olds. Furthermore, through its partnership with Ghetto Film School, the NFTS provides a transformative two-week on-campus residential experience each year.
- vii) The School hosts two general open days annually, providing prospective students and wider public with in-person access to tutors, current students and the world class facilities where multi-award-winning work is created.
- viii) The School opens its facilities to the public, allowing local charities to utilise its 155-seater cinema and other amenities for fundraising events without charge. For instance, in September 2022, local refugee families displaced by the war in Ukraine gathered at the School for a heart-warming event, providing traditional Ukrainian food, music, and an exclusive screening of the Ukrainian version of Paddington, starring President Volodymyr Zelensky, who had voiced the bear in both Paddington and its sequel before taking office.

A continuing British success story, the NFTS exemplifies its commitment to public benefit through its unwavering dedication to advancing education in film, television, and games. With its wide variety of programmes, partnerships, and outreach initiatives, the School plays a pivotal role in shaping the future of the creative industries while fostering inclusivity and access for aspiring talents from all backgrounds. As it continues to excel as a beacon of excellence within global entertainment, the School remains steadfast in its mission to empower individuals, enrich communities, and uphold the transformative power of storytelling.

Board of Governors and Committee Membership

The members of the Board of Governors – who are also trustees of the charity and directors of the company for the purposes of the Companies Act – present their report, together with the audited financial statements for the year ended 31 July 2023 and the period up to the date of approval of the audited financial statements. The names of the current members of the Board of Governors and those who served during the year in question are listed below. All held office throughout the year unless otherwise indicated.

Members of the Board of Governors

Sophie Turner Laing – Chair (appointed 1 September 2022)
Patrick McKenna – Chair (resigned 31 August 2022)
Ian Lewis – Deputy Chair (resigned 20 June 2023)
Joe Bradbury-Walters – Staff Governor (resigned 26 September 2023)
Georgia Brown (resigned 27 September 2022)
Polly Cochrane (appointed 1 September 2023)
Geoffrey Crossick
Phil Edgar-Jones
Scott Forrest (appointed 21 February 2023)
Patrick Fuller
Rose Garnett (resigned 31 August 2022)
Sara Geater (resigned 20 June 2023)
Caroline Hollick
Oliver Hyatt MBE
John Lee – Staff Governor (appointed 26 September 2023)
Andrew Macdonald
Ollie Madden (appointed 22 November 2022)
Leto Meade – Student Governor (resigned 31 December 2022)
Pukar Mehta
Max Uldahl Pedersen (appointed 1 January 2023)
Charlotte Perry (appointed 1 September 2022)
Raja Adil Rehman OBE
Laurent Samama
Bal Samra
Caroline Silver (appointed 1 September 2023)
Mary Stiasny OBE
Hilary Strong
Sue Vertue (resigned 21 November 2022)
Jon Wardle
Miranda Wayland (appointed 22 November 2022)

Company Secretary

Trevor Hall

Clerk to the Board

Chris Wensley

Audit Committee

Caroline Silver – Chair
Scott Forrest
Patrick Fuller
Sonia Magris
Pukar Mehta
Janet Oakes

Finance and General Purposes Committee

Laurent Samama – Chair
Polly Cochrane
Caroline Cooper
Sarab Nijjer
Hilary Strong
Sophie Turner Laing

Governance, Appointments and Remuneration Committee

Sophie Turner Laing – Chair
Laurent Samama
Bal Samra
Caroline Silver
Miranda Wayland

Corporate Governance

Legal Status

The School is a company limited by guarantee (company number 981908), and registered as a charity (charity number 313429) incorporated in England and Wales. The School is also a registered charity in Scotland (charity number SC048472). It has existed since 1970 and was granted status as a higher education institution in November 2013, under section 129 of the Education Reform Act 1988.

Responsibilities of the Board of Governors

The Board of Governors is the School's governing body, established in accordance with the Articles of Association. *Members of the Board of Governors are the charity's directors and trustees. The majority of its members are drawn from outside the School and are referred to as independent members, although elected staff are co-opted members of the Board of Governors.*

Governors are appointed for an initial term of three years, which can be renewed at the end of their term. Governors are formally appointed by majority vote at the quarterly board meetings. Every new governor is given an induction pack on the School which includes information on the structure, governance and management of the School, and the responsibilities of the governors and the School's management team. Governors are also provided with relevant Charity Commission updates on the responsibilities of trustees.

The Board of Governors has a number of standing committees to oversee particular areas of business. The Board of Governors is responsible for exercising the powers of the School as defined in the Articles of Association.

The Board of Governors has adopted a statement of primary responsibilities that is consistent with the model in the Guide for Members of Higher Education Governing Bodies published by the Committee of University Chairs (CUC) issued in September 2020.

Within the ongoing conditions of registration, the management team prepares financial statements for each financial year in accordance with the Statement of Recommended Practice: Accounting for Further and Higher Education.

The governors are responsible for preparing the strategic report, the report of the governors and the financial statements, in accordance with Companies Act 2006, and for being satisfied that the financial statements give a true and fair view. The governors are also responsible for preparing the financial statements in accordance with 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 the affairs of the charity and of the incoming resources and application of resources of the charity for that year. In preparing these financial statements, the governors are required to:

- Select suitable accounting policies and apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare financial statements on a going-concern basis, unless it is inappropriate to assume that the School will continue in operation.

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

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

During the year, insurance costing £14k (2022 – £12k) was purchased to indemnify the governors and officers against default on their part.

Report of the Members of the Board of Governors for the Year ended 31 July 2023 (*continued*)

Financial statements are published on the charity's website in accordance with legislation in the UK governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the charity's website is the responsibility of the governors. The governors' responsibility also extends to the ongoing integrity of the financial statements contained therein.

The Terms of Reference of the Board and sub-committees are reviewed annually and are publicly available on the School's website. Assessment of the Board's adequacy and effectiveness of arrangements for corporate governance, risk management and oversight of any statutory and other regulatory responsibilities are subject to regular, independent review.

In the interest of transparency, the minutes of Board meetings are published on the School's website once approved and the financial statements for the preceding five years are publicly available on the School's website.

Governor Induction and Training

Each member of the Board undertakes induction training. They are furnished with a comprehensive range of information and literature, for future reference. Emphasis is placed on the legal status of a trustee, and their position and responsibilities as a director of the charity.

Relationships between the School and Related Parties

The School places great significance on its external relations and in particular on the relationship with the film, television and games industries. Industry and government funding has been essential for the School's continued operation and development. The governors are hugely grateful for the significant amount of voluntary and discounted support from organisations and individuals in the film, television and new media industries, including all key partner sponsors and funders.

The NFTS Foundation is a charity connected with the School. The NFTS Foundation seeks to promote the charitable purposes of the School by donations of student scholarships and grants from its investment funds. By mutual agreement, all costs associated with fundraising activities of the NFTS Foundation are borne by the School.

The NFTS Student Union promotes the interests and welfare of the students of the School during the course of study and representing, supporting and advising students. The School meets all the costs of the Student Union including the salary of the Student Union President.

Subsidiary Undertakings

The School owns 100% of NFTS Enterprises Limited, which was dormant for the period and has not been consolidated on the basis that it is immaterial.

Powers of Investment and Investment Policy

Under its Memorandum of Association, the School has the power to invest the monies of the School not immediately required for its purposes in or upon such investments, securities or property as may be thought fit.

The School plans major curricular activities on a five-year timescale. It budgets to expend anticipated income while retaining a prudent level of reserves. The Board of Governors' policy for investment is to retain funds designated for redevelopment as cash and near cash at the best rates available.

Disclosure of Information to Auditor

At the date of making this report, the Board of Governors confirms that:

- So far as each governor is aware, there is no relevant information needed by the School's auditor in connection with preparing their report of which the School's auditors are unaware; and
- Each governor has taken all the steps that he/she ought to have taken as a member of the Board of Governors in order to make himself/herself aware of any relevant information needed by the School's auditor in connection with preparing their report and to establish that the School's auditors are aware of that information.

Statement of Corporate Governance

The governors confirm that the financial statements comply with current statutory requirements and with the requirements of the School's governing document.

The governors examine the major risks that the charity faces each financial year, and have developed systems to monitor and control these risks to mitigate any impact that they may have on the School in the future. The key risk that the School is currently exposed to is the cost of living crisis and high inflation, impacting on the future cost of goods and services and pressure on students to be able to fund their studies. The School remains vigilant to the risks posed by cyber security crime. Systems are in place to continually review and manage these risks. The School has regular meetings with all major funders and also constantly reviews and upgrades its health and safety controls and procedures.

The Board of Governors meets at least four times a year and reviews a report from the Director. The Board of Governors is complemented by both a student and a staff representative of the School. The Finance and General Purposes Committee also meets at least four times a year and reviews the five-year corporate plan, financial performance, including ensuring the regularity and propriety in the use of funds from the School's multitude of funders, including the Office for Students and Research England, financial estimates, and also monitors health and safety practice, value for money arrangements, and policies at the School. The Audit Committee meets quarterly, when it reviews the external audit management letters, internal auditor reports, and other matters set out in its terms of reference. The School reviews the terms of reference for all the sub-committees of the Board of Governors annually to ensure the School's governance is to the levels required by the School's status as a HEI.

The School has posted all its policies on matters of public, student and staff interest on the School website. Please see: <https://nfts.co.uk/policies-and-regulations>.

Day-to-day operational decisions are taken by the Director, supported by a management team, within the delegated authority conferred by the Board of Governors.

Internal Control

The governors are responsible for maintaining a sound system of internal control that supports the achievement of policies, aims and objectives, while safeguarding the public and other funds and assets for which it is responsible, in accordance with the responsibilities assigned to the members of the Board in the terms and conditions of funding with the OfS.

The system of internal control is designed to manage rather than eliminate the risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness.

Notwithstanding that, systems and processes are designed to prevent and detect corruption, fraud, bribery and other irregularities.

The system of internal control is based on an ongoing process designed to identify the principal risks and to evaluate the nature and extent of those risks and to manage them efficiently, effectively, and economically.

The key elements of the School's system of internal control are as follows:

- Identification and management of risk as an ongoing process linked to achieving the organisation's objectives;
- A risk-based approach to internal control, including an evaluation of the likelihood and impact of risks becoming a reality;
- Reviewing procedures covering business, operational and compliance risk as well as financial risk;
- Embedding risk assessment and internal controls in ongoing operations;
- Providing regular reports to the Audit Committee received from the internal auditor on the adequacy and effectiveness of the School's system of internal control, together with recommendations for improvement; and
- Reporting on the principal results of risk identification, risk evaluation and the management review of the effectiveness of the arrangements to the governing body.

The School retains KCG Audit Limited ("KCG") to provide internal audit services. The internal auditor submits regular reports which provide opinions on the adequacy and effectiveness of the School's system of internal control together with recommendations for improvement.

Report of the Members of the Board of Governors for the Year ended 31 July 2023 (*continued*)

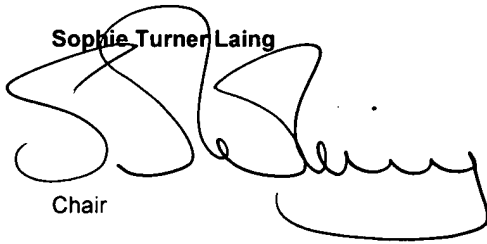
During the period to the balance sheet date, KCG undertook seven reviews covering a range of risks, from the School's controls over staff recruitment, and treasury and budget management, to reviews of the School's Academic Governance framework, to sector themes such as the School's readiness for HESA's Data Futures programme. All reviews have provided 'satisfactory' or 'substantial' assurance and all recommendations arising have been implemented in a timely manner.

The Board's view of the effectiveness of the system of internal control is informed by the work of the internal auditor and management who have responsibility for the development and maintenance of the internal control framework, and comments made by the external auditor in their management letter and other reports.

The corporate governance and internal control statements cover the year to 31 July 2023 and to the date of approval of these financial statements.

Signed on behalf of the Board of Governors

Sophie Turner Laing



Chair

Date: 28 November 2023

Jon Wardle



Director

Independent Auditor's Report to the Board of The National Film and Television School

Opinion on the financial statements

In our opinion, the financial statements:

- give a true and fair view of the state of the School's affairs as at 31 July 2023 and of the School's income and expenditure, gains and losses, changes in reserves and the School's cash flows for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of The National Film and Television School ("the School") for the year ended 31 July 2023 which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Reserves, 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).

Basis for opinion

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

Independence

We are independent of the School 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.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that 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 School'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 board is responsible for the other information. The other information comprises the information included in the Report and Financial Statement, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements 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.

Independent Auditor's Report to the Board of The National Film and Television School (*continued*)

We have nothing to report in this regard.

Other Companies Act 2006 reporting

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

- the information given in the Report and Financial Statements, which includes the Board of Governors report and the strategic report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the report of the Board of Governors, which are included in the Report and Financial Statements have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the School and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the report of the Board of Governors.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of board governors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Opinion on other matters required by the Office for Students ("OfS") and UK Research and Innovation (including Research England)

In our opinion, in all material respects:

- Funds from whatever source administered by the School for specific purposes have been properly applied to those purposes and managed in accordance with relevant legislation.
- Funds provided by the OfS, UK Research and Innovation (including Research England) have been applied in accordance with the relevant terms and conditions
- The requirements of the OfS's Accounts Direction (OfS 2019.41) have been met.

We have nothing to report in respect of the following matters in relation to which the OfS requires us to report to you if, in our opinion:

- The School's grant and fee income, as disclosed in note 8 to the accounts, has been materially misstated.

Responsibilities of the Board of Governors

As explained more fully in the Responsibilities of the Board of Governors, the Governors (who are also the directors of the School 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 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 School'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 School 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.

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

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

Non-compliance with laws and regulations

Based on:

- Our understanding of the School and the sector in which it operates;
- Discussion with management and those charged with governance and the Audit Committee;
- Obtaining and understanding of the School's policies and procedures regarding compliance with laws and regulations; and
- Direct representation from the Accountable Officer.

We considered the significant laws and regulations to be the Companies Act 2006, Financial Reporting Standard 102, the Statement of Recommended Practice: Accounting for Further Education and Higher Education (FEHE SORP 2019), the OfS' Accounts Direction (OfS 2019.41) and UK tax legislation.

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

Our procedures in respect of the above included:

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

Fraud

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

- Enquiry with management and those charged with governance, the Audit Committee and internal audit regarding any known or suspected instances of fraud;
- Obtaining an understanding of the School's policies and procedures relating to:
 - Detecting and responding to the risks of fraud; and

Independent Auditor's Report to the Board of The National Film and Television School (*continued*)

- Internal controls established to mitigate risks related to fraud.
- Review of minutes of meeting of those charged with governance for any known or suspected instances of fraud;
- Discussion amongst the engagement team as to how and where fraud might occur in the financial statements;
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- Testing a sample of journal entries throughout the year, which met a defined risk criteria, by agreeing to supporting documentation; and
- Considering remuneration incentive schemes and performance targets and the related financial statement areas impacted by these.

Based on our risk assessment, we considered the areas most susceptible to fraud to be posting inappropriate journals to manipulate financial results.

Our procedures in respect of the above included:

- Testing a sample of journal entries throughout the year, which met a defined risk criteria, by agreeing to supporting documentation.

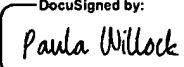
We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: 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 Governors, 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 School's board 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 School and the Governors as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:

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Paula Willock (Senior Statutory Auditor)

For and on behalf of BDO LLP, Statutory Auditor

Gatwick, UK

Date: 29 November 2023

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

Financial Statements for the Year Ended 31 July 2023

Statement of Comprehensive Income

	Note	2023 31 July £	2022 31 July £
Income			
Tuition fees and education contracts	3	7,955,835	7,247,394
Funding body grants	4	8,216,354	5,887,742
Research grants and contracts	5	1,308,683	1,578,778
Other income	6	3,602,877	3,319,734
Total income before donations		21,083,749	18,033,648
Donations	7	1,162,745	1,194,366
Total income		22,246,494	19,228,014
Expenditure			
Staff costs	9	8,644,958	6,885,602
Other operating expenses	12	10,492,354	9,812,697
Depreciation	13	1,878,711	1,718,366
Interest and other finance costs	14	122,505	84,162
Total expenditure		21,138,528	18,500,827
Surplus before other gains		1,107,966	727,187
(Loss)/profit on disposal of fixed assets		(24,797)	20,393
Surplus for the year		1,083,169	747,580
Actuarial (loss)/gain in respect of pension scheme	25	(176,000)	516,000
Total comprehensive income for the year		907,169	1,263,580
Represented by:			
Unrestricted comprehensive income for the year		890,882	1,135,480
Restricted comprehensive income for the year		16,287	128,100
		907,169	1,263,580

All activities relate to continuing operations.

The notes on pages 41 to 59 form part of these financial statements.

Financial Statements for the Year Ended 31 July 2023

Balance Sheet

Company number 981908	Note	2023 at 31 July £	2022 at 31 July £
Fixed assets			
Tangible assets	16	30,628,505	31,040,969
Investment in subsidiary undertaking	17	2	2
		<hr/>	<hr/>
		30,628,507	31,040,971
		<hr/>	<hr/>
Current assets			
Stock	18	14,775	9,086
Debtors	19	4,267,885	3,966,874
Short term investments		3,000,000	-
Cash and cash equivalents		1,395,503	5,928,001
		<hr/>	<hr/>
		8,678,163	9,903,961
		<hr/>	<hr/>
Creditors: amounts falling due within one year	20	(9,278,449)	(10,722,580)
		<hr/>	<hr/>
Net current liabilities		(600,286)	(818,619)
		<hr/>	<hr/>
Creditors: amounts falling due after more than one year	21	(12,720,745)	(13,522,045)
		<hr/>	<hr/>
Provisions for liabilities:			
Pension scheme liability	25	(2,992,011)	(3,292,011)
		<hr/>	<hr/>
Total net assets		14,315,465	13,408,296
		<hr/>	<hr/>
Restricted reserves			
Income and expenditure reserve		144,387	128,100
		<hr/>	<hr/>
Unrestricted reserves			
Income and expenditure reserve		6,426,843	5,307,931
Revaluation reserve		7,744,235	7,972,265
		<hr/>	<hr/>
Total reserves		14,315,465	13,408,296
		<hr/>	<hr/>

The financial statements were approved by the Board, authorised for issue on 28 November 2023 and signed on its behalf on that date by:

Sophie Turner Laing

Chair

Jon Wardle

Director

The notes on pages 41 to 59 form part of these financial statements.

Financial Statements for the Year Ended 31 July 2023

Statement of Changes in Reserves

	Income and expenditure reserves			
	Restricted reserve £	Unrestricted reserve £	Revaluation reserve £	Total £
At 1 August 2021	-	3,944,421	8,200,295	12,144,716
Surplus from the Statement of Comprehensive Income	128,100	619,480	-	747,580
Actuarial gain in respect of pension scheme	-	516,000	-	516,000
Reserves transfer: depreciation on revalued assets	-	228,030	(228,030)	-
At 31 July 2022	128,100	5,307,931	7,972,265	13,408,296
Surplus from the Statement of Comprehensive Income	16,287	1,066,882	-	1,083,169
Actuarial loss in respect of pension scheme	-	(176,000)	-	(176,000)
Reserves transfer: depreciation on revalued assets	-	228,030	(228,030)	-
At 31 July 2023	144,387	6,426,843	7,744,235	14,315,465

The notes on pages 41 to 59 form part of these financial statements.

Financial Statements for the Year Ended 31 July 2023

Statement of Cash Flows

	Note	2023 31 July £	2022 31 July £
Cash flow from operating activities			
Surplus for the financial year		1,083,169	747,580
Adjustment for non-cash items:			
Depreciation	13	1,878,711	1,718,366
Release of capital grants		(835,901)	(727,666)
(Increase)/decrease in stock	18	(5,689)	50,074
Increase in debtors	19	(301,011)	(190,741)
Decrease in creditors		(1,460,817)	(277,822)
Difference between net pension expense and cash contribution		(582,000)	(493,333)
Adjustment for investing or financing activities:			
Loss/(profit) on disposal of fixed assets		24,797	(20,393)
Interest payable and pension costs	14	122,505	84,162
Net cash (outflow)/inflow from operating activities		<u>(76,236)</u>	<u>890,227</u>
Cash flows from investing activities			
Payments made to acquire fixed assets	16	(1,491,044)	(1,794,843)
Proceeds from disposal of fixed assets		-	87,961
Payments made to acquire short term investments		(3,000,000)	-
Deferred capital grants received		454,852	1,107,208
		<u>(4,036,192)</u>	<u>(599,674)</u>
Cash flows from financing activities			
Interest paid	14	(16,505)	(20,162)
Finance lease rental payments		(128,603)	(133,089)
Repayments of amounts borrowed		(274,962)	(157,104)
		<u>(420,070)</u>	<u>(310,355)</u>
Decrease in cash and cash equivalents in the year		<u>(4,532,498)</u>	<u>(19,802)</u>
Cash and cash equivalents at beginning of the year		<u>5,928,001</u>	<u>5,947,803</u>
Cash and cash equivalents at end of the year		<u>1,395,503</u>	<u>5,928,001</u>

The notes on pages 41 to 59 form part of these financial statements.

Notes to the Financial Statements for the Year Ended 31 July 2023

1 Status of the School

The School is a company limited by guarantee and is a registered charity incorporated in England and Wales. The School is also a registered charity in Scotland. Each member's liability is limited, upon winding up, to an amount not exceeding one pound.

2 Principal accounting policies

Basis of preparation

The financial statements of the School have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant notes to these accounts. The financial statements have been prepared in accordance with FRS102 – The Financial Reporting Standard applicable in the UK and Republic of Ireland, the Statement of Recommended Practice (SORP): Accounting for Further and Higher Education (2019) and the Companies Act 2006. The financial statements conform with the Accounts Direction issued by the Office for Students (OfS 2019.4).

The School is a public-benefit entity and therefore has applied the relevant public-benefit requirement of FRS102.

Assessment of going concern

The Board of Governors approved the School's new five-year Corporate Plan 2023 – 2028 in June 2023, with the School projected to grow over the next five years to July 2028. In September, the Board assessed the School's solvency and liquidity for at least 12 months from the date of approval of the accounts and assured themselves that the School is a going concern.

Demand for places at the School remains high with application numbers for courses starting in September 2023 and January 2024 ahead of the previous year.

In November 2023, the OfS confirmed that the School's Specialist Provider funding for the next five years. This saw a £2.0m increase in annual funding, supporting the School's position as a world-leading film school.

The majority of the School's industry partners are on multi-year sponsorship contracts. A new three-year contract was agreed with the Film Distributors Association in August 2023, and the BBC have renewed their funding for a further 12 months. The School's annual funding with the BFI ended in March 2023. However, the School was confirmed as partner on the BFI sponsored South-East Skills Cluster securing funding of c£0.6m over the next three years.

At the balance sheet date, the School reported net current liabilities of £661k (2022 - £818k). However, creditors due within one year include £820k deferred capital grants (2022 - £790k). This is a non-cash item, and has no impact on the liquidity of the School or the ability to meet its liabilities as they fall due.

Cash flow projections for 2023-24 remain positive, with funds projected to grow through the year. In February 2023, the School paid off the balance of the loan with Allica Bank (£0.3m), releasing the existing loan covenants over the School.

Based on the assessment above, the governors consider the School to be a going concern.

Basis of consolidation

The company is exempt under section 402 of the Companies Act 2006 from the requirement to prepare consolidated financial statements as the governors consider that the company's subsidiary may be excluded from consolidation on the basis that it is immaterial. These financial statements therefore present information about the charity as an individual undertaking and not about its group.

The following principal accounting policies have been applied:

2 Principal accounting policies (*continued*)

(a) *Recognition of Income*

Income from the sale of goods or services is credited to the statement of comprehensive income when the goods or services are supplied to the external customers or the terms of the contract have been satisfied.

Fee income is credited to the statement of comprehensive income over the period in which students are studying. Where the amount of tuition fee is reduced, by a fee waiver or discount, income is shown net of the discounts. Bursaries and scholarships awarded by the School are accounted for gross and not deducted from income.

Revenue government grants, including research grants and recurrent grants from the Office for Students, are recognised within the statement of comprehensive income when the School is entitled to the income and performance-related conditions have been met.

Non-recurrent grants from the Office for Students or other government bodies received in respect of the acquisition or construction of fixed assets are recognised as deferred income within creditors and amortised in line with depreciation over the life of the assets. The deferred income is allocated between creditors due within one year and due after more than one year as appropriate.

Other grants and donations from non-government sources are recognised within the statement of comprehensive income when the School is entitled to the income and performance-related conditions have been met. Income received in advance of performance-related conditions being met is deferred on the balance sheet and released to the statement of comprehensive income in line with such conditions being met.

Non-exchange transactions without performance-related conditions are donations and endowments. Donations and endowments with donor-imposed restrictions are recognised within the statement of comprehensive income when the School is entitled to the income. Income is retained within the restricted reserve until such time that it is utilised in line with such restrictions at which point the income is released to general reserves through a reserve transfer.

Investment income and appreciation of endowments is recorded in income in the year in which it arises, and as either restricted or unrestricted income according to the terms of restriction applied to the individual endowment fund.

Donations with no restrictions are recorded within the statement of comprehensive income when the School is entitled to the income.

There are four main types of donations and endowments with restrictions:

1. Restricted donations – the donor has specified that the donation must be used for a particular objective;
2. Unrestricted permanent endowments – the donor has specified that the fund is to be permanently invested to generate an income stream for the general benefit of the School;
3. Restricted expendable endowments – the donor has specified a particular objective other than the purchase or construction of tangible fixed assets, and the School can convert the donated sum into income; and
4. Restricted permanent endowments – the donor has specified that the fund is to be permanently invested to generate an income stream to be applied to a particular objective.

Legacies are recognised in accordance with Practice Note 11 issued by the Financial Reporting Council, in that they are accrued to the financial statements as soon as entitlement and valuation can be reasonably measured.

2 Principal accounting policies (*continued*)

(b) *Expenditure*

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs relating to the category. Other expenditure includes expenditure associated with the running of the School and includes both the direct costs and support costs relating to these activities. Interest and other finance costs include loan interest payable and pension costs.

(c) *Taxation*

The School is a registered charity and is potentially exempt from taxation in respect of income or capital gains received within categories covered by sections 478-488 of the Corporation Tax Act 2010 (CTA 2010) (formally enacted in Section 505 of the Income and Corporation Taxes Act 1988 (ICTA)) or Section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that such income or gains are applied to exclusively charitable purposes.

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

(d) *Tangible fixed assets and depreciation*

Tangible fixed assets costing more than £1k are capitalised at cost. Equipment costing less than £1k is written off in the year of acquisition.

Land and buildings are measured at deemed cost (see note 16).

Depreciation is provided to write off the cost, less estimated residual values, of all fixed assets except freehold land, evenly over their estimated useful lives. It is calculated at the following rates:

Freehold land	–	Nil per year
Administrative buildings and stages	–	over 20 years straight line
Academic buildings	–	over 50 years straight line
Fixtures, fittings and office equipment	–	over 3 years straight line
Musical instruments (grand piano)	–	over 20 years straight line
Fixtures and fittings (academic buildings)	–	over 10 years straight line
Plant, machinery, technical equipment	–	over 5 or 10 years straight line
Motor vehicles	–	over 4 years straight line

Depreciation is charged from the date of acquisition.

Where buildings are acquired with the aid of specific grants, they are capitalised and depreciated as above. The related grants are credited to deferred income and are released to the statement of comprehensive income over the expected useful economic life of the related asset on a basis consistent with the depreciation policy.

(e) *In-kind funding*

The School benefits from companies, organisations and individuals donating assets for use towards the running of the School, which are recognised at fair value.

Where a company, organisation or individual provides their time or use of facilities free of charge, this is not recognised in the statement of comprehensive income.

(f) *Investments*

Non-current investments are held on the balance sheet at amortised cost less impairment.

Investments in subsidiaries are carried at cost less impairment.

2 Principal accounting policies (*continued*)

(g) *Stock*

Stock consists of purchased goods for resale and future use. Stocks are valued at the lower of cost and net realisable value.

(h) *Defined contribution pension scheme*

A defined contribution pension scheme is a post-employment benefit scheme under which the School pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Contributions to the defined contribution pension scheme are charged to the statement of comprehensive income in the year in which they become payable.

Defined benefit pension scheme

A defined benefit pension scheme is a post-employment benefit scheme other than a defined contribution scheme. Under the defined benefit scheme, the School's obligation is to provide the agreed benefits to members of the scheme, and actuarial risk (that benefits will cost more or less than expected) and investment risk (that returns on assets to fund the benefits will differ from expectations) are borne, in substance, by the School. The School recognises a liability for its obligations under defined benefit schemes net of plan assets. This net defined benefit liability is measured as the estimated amount of benefit that members have earned in return for their service in the current and prior periods, discounted to determine its present value, less the fair value (at bid price) of plan assets. The calculation is performed by a qualified actuary using the projected unit credit method.

(i) *Employee benefits and holiday pay accrual*

Short-term employment benefits such as salaries and compensated absences are recognised as an expense in the year in which the employees render service to the School.

A liability is recognised to the extent of any unused holiday pay entitlement which has accrued at the balance-sheet date and carried forward to future periods. This is measured at the undiscovered salary cost of the future holiday entitlement so accrued at the balance-sheet date.

(j) *Operating leases*

Costs in respect of operating leases are charged on a straight-line basis over the lease term. Any lease premiums or incentives are spread over the minimum-lease term.

(k) *Finance leases*

Leases in which the School assumes substantially all the risks and rewards of ownership of the leased asset are classified as finance leases. Leased assets acquired by way of finance lease are stated at an amount equal to the lower of their fair value and the present value of the minimum-lease payments at inception of the lease, less accumulated depreciation and less accumulated impairment losses.

Minimum-lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

(l) *Foreign currencies*

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities are retranslated at the rate of exchange ruling at the balance-sheet date. All material differences are taken to the statement of comprehensive income.

(m) *Cash and cash equivalents*

Cash and cash equivalents include cash in hand, deposits which have a maturity of 3 months or less and overdrafts. Deposits with a maturity more than 3 months are counted as short term investments on the balance sheet.

(n) *Provisions, contingent liabilities and contingent assets*

Provisions are recognised in the financial statements when:

- (i) the School has a present obligation (legal or constructive) as a result of a past event;

2 Principal accounting policies (*continued*)

- (ii) it is probable that an outflow of economic benefits will be required to settle the obligation; and
- (iii) a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is determined by discounting the expected future cash flows at a pre-tax rate that reflects risks specific to the liability.

A contingent liability arises from a past event that gives the School a possible obligation whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the School. Contingent liabilities also arise in circumstances where a provision would otherwise be made but either it is not probable that an outflow of resources will be required or the amount of the obligation cannot be measured reliably.

A contingent asset arises where an event has taken place that gives the School a possible asset whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the School.

Contingent assets and liabilities are not recognised in the balance sheet but are disclosed in the notes.

(o) *Financial liabilities*

Financial liabilities are classified according to the substance of the financial instruments contractual obligations, rather than the financial instruments legal form. Financial liabilities are held at amortised cost.

(p) *Concessionary loans*

Concessionary loans are those loans made or received by the School that are made:

- to further its public benefit objectives;
- at a rate of interest which is below the prevailing market rate of interest; and
- to not be repayable on demand.

An unsecured concessionary loan is measured at the amount received, less any repayments.

(q) *Reserves*

Reserves are allocated between restricted and unrestricted reserves. Restricted endowment reserves include balances which, through endowment to the School, are held as a permanently restricted fund as the School must hold the fund to perpetuity. Other restricted reserves include balances through which the donor has designated a specific purpose and therefore the School is restricted in the use of these funds.

(r) *Judgements in applying accounting policies and key sources of estimation uncertainty*

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

- Determine whether there are indicators of impairment of the school's tangible assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit.
- Determine whether leases entered into by the school either as a lessor or a lessee are operating or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis.
- Determine whether borrowings are classed as 'basic' or 'other' financial instruments. The judgement that the borrowings are basic, as defined in Section 11 of FRS102, has resulted in the borrowings being carried on the balance sheet at amortised cost, and a concessionary loan being measured at the amount received less any repayments, adjusted for any interest or any impairment loss.

2 Principal accounting policies (continued)

Other key sources of estimation uncertainty:

- Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.
- The defined benefit pension schemes liability is calculated using estimates of inflation, mortality discount rate and anticipated future salary increases. Variations in these assumptions have the ability to significantly influence the value of the liability recorded and the expense for any year.

3 Tuition fees and education contracts

	2023 £	2022 £
Home postgraduate fees	2,412,239	2,738,827
Overseas postgraduate fees	2,308,746	1,785,974
Diploma fees	1,042,513	1,051,246
Other fees – certificates, short courses, partnerships	2,192,337	1,671,347
	<hr/>	<hr/>
Tuition fees net of scholarship and bursary awards	7,955,835	7,247,394
Scholarship and bursary awards	1,702,621	1,520,267
	<hr/>	<hr/>
	9,658,456	8,767,661
	<hr/>	<hr/>

4 Funding body grants

	2023 £	2022 £
Recurrent grant		
Office for Students teaching grant	378,247	281,837
Research England	402,933	250,000
Department for Digital, Culture, Media and Sport	2,118,000	2,118,000
ScreenSkills	92,040	25,108
British Film Institute	705,262	859,350
Specific grant		
Office for Students specific grants	3,524,948	1,471,430
The Welsh Government	159,023	154,350
Office for Students deferred capital grant released	239,338	155,166
Research England deferred capital grant released	41,954	19,477
Department for Digital, Culture, Media and Sport deferred capital grant released	341,811	340,226
ScreenSkills deferred capital grant released	43,636	43,636
The Buckinghamshire Local Enterprise Partnership deferred capital grant released	169,162	169,162
	<hr/>	<hr/>
	8,216,354	5,887,742
	<hr/>	<hr/>

5 Research grants and contracts

	2023 £	2022 £
Arts and Humanities Research Council	1,308,683	1,578,778
	<u>1,308,683</u>	<u>1,578,778</u>

6 Other income

	2023 £	2022 £
Grants from key partner sponsors	2,355,314	1,597,702
Other income	1,247,563	1,722,032
	<u>3,602,877</u>	<u>3,319,734</u>

7 Donations

	2023 £	2022 £
Scholarships	1,062,745	1,114,366
NFTS Foundation	80,000	80,000
David Lean Foundation	20,000	-
	<u>1,162,745</u>	<u>1,194,366</u>

8 Grant and fee income

	2023 £	2022 £
Grant income from the Office for Students	4,142,533	1,908,433
Grant income from other bodies	5,382,504	5,558,087
Fee income for taught awards	6,969,652	6,709,192
Fee income from non-qualifying courses	2,688,805	2,058,469
	<u>19,183,494</u>	<u>16,234,181</u>

9 Staff costs

	2023 £	2022 £
Staff costs consist of:		
Salaries (including tutors and freelancers)	7,210,892	5,696,188
Social security costs	770,043	623,297
Pension scheme contributions	664,023	566,117
	<u>8,644,958</u>	<u>6,885,602</u>

9 Staff costs (continued)

The number of employees whose emoluments fall within bands of £5k exceeding £100k, excluding pension contributions and benefits in kind, was as follows:

	2023	2022
£220,000 – £224,999	1	-
£165,000 – £169,999	-	1
£120,000 – £124,999	1	-
£110,000 – £114,999	-	1
	<hr/>	<hr/>
Emoluments of the Director:	2023 £	2022 £
Basic salary	174,075	165,000
Benefits	1,006	1,096
Performance related bonuses	50,000	-
	<hr/>	<hr/>
Total before employer pension contributions	225,081	166,096
Employer pension contributions	11,204	8,250
	<hr/>	<hr/>
Total including employer pension contributions	236,285	174,346
	<hr/>	<hr/>

There are no other benefits (taxable or non-taxable) or other sources of remuneration. The Director does not have use of accommodation.

The Director's basic salary and total remuneration salary is 5.6 (2022 – 4.3) times the median pay of the staff, where the median pay is calculated on a full-time equivalent basis for the salaries paid by the School to its staff.

The Director's remuneration package is reviewed annually by the Governance and Remuneration Committee, which consists of five board members; the Director is not a member of the committee and does not attend its meetings. The Committee considers the Director's total remuneration package against a range of leaders of comparative institutions, and also considers the current financial performance of the School.

The principles which inform the Committee's decisions are:

- individual performance against the objectives set out in the individual's appraisal;
- recruitment, retention and competitive market conditions, taking account of relevant comparative data;
- total remuneration, including any other benefits and bonuses (if any); and
- other factors including, without limitation, affordability, employee relations and stakeholder confidence.

For the financial year, the Director was awarded two bonuses in recognition of his leadership and management role in growing student numbers, developing the activities of the national and regional hubs, and achieving degree-awarding powers for the institution. A bonus of £25,000 awarded in 2021-22 was deferred to the current year as degree-awarding powers were not confirmed in writing by the Office for Students until November 2022. A further bonus of £25,000 was awarded in July 2023 following his success in leading the School's applications for external funding, notably the OfS Specialist Provider Funding and the UKRI fund CoSTAR: Convergent Screen Technologies And performance in Realtime.

9 Staff costs (continued)

The average number of employees (full time equivalent) during the year was as follows:

	2023	2022
Curriculum, production support, short courses	100	93
Fundraising and events	2	3
Finance, registrar, I.T., marketing, H.R., directorate	30	30
	<hr/>	<hr/>
	132	126
	<hr/>	<hr/>

During the year the School paid £12k in compensation for loss of office to one employee (2022 – £4k, one employee). Amounts for compensation for loss of office and redundancy for all staff, excluding the Director and Finance Director, are approved by the School's management team.

10 Governors' emoluments

The School's Memorandum and Articles enable governors to be engaged as tutors. No governors received payments for tutoring during the year (2022 – £Nil).

During the year, travel and subsistence expenses totalling £93 were reimbursed to governors relating to attending board meetings (2022 – £50) and £1,972 contribution towards the travel costs to the major production studio in the US by the Chair and School Director in July 2023 to build new business relationships.

11 Key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the School.

Key management personnel are considered to be the governors and the School's management team. The management team includes the Director, Finance Director, Director of Marketing and External Relations, Director of Human Resources, Director of Curriculum, and Registrar. The management team were paid emoluments during the year, including benefits in kind and pension contributions, totalling £712,709 (2022 – £579,750).

12 Other operating expenses

	2023 £	2022 £
Curriculum, productions, research, and short courses	5,819,152	5,564,638
Curriculum support and accreditation	564,189	408,928
Bursaries	220,329	174,768
Scholarships	91,550	44,625
Premises	1,775,365	1,622,640
Production support and facilities departments	426,475	386,575
Admin departments – finance, registrar, I.T., marketing, H.R., directorate	1,294,266	1,129,858
Fundraising and events	185,461	393,950
External audit fees	78,000	49,800
Internal audit fees	37,567	36,915
	<hr/>	<hr/>
	10,492,354	9,812,697
	<hr/>	<hr/>

13 Depreciation

	2023 £	2022 £
The depreciation charge has been funded by:		
Deferred capital grants released	835,901	727,667
General income	1,042,810	990,699
	<u>1,878,711</u>	<u>1,718,366</u>

14 Interest and other finance costs

	2023 £	2022 £
Interest on bank loans	5,145	3,813
Interest on finance leases	11,360	16,349
Pension finance costs	106,000	64,000
	<u>122,505</u>	<u>84,162</u>

15 Net expenditure

	2023 £	2022 £
This is arrived at after charging:		
Depreciation	1,878,711	1,718,366
External auditors' remuneration		
- audit services	78,000	49,800
- other services	20,760	18,000
Internal auditors' remuneration	37,567	36,915
Operating lease rentals – equipment	83,548	106,070
	<u></u>	<u></u>

Notes to the Financial Statements for the Year Ended 31 July 2023 (continued)

16 Tangible assets

	Freehold land and buildings £	Academic/ teaching buildings £	Fixtures, fittings and office equipment £	Plant, machinery and technical equipment £	Motor vehicles £	Total £
<i>Cost or valuation</i>						
At beginning of period	5,382,336	24,163,138	2,728,758	8,908,525	56,685	41,239,442
Additions	144,971	-	75,496	1,224,882	45,695	1,491,044
Disposals	-	-	-	(297,161)	-	(297,161)
At end of period	5,527,307	24,163,138	2,804,254	9,836,246	102,380	42,433,325
<i>Depreciation</i>						
At beginning of period	583,860	3,247,578	1,555,722	4,758,219	53,094	10,198,473
Provided for the period	92,920	483,263	214,561	1,082,266	5,701	1,878,711
Disposals	-	-	-	(272,364)	-	(272,364)
At end of period	676,780	3,730,841	1,770,283	5,568,121	58,795	11,804,820
<i>Net book value</i>						
At 31 July 2023	4,850,527	20,432,297	1,033,971	4,268,125	43,585	30,628,505
At 31 July 2022	4,798,476	20,915,560	1,173,036	4,150,306	3,591	31,040,969

The School's freehold land and buildings and the Oswald Morris Building were revalued on transition to FRS102 as at 31 July 2014 on the basis of Existing Use Value by external valuers, Deloitte LLP. This valuation was undertaken in accordance with the Royal Institution of Chartered Surveyors' Appraisal and Valuation Standards.

16 Tangible assets (*continued*)

The net book value of fixed assets includes an amount of £220k (2022 – £319k) in respect of assets held under finance leases. The depreciation charged in the year on finance leases was £99k (2022 – £99k).

The historic cost net book value of land and buildings is:

	2023 at 31 July £	2022 at 31 July £
Cost brought forward	302,009	302,009
Accumulated depreciation based on historic cost	(194,260)	(184,547)
Historic cost net book value	<u>107,749</u>	<u>117,462</u>

17 Investment in subsidiary undertakings

	2023 at 31 July £	2022 at 31 July £
Cost at 31 July 2022 and 31 July 2023	<u>2</u>	<u>2</u>

Name	Country of incorporation or registration	Proportion of ordinary share capital held	Share capital and reserves at 31 July 2023
		%	£
NFTS Enterprises Limited	England and Wales	100%	2

During the year ended 31 July 2023, there was no trading activity through NFTS Enterprises Limited (2022 – Nil).

18 Stocks

	2023 at 31 July £	2022 at 31 July £
Production and post-production consumables	<u>14,775</u>	<u>9,086</u>

19 Debtors

	2023 at 31 July £	2022 at 31 July £
Trade debtors	2,969,166	2,657,603
Other debtors	16,677	16,116
Prepayments and accrued income	1,282,042	1,293,155
	<u>4,267,885</u>	<u>3,966,874</u>

All amounts shown under debtors fall due for payment within one year.

20 Creditors: amounts falling due within one year

	2023 at 31 July £	2022 at 31 July £
Trade creditors	709,103	759,305
Taxation and social security	365,320	329,341
Other creditors	128,043	75,992
Deferred income	6,236,125	7,841,846
Deferred capital grants	759,635	790,424
Accruals	547,040	439,965
Finance lease obligation	133,183	128,603
Bank loan (secured)	-	157,104
Sky loan (unsecured concessionary loan)	400,000	200,000
	<u>9,278,449</u>	<u>10,722,580</u>

21 Creditors: amounts falling due after more than one year

	2023 at 31 July £	2022 at 31 July £
Bank loan (secured)	-	117,858
Sky loan (unsecured concessionary loan)	600,000	800,000
Deferred capital grants	12,085,662	12,435,922
Finance lease obligation	35,083	168,265
	<u>12,720,745</u>	<u>13,522,045</u>

Maturity of debt	Loans £	Finance leases £	Deferred capital grants £	Total 2023 at 31 July £	Total 2022 at 31 July £
In more than one year but not more than two years	200,000	19,136	681,851	900,987	1,204,445
In more than two years but not more than five years	400,000	15,947	1,793,106	2,209,053	3,364,687
In more than five years	-	-	9,610,705	9,610,705	8,952,913
	<u>600,000</u>	<u>35,083</u>	<u>12,085,662</u>	<u>12,720,745</u>	<u>13,522,045</u>

21 Creditors: amounts falling due after more than one year (*continued*)

A £3m long-term loan facility repayable over 17 years was arranged with Allied Irish Bank (GB) in March 2007. This required the NFTS to register a fixed charge on its freehold land and buildings as security for this loan facility. The loan balance outstanding at 31 July 2022 of £275k was repaid in full during the year, and the charge released.

A £1m unsecured interest-free concessionary loan repayable over 5 years was arranged with Sky Plc in 2016. The first instalment payment of £0.2m due in December 2022 was not sought by Sky Plc whilst they consider converting the loan into a donation to the School.

22 Connected charitable institutions

NFTS Foundation is a charitable institution and is administered on behalf of the School, and established for its general purposes. NFTS Foundation is not consolidated in the financial statements, as the School does not have control over its activities.

By mutual agreement, all costs associated with the fundraising activities of NFTS Foundation are borne by the School.

The movements in the year on the total funds of NFTS Foundation, as reported in its own accounts for the year ended 31 December 2022, are as follows:

Opening balance	Income	Expenditure	Change in market value of investments	Closing balance
£	£	£	£	£
5,174,188	113,177	(172,926)	(618,939)	4,495,500

23 Analysis of changes in net debt

	2022 at 31 July	Cash flows	Non-cash movements	2023 at 31 July
	£	£	£	£
Cash and cash equivalents	5,928,001	(4,532,498)	-	1,395,503
Short term investment	-	3,000,000	-	3,000,000
	5,928,001	(1,532,498)	-	4,395,503
Obligations under finance leases	(296,868)	128,603	-	(168,265)
Bank loans	(274,902)	274,902	-	-
Other loans	(1,000,000)	-	-	(1,000,000)
	(1,571,770)	403,505	-	(1,168,265)
Net cash	4,356,231	(1,128,993)	-	3,227,238

24 Related party transactions

A number of the governors for the School are also officers, employees or consultants with industry organisations, which have provided grants, or entered into other transactions with the School during the period.

Name	Role at the School	Related Party Company	Role at Related Company	Nature of transaction	Value of transaction £
Sophie Turner Laing	Chair			Gala table and auction items Donation Reimbursement of travel expenses	8,050 20,000 1,972
Pukar Mehta	Governor	ITV Plc	COO Multistory Media	Key partner sponsor Provision of office space to the School free of charge Gala table	100,000 - 5,000
Phil Edgar-Jones	Governor	Sky Plc	Director of Sky Arts	Key partner sponsor Gala tables	185,000 17,900
Hilary Strong	Governor	International Literary Properties	CEO UK and Europe	Gala table	5,350
Charlotte Perry	Governor	BBC	Chief Content Officer	Key partner sponsor Provision of office space and facilities free of charge at BBC Scotland and BBC Cymru Wales Gala table Employees attending courses	500,000 - 5,000 15,527
Laurent Samama	Governor	Google Plc	Director of EMEA Partnerships	Gala table	5,000
Caroline Hollick	Governor	Channel 4	Head of Drama	Key partner sponsor Employees attending course and courses directly funded Gala table	219,000 127,530 5,350
Andrew Macdonald	Governor	DNA Films	Founder	Gala table	5,000
Miranda Wayland	Governor	Prime Video and Amazon Studios	Head of UK and Europe Creative EDI	Sponsorship Gala table	613,000 8,600
Sara Geater	Former Governor	All3Media	COO	Scholarships Gala table	10,000 8,600

During the year the NFTS Foundation made donations to the School totalling £150k (2022 – £144k), of which £70k was for scholarships (2022 – £64k).

During the year, the School paid grants to the NFTS Student Union of £25,770 (2022 – £20,866).

25 Pension scheme

The School's defined benefit pension scheme was established under an irrevocable Deed of Trust for its employees. Trustees accountable to the pension-scheme members manage the scheme. The scheme was closed to new members on 31 March 2000 and closed to accrual on 1 September 2006.

The latest triennial actuarial valuation of the scheme was at 31 March 2020. The triennial valuation was carried out using the projected-unit method. The assumptions, which have the most significant effect on the result of the valuation, are those relating to the rate of return on investments (i.e. the valuation rate of interest), the rates of increase in salary and pensions and the assumed rates of mortality. The financial assumptions were derived from market yields prevailing at the valuation date.

To calculate the technical provisions, it was assumed that the valuation rate of interest would be 5.2% per annum and pensions would increase by 3.1% per annum thereafter. The standard mortality table used to calculate both male members' and female members' mortality was the S3PMA/S3PFA light tables CMI Model 2022 (1.25%). The technical provisions relate to the past-service liabilities and funding levels.

At the valuation date, the value of the assets of the scheme was £5.2m and the value of the scheme's technical provisions was £8.2m indicating a deficit of £3m.

As part of this valuation, the trustees have determined, after consultation with the employers, a recovery plan to pay off the shortfall by 30 September 2029. This assumes experience up to that date is in line with the assumptions made for this current actuarial valuation and contributions are paid at £626k for the financial year 2023-24, and £626k per annum the following years up to 30 September 2029, increasing at 2% per annum. The contribution rate will be reviewed as part of each valuation and may be reviewed more frequently.

Surpluses or deficits which arise at future valuations may impact on the School's future contribution commitment. A deficit may require additional funding in the form of higher contribution requirements, where a surplus could, perhaps, be used to similarly reduce contribution requirements.

The Scheme invests in LDI as part of its matching asset portfolio. Since the year end, gilt yields have risen and the value of the Scheme's LDI funds has fallen significantly. However, this also means the liabilities will have fallen significantly. The funding position will be formally assessed at the 31 March 2023 actuarial valuation. At this stage, the Trustees and the Scheme Actuary still expect the agreed deficit recovery plan contributions to be sufficient to eliminate the funding deficit. The School therefore expects to pay £626,000 to the Scheme during the accounting year beginning 1 August 2023.

The trustees believe that, over the long-term, equity investment and investment in selected alternative-asset classes will provide superior returns to other investment classes. The management structure and targets set are designed to give the fund major exposure to equities through portfolios that are diversified both geographically and by sector. The trustees recognise that it would be possible to select investments producing income flows broadly similar to the estimated-liability cash flows. However, in order to meet the long-term funding objective within a level of contributions that they consider the employers would be willing to make, the trustees have agreed to take on a degree of investment risk relative to the liabilities. This taking of investment risk seeks to target a greater return than the matching assets would provide while maintaining a prudent approach to meeting the funds' liabilities. Before deciding to take investment risk relative to the liabilities, the trustees receive advice from their investment consultant and the scheme actuary, and consider the views of the employers.

At 31 July 2023, there were 29 deferred members and 36 pensioners of the scheme.

25 Pension scheme (continued)**Assumptions**

The financial assumptions used to calculate scheme liabilities under FRS102 are:

	2023 at 31 July	2022 at 31 July
Rate of increase in salaries	N/a	N/a
Discount rate	5.2% p.a.	3.5% p.a.
Inflation assumption – RPI	3.1% p.a.	3.1% p.a.
Inflation assumption – CPI	2.7% p.a.	2.8% p.a.

The most significant non-financial assumption is the assumed level of longevity. The following table shows the life expectancy assumptions used in the accounting assessments based on the life expectancy of male and female members.

	Male Pensioner	Male Non-pensioner	Female Pensioner	Female Non-pensioner
At 31 July 2022	86.3 years	87.7 years	88.8 years	90.2 years
At 31 July 2023	85.8 years	87.1 years	88.3 years	89.8 years

Scheme assets and expected rate of return

The expected return on assets has been derived as the weighted average of the expected returns from each of the main asset classes (i.e. equities and bonds). The expected return for each asset class reflects a combination of historical performance analysis, the forward-looking views of the financial markets (as suggested by the yields available) and the views of investment organisations.

The assets in the scheme were:

	2023 at 31 July £'000	2022 at 31 July £'000
Equities and property	1,191	1,718
Overseas equities	1,199	1,098
Liability driven instruments and diversified credit funds	1,874	3,239
Cash	133	103
Private markets	805	766

Total market value of the asset	5,202	6,924
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	2023 at 31 July £'000	2022 at 31 July £'000
Analysis of the amount shown in the balance sheet:		
Scheme assets	5,202	6,924
Scheme liabilities	(8,194)	(10,216)
Deficit in the scheme	(2,992)	(3,292)

25 Pension scheme (continued)

	2023 at 31 July £'000	2022 at 31 July £'000
Analysis of the amounts charged to the statement of comprehensive income:		
Interest and other finance costs:		
Interest income on plan assets	(244)	(130)
Interest cost on scheme liabilities	350	194
	<hr/>	<hr/>
Net finance cost	106	64
	<hr/>	<hr/>
Other comprehensive income:		
The actual return on scheme assets excluding interest income (loss)/gain	(2,086)	(1,377)
Changes in assumptions underlying the present value of the scheme liabilities	1,910	1,893
	<hr/>	<hr/>
	(176)	516
	<hr/>	<hr/>
	2023 at 31 July £'000	2022 at 31 July £'000
Analysis of movement in balance sheet deficit in the year		
Deficit in scheme at beginning of period	(3,292)	(4,237)
Net finance cost	(106)	(64)
Actuarial (loss)/gain	(176)	516
Contributions received	582	493
	<hr/>	<hr/>
Deficit in scheme at end of period	(2,992)	(3,292)
	<hr/>	<hr/>
Reconciliation of the fair value of plan assets		
Fair value of plan assets at beginning of period	6,924	8,114
Interest income	244	130
The actual return on scheme assets excluding interest income (loss)	(2,086)	(1,377)
Contributions by the School	582	493
Benefits paid	(462)	(436)
	<hr/>	<hr/>
Fair value of plan assets at end of period	5,202	6,924
	<hr/>	<hr/>
	2023 at 31 July £'000	2022 at 31 July £'000
Reconciliation of the present value of plan liabilities		
Present value of plan liabilities at beginning of period	10,216	12,351
Interest cost	350	194
Actuarial gain	(1,910)	(1,893)
Benefits paid	(462)	(436)
	<hr/>	<hr/>
Present value of plan liabilities at end of period	8,194	10,216
	<hr/>	<hr/>

Notes to the Financial Statements for the Year Ended 31 July 2023 (*continued*)

26 Indemnity insurance

During the year, insurance costing £14k (2022– £12k) was purchased to indemnify the governors and officers against default on their part.

27 Capital commitments

Provision has not been made for the following capital commitments:

	2023 at 31 July £	2022 at 31 July £
Commitments contracted for	550,484	362,798

28 Commitments under operating leases

Total rentals payable under operating leases:

	2023 at 31 July £	2022 at 31 July £
Payable during the year	83,548	106,070
Future minimum lease payments due:		
Not later than one year	76,914	83,548
Later than one year and not later than five years	84,608	161,522
Total lease payments due	161,522	245,070

29 Post Balance Sheet Events

On 13th October 2023, the conditions attaching to a legacy for the school were met allowing the transfer of an investment property asset and associated accrued income to be recognised. The estimated value of the investment property, based on probate value, is £300k.

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**Toby Elwes, cinematographer
of NFTS Graduation film *Dive*.**