

1 August 2021 - 31 July 2022

NFTS

**NATIONAL
FILM AND
TELEVISION
SCHOOL**

Our credits tell the story

Report & Financial Statements



Contents

Statements from the Outgoing Chair and Incoming Chair	3
Statement from the Director.....	7
Management and Advisors	9
Strategic Report.....	10
1 Objects, Strategy and Risk Analysis	11
1.1 Objects, Vision and Values	11
1.2 Outreach and Widening Participation	11
1.3 Community Engagement.....	12
1.4 Strategic Plan.....	12
1.5 Looking Forward	13
1.6 Key Performance Targets.....	13
1.7 Risk Analysis	14
2 Academic Review	16
2.1 Overview and Highlights.....	17
2.2 Learning and Teaching.....	17
2.3 “Bridges to Industry” and Masterclasses	19
3 Corporate Responsibility.....	21
3.1 Staff	22
3.2 Environmental Sustainability.....	22
3.3 Equality and Diversity.....	22
3.4 Trade Union Facility Time.....	23
4 Financial	24
4.1 Financial Review of the Year Ended 31 July 2022	25
4.2 Value for Money.....	26
4.3 Investments	27
4.4 Payment of Creditors.....	27
4.5 Accounting Systems and Processes	27
4.6 Going Concern	27
Statement of Public Benefit	28
Report of the Members of the Board of Governors Year Ended 31 July 2022.....	30
Legal Status	31
Responsibilities of the Board of Governors.....	31
Disclosure of Information to Auditor.....	32
Statement of Corporate Governance.....	33
Internal Control.....	33
Independent Auditor’s Report to the Board of The National Film and Television School	35
Financial Statements for the Year Ended 31 July 2022.....	39
Notes to the Financial Statements for the Year Ended 31 July 2022.....	43

Statement from the outgoing Chair



Patrick McKenna
speaking at the NFTS
2022 Graduation
Ceremony.

Statement from the Outgoing Chair

Outgoing Chair Patrick McKenna reviews the year, reflects on his time at the NFTS and picks some highlights from the last decade.

Can you describe the journey the NFTS has been on over the past ten years?

“The impact of the NFTS on the UK’s film, television and games industries has continued to be immense and I’ve really enjoyed being part of the journey. We have greatly expanded our educational footprint, with the growth of our state-of-the-art equipped premises in Beaconsfield and new teaching facilities in Glasgow, Leeds and Cardiff. The number of students taught has more than doubled, whilst progressive change in the gender and ethnic balance within the School’s student body is driving lasting change in the industry and increasing the off-screen diversity pipeline with each passing year.”

How would you summarise the NFTS’ place in the UK education and training landscape?

“The importance of the School to the overall vitality of the UK’s screen eco-system makes it more essential than ever. The screen sector is not just booming, it’s exploding. The UK has become a global production hub (film and high-end television spend increased from £3.4 billion in 2017 to over £6 billion in 2022) and we are on course to have more studio space than Hollywood within two years. Many more trained boots will be needed on sets across the country to match investment in training with the investment in infrastructure. The NFTS remains the epicentre of creative excellence and is laser focused on nurturing skilled craftspeople and visionary talents who are ready to make their mark on the industry.”

What’s been your highlight of the past year?

“It was a real honour to celebrate and reflect on the School’s golden anniversary throughout 2021, from the launch of the Google Arts and Culture Digital Archive to reuniting the industry at the 50th Anniversary Gala which raised critical funds for the next generation of NFTS students. Each year, the School further strengthens its connections with industry, and welcoming Prime Video as a key partner was a landmark collaboration that will pay dividends for years to come. The continuing support we receive from all our industry partners is critical to the future growth and sustainability of the School.”

What has been a favourite or personal highlight from the last ten years?

“Since I’ve been Chair, it’s been a joy to witness the School achieve so many important milestones. In particular, seeing the NFTS become the first ever film school to win the Queen’s Anniversary Prize for Higher and Further Education, and the first educational institution to be awarded a BAFTA for Outstanding British Contribution to Cinema were stand out moments. I’m also very proud of how the School navigated its way through the pandemic. Landing its recent spot on The Hollywood Reporter’s Top 15 International Film Schools for the 12th year running was hugely well deserved and testament to the consistent hard work of staff, students and graduates.”

What’s next?

“The NFTS has been a huge part of my life for the last ten years. I shall miss it tremendously but the foundations are strong, the leadership is first class and I’m confident that it will continue to go from strength to strength. It has been a real privilege to be involved and I wish Sophie Turner Laing all the best as she takes up the reins as the new Chair.”

Patrick McKenna

Outgoing Chair of the Board of Governors

NFTS New Chair
of Governors
Sophie Turner Laing.



Statement from the new Chair

Statement from Incoming Chair, Sophie Turner Laing

I am enormously honoured to join the National Film and Television School at such a vital time in the creative industries. Having previously served as a board member, I've seen first-hand the critical importance the School plays in training the next generation of talent within film, television and games. I am excited and proud to help build on its legacy and steer this incredible institution as it begins a new phase.

There is still so much to achieve and we are truly in a unique position to supercharge the offering of the NFTS. Setting out the objectives for our new Corporate Plan will be an immediate priority as we focus on the future and further cement our reputation as a hothouse for the most highly-skilled and sought-after creative talent, both in the UK and globally.

The School continues to produce talented, creative professionals who are much in demand by the broadcasters, streaming and games companies, and I particularly value the close working relationship the School has with all its industry partners and appreciate their continuing support.

With global, political and economic forces riven with fault lines and fractures, the School is once again entering a turbulent period and we face many challenges ahead. Forward thinking market-trend based strategies will need to be implemented to ensure the NFTS continues to innovate so we can effectively serve the requirements of our students and the wider industry. The way content is created is continuously being revolutionised and it is critical the NFTS remains in lockstep with emerging technology so we can demonstrate and share best practice.

Doubling down on our commitment to improving diversity and inclusion behind the camera continues to be crucial to ensure students from all backgrounds are able to access and benefit from the School's world class teaching.

I am passionate about ensuring the School continues to deliver the transformational education it is renowned for the world over. I've received a hugely warm welcome as Chair and I look forward to working closely with each of you to support the growth of the NFTS – a special place that has proved itself indispensable to the future of the screen sector in the UK and beyond.

Sophie Turner Laing

Chair of the Board of Governors

Jon Wardle with Danny Boyle
during a Masterclass this year.



Statement from the Director

Statement from the Director

With the global pandemic receding and life and work beginning to return to 'normal', our focus over the past 12 months has been on delivering the best in-person student experience possible and ensuring our graduating students are well supported to kick-start their careers.

A bright and exciting future awaits – the current demand for talent behind the camera is at levels we have never experienced before so it's an opportune time to be graduating. The success of recent graduates such as Adiescar Chase, who shortly after leaving us was chosen to be the composer for the LGBTQ+ global success story *Heartstopper*, and Marcus Thomas being picked up pre-graduation for a prestigious directing mentoring scheme on *House of the Dragon* also speaks to that.

Once more, I would like to express my enormous gratitude to our incredibly resilient students and staff. It is thanks to the hard work and dedication of everyone that we have been able to withstand the rollercoaster ride of the pandemic without too many bumps and come out the other side, ready to forge ahead with renewed drive and energy.

As we focus on the future and build on our existing success, I am pleased to report we have delivered on many areas of our current Corporate Plan which is reaching maturity:

- Our commitment to addressing industry skills gaps continues apace as we develop and launch new specialist courses. In January 2022 we welcomed the first intake of 15 students to the 'industry first' Virtual Production Certificate in partnership with Warner Bros. Discovery, and in response to industry demand for accountants reaching record levels, we re-launched our Production Accounting diploma, in partnership with Disney.
- We signed a landmark new partnership agreement with Prime Video as they became the first streaming service to join the School. In a year where we welcomed our most diverse student cohort yet, the deal further cements our commitment to empowering positive change by supporting a wider and more diverse talent pool to enter the industry.
- Working closely with Channel 4, we delivered a nationwide tour of Taster Days to extend our outreach activity, offering hundreds of people throughout the UK the chance to discover new careers in film and television. The tour visited a range of locations the length and breadth of Britain including Belfast, Birmingham, Bristol, Cardiff, Leeds and Newcastle.
- We rolled out a new Environment and Sustainability Strategy to ensure the School reduces its carbon footprint and better manages our finite resources. Progress has been swift over the past nine months, with initiatives to cut waste, increase natural light and ventilation, reduce gas and electricity consumption and embed the principles of sustainable production across the School.
- We are now nearing the final stages of applying for Degree Awarding Powers and hope to be successful in our application during the next 12 months.

This year marks the end of Patrick McKenna's time as Chair of the NFTS Board of Governors. I would like to thank Patrick for the invaluable support and advice he has given to me personally, and to the School more broadly during his tenure. He has done a superb job and the School is in rude health.

I'm thrilled Sophie Turner Laing has been appointed as our new Chair. Sophie's appointment ushers in an exciting new chapter for the NFTS and I'm confident she will help the School reach ever greater heights. She will be a formidable advocate for the NFTS and all its values.

As the School enters a thriving new era, I look forward to setting the bar ever higher as we continue to push the boundaries of what is possible for the National Film and Television School.

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

Beaconsfield Studios
Station Road
Beaconsfield
Buckinghamshire
HP9 1LG

External Auditors

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

Internal Auditors

KCG
7 Bell Yard
London
WC2A 2JR

Bankers

Lloyds Bank PLC
25 Gresham Street
London
EC2V 7HN

Solicitors

Eversheds Sutherland LLP
1 Wood Street
London
EC2V 7WS

Actuaries

First Actuarial LLP
Mayesbrook House
Lawnswood Business Park
Leeds
LS16 6QY

Strategic Report



Prime Video became a key partner sponsor of the School, launching a new Directors Workshop.

This report reviews the National Film and Television School (the 'School') activities for the year ended 31 July 2022 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 2023 Vision, which is outlined in the School's Strategic Plan (see section 1.4).

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, TV and games makers.

The NFTS leads the way in bringing forward the best film, TV 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 £1.74m in financial aid to students during the year;
- ii) The School delivered the BFI Film Academy Residential in April 2022 working with 66 young people from across the UK to make six short films;
- iii) For the fifth year running, the School ran a commercials competition for pupils at local colleges and sixth forms, in partnership with the Buckinghamshire Skills Hub. This involved presentations and advice for classes at ten schools in the county and a live masterclass for each school. This year, teams were also mentored by NFTS Directing Commercials' Students;
- iv) 'Creative Careers Clinics' continued to grow with 15 held during the year, each focusing on a different behind-the-camera subject, with almost 1,300 people signing up across all events. The clinics have helped establish relationships with careers departments in a range of universities across the country;
- v) Access NFTS 'Experience' events have run regularly this year for the first time and have proved popular with FE Colleges/Sixth Forms;
- vi) The School successfully ran three UK Tour events this year. These events were extended in terms of length and offered a broader range of workshops. This proved popular with all events being fully booked in Birmingham, Cardiff, Aberystwyth and Bradford. Audiences were a mix of community hubs, schools, colleges, and universities alongside the public events;
- vii) Informal virtual sessions, titled 'Access NFTS: In Conversation', were introduced to the programme. 30 sessions were delivered with NFTS Students past and present from a range of backgrounds and disciplines. The aim of these sessions was to introduce career roles, the skills and qualities needed

- and to demonstrate pathways into the field from a relatable source. We also piloted a Directors' Panel, showing the differences in roles across the various areas;
- viii) Work continued with our partners the Ghetto Film School who held their longest residency at the NFTS working with 15 NFTS students from Cinematography, Production Design, and Sound Recording and Assistant Directing courses. We also provided students for two in-person masterclasses in London;
 - ix) The School linked with the National Saturday Club to organise a whole-day workshop at the NFTS to tie into their new film and media stream;
 - x) The School strengthened its visibility and support of the local area in Buckinghamshire. As well as participating in the annual Bucks Virtual Showcase and Bucks Skills Show attended by 4,000 young people, the School also supported the first Bucks Special Educational Need and Disabilities skills show for those with special educational needs. Alongside this, the School attended eight careers events in schools and colleges in the local and surrounding areas;
 - xi) The School ran its first targeted event for those from ethnically diverse backgrounds. The 'NFTS for You' event was well attended and incredibly well received by attendees. As a crossover event with recruitment, it was also successful in converting some attendees into students, particularly for the Filmmaking Certificate; and
 - xii) The School successfully launched the Care Covenant. The NFTS offer is now live online. This year we will look at similar ways to support other minority groups.

In total the School delivered 98 events, engaging with 5,538 people.

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

2021-22 was the penultimate 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 is focused are:

- 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 last 12 months. Specifically:

Creating Opportunity

- Completed the increase in the annual student intake in the core film and television production disciplines from eight to ten;
- Developed new provision in Virtual Production;
- Minimised fee increases for home students, ensuring that the impact of any increases on our diversity and inclusion targets is carefully assessed; and
- Utilising alumni, current students and School staff as School ambassadors, delivered a programme of targeted events held throughout the year across the UK, locally and online.

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; and
- Signed a new Key Partner Sponsorship agreement with Prime Video, which further strengthens the School's delivery activity in the nations and regions.

Exploring Future Storytelling

- Developed and funded new immersive storytelling productions; and
- Facilitated placements for specialists from film, television and games to explore the opportunities of immersive storytelling.

Unlocking and Celebrating our Legacy

- Restored key sections of cultural importance of the School's archive of graduation films and launched them online via a new Google Arts and Culture portal;
- Identified and delivered a number of events and activities to share the story and history of the School and to celebrate the School's 50th anniversary with a range of stakeholders; and
- Delivered a very successful 50th 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;
- Worked with the Quality Assurance Agency as they assessed our application for 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

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 the very positive industry responses to the School's 50th anniversary celebrations and our position in the Hollywood Reporter's listing of top international film schools;
- The School's relationship with industry is strengthening further every year 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; and
- The School continues to make good progress in its efforts to widen access to its provision for British students from diverse backgrounds.

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:

		2021-22 (Target)	2021-22 (Actual)	2022-23 (Target)
1	Creating Opportunity			
1.1	Number of students	717	732	732
1.2	Percentage of ethnically diverse students	23%	26%	26%
1.3	Percentage of students from low socio-economic backgrounds	17%	12%	20%
2	Working UK-wide			
2.1	Number of professionals trained at hubs outside of Beaconsfield	740	855	1,022
3	Unlocking and Celebrating our Legacy			
3.1	Funding for annual scholarships and bursaries	£1,129,000	£1,739,660	£1,179,000

		2021-22 (Target)	2021-22 (Actual)	2022-23 (Target)
4	Building on our Success			
4.1	Student satisfaction	83%	79%	84%
4.2	MA students in graduate-level jobs within six months of graduation	93%	86%	94%
4.3	Staff satisfaction	90%	90%	90%

Creating Opportunity – 2021-22 saw the successful recruitment of a second cohort of ten students to the core production MAs, bringing these courses up to capacity. Further, student recruitment in the year has been buoyed by delivering two cohorts of the Certificate in Filmmaking and a new Certificate in Virtual Production.

The School's campaign to recruit more students from ethnically diverse backgrounds continues to make progress, with students from ethnically diverse backgrounds now making up 26% of the MA/diploma student intake in 2021-22.

Engaging students from low socio-economic backgrounds remains a challenge for the School. 12% of the 2021-22 intake identified as being from a low socio-economic background.

Working UK-Wide – the ongoing effects of the Covid-19 pandemic at the start of 2021-22 hampered performance at the regional hubs, with the devolved governments more circumspect in the relaxation of Covid restriction. Notwithstanding that, the hubs still managed to engage with 855 participants through a mixture of face-to-face and online courses.

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 2021-22, securing new funding from the NEOM Group to provide scholarship funding for a further cohort of emerging Saudi Arabian talent. This has enabled a number of talented Saudi students to join the School MA courses and for others to enrol on the Certificate in Filmmaking course.

Building on our Success – The School missed its target for student satisfaction of 83%, but at 79% is still a strong result as the student body surveyed were most affected by the Covid pandemic through 2020 and 2021.

Student employability was down on target at 86%; the graduates surveyed were those who graduated in March 2020, the start of the Covid-19 pandemic, and have found it hard to progress their careers.

Staff satisfaction in 2021-22 increased to 90%, with more staff expressing that they are “proud to work for the NFTS”.

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.

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 solving problems of 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 broadly in line with the previous year. However, some courses are feeling increasing recruitment pressures given the plethora of paid entry-level roles now being offered by production companies in a booming market.
- **Government and public body funding** – the continued financial support of the DCMS, BFI and the OfS remain essential to ensure the School can maintain its quality of high-cost provision as the UK's national centre of excellence for education and training in film, games and television programme making. The School continues to engage the Government and public body funders to make clear the enormous economic and cultural value the School's graduates provide to the economy and society.
- **Cost inflation** – the School has been proactive in fixing its cost base for the coming financial year. An affordable pay award was agreed with staff for the year commencing August 2022. Further, the School fixed its gas and electricity contracts for 2022-23 to protect itself against the recent surge in energy prices.



Academic Review

A Graduation Fiction
film shoots an animated
sequence on the stage.

2 Academic Review

2.1 Overview and Highlights

The School continued to demonstrate remarkable success in 2021-22, as its filmmakers garnered accolades in a range of divergent festivals and competitions, receiving recognition around the world from industry for the quality of their work. Awards included a BAFTA award, a prize at the Cannes Film Festival; a Grierson award; an Annie award; a Golden Reels win; prizes at the Cannes Lion International Festival; wins at Jackson Wild and multiple Royal Television Society Awards.

Despite only being in its fourth year, the Science and Natural History course continues to excel with prizes at both Jackson Wild and NaturVision for graduation work.

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: 2021-22

- Cinematography
- Composing for Film and Television
- Creative Business for Entrepreneurs and Executives (in partnership with Ingenious, Saffery Champness, and Lee & Thompson)
- Digital Effects
- Directing Animation
- Directing Fiction (in partnership with the BBC)
- Directing Documentary (in partnership with the BBC)
- Directing and Producing Science and Natural History (in partnership with the BBC)
- Directing and Producing Television Entertainment (in partnership with the BBC)
- Editing
- Film Studies, Programming and Curation (in partnership with the BFI)
- Games Design and Development
- Marketing, Distribution, Sales and Exhibition (in partnership with UKCA)
- Producing (in partnership with the BBC)
- Production Design
- Screenwriting (in partnership with the BBC)
- Sound Design for Film and Television

Activity: One-Year to 18-Month Diploma Courses: 2021-22

- Assistant Camera (focus pulling and loading)
- Assistant Directing and Floor Managing (in partnership with the BBC)
- Cameras, Sound and Vision Mixing for Television Production (in partnership with Sky)
- Creative Producing for Digital Platforms (in partnership with Sky)
- Directing Commercials (part-time) – (in partnership with D & AD)
- Factual Development and Production (part-time) – (in partnership with Discovery Networks International)
- Motion Graphics and Titles (in partnership with Sky)
- Model Making for Animation (in partnership with Aardman and Mackinnon & Saunders)
- Production Accounting for Film and Television (part-time) – (in partnership with the Production Guild)
- Production Management for Film and Television (in partnership with the BBC)
- Production Sound for Film and Television (in partnership with Sky)
- Script Development (part-time) – (in partnership with the BBC)
- Sports Production (in partnership with IMG)
- Writing and Producing Comedy (part-time) – (in partnership with the BBC)

Activity: Certificate Courses: 2021-22

- Casting (supported by The Casting Directors' Guild of Great Britain & Ireland)
- Character Animation (in partnership with Aardman)
- Filmmaking
- Location Management for Film and Television Production
- Post Production Supervision (in partnership with WarnerMedia and Netflix)
- Producing Your First Feature
- Screenwriting: Finding Your Voice
- Script Supervision and Continuity for Film and Television (in partnership with the BBC)
- TV Drama: Creating the Bible (in partnership with All3Media)
- Virtual Production (in partnership with Warner Bros. Discovery)

NFTS Scotland

NFTS Scotland had a busy and productive year with externally funded activity being delivered alongside the core slate of courses. NFTS Scotland ran 40 courses for 308 participants across short courses, three certificates and the Production Accounting diploma. Despite continuing challenges posed by the pandemic restrictions earlier in the year 18 courses were delivered in person with the remaining 22 being run online.

NFTS Scotland has made a strategic choice to continue to keep a number of courses online for two main reasons: accessibility and affordability. The hub is attracting participants from a wider geographic area as well as those with disabilities with many of these participants unable to undertake the training if it was in person, particularly for the certificate and diploma courses.

During the financial year Disney sponsored the Production Accounting diploma with senior financial staff from Disney in the UK and USA delivering extra-curricular sessions for the class, and Paul Steinke, the Senior Vice President of Production Finance for Disney, is planning to meet the students at Disney's base in Pinewood when he visits later this year.

NFTS Scotland has also delivered a programme of short courses for Screen Skills Ireland, an Introduction to Production Accounting course funded by the Scottish Government's National Transition Training Fund; Early Entrant Pathways: a series of seven introductory courses for early entrants funded by ScreenSkills and delivered in partnership with BECTU Vision; a Female Doc Shooters course, funded by Channel 4 and BBC; and as part of the ongoing partnership with Channel 4, delivered a week of online sessions to around 900 attendees.

NFTS Leeds

NFTS Leeds has seen a marked difference across the year as the restrictions during the pandemic were lifted. Courses including directing, writing and camera seem to have the most positive response with the hub successfully delivering numerous courses across these three areas over the year.

NFTS Leeds continued delivery of training for the Beyond Brontes programme, which saw 36 participants attending introductory courses in self-shooting and editing. The hub has widened activity and is now beginning to offer more bespoke training including a directing programme for BFI Network North and delivering online overseas drama production management training. Also, the hub successfully recruited 11 participants for the screenwriting certificate Finding Your Voice, is developing a second certificate in partnership with ITV in script supervision, and has also devised a six-month programme of training, in partnership with 4 Skills, which involves training new entrants into the industry. The majority of this new activity will be delivered in the financial year 2022-23.

NFTS Cymru Wales

Since launching in September 2021, the Wales hub has delivered 39 training courses to 257 participants. The majority of the courses have taken place in Cardiff but they have also delivered in Carmarthen, Caernarfon, Aberystwyth and Anglesey, with some courses also delivered online. Partnerships have been formed with seven production companies and one FE College, connecting the hub with industry right across Wales.

NFTS Cymru Wales has launched a certificate course, Screenwriting (*Finding Your Voice*), and the majority of participants on the course have received a bursary award to attend. As at 31 July 2022 a total of £37k of bursaries have been funded by the Welsh Government, with the majority of the awards covering 80% of the course cost.

Through various outreach activities, the hub has engaged with well over 500 people since September 2021. This has been through visits to colleges, careers fairs, free access events and masterclasses. The most recent masterclass featured Euros Lyn and Diana Olifirova (the director and DoP of *Heartstopper* respectively) which sold out in a matter of days with 230 participants in attendance. The hub has also been leading on the delivery of 28 Taster Days funded by Channel 4. These free training days are aimed at those from a lower socio-economic background and they have so far been attended by 151 participants, leading to increased applications from across the nations and regions to the School's certificate courses.

Short Courses at Beaconsfield

During 2021-22, the Short Courses team ran 112 predominantly face-to-face but also online courses, training 1,000 individuals including employees sent by Studio Canal, Kudos Film & TV, AMC Networks, Fulwell 73, FIFA, BFI, BBC, Channel 4, STV, UKTV, Angelica Films, IMG, British Council, Boom Cymru, Warner Bros, Noah Media, Emporium Productions, Cwmini Da, ITV, Formidable Media, FilmNova, Studio Lambert, Working Title Films, LeftBank Pictures, Big Talk Productions, Aardman and Netflix.

Short Courses also continued to deliver four part-time Diplomas – Script Development, Writing and Producing Comedy, Factual Development and Production, and Production Accounting (in partnership with Disney and NFTS Scotland), graduating a total of 58 students in March 2022.

In addition to the above, in the last six months Short Courses has produced 15 comedy graduation films, delivered an eight-week Writing the Bible Certificate course, a nine-week Directors Programme for NYU, three eight-week Short Film Lab online courses, and a four-week Summer Directors Series with a second Winter Series already fully booked for November.

Curriculum, Recruitment and Access

The Covid-19 pandemic continued to impact aspects of production, and some teaching activities, but the vast majority of delivery was able to continue in person throughout the year. All students graduating in 2022 had a full portfolio of production work.

The School's Academic Standards Committee (ASC) continues to monitor the curriculum – recognising and disseminating good practice and making suggestions for enhancements – in the context of the Annual Course Evaluation process. In July 2021, the School's ASC held a specially convened session with the presence of Board members to allow robust questions to be asked about the School's current quality arrangements, and assurances were given and received regarding academic standards, and the appropriateness of the School's quality assurance and enhancement mechanisms.

The School's Validation Agreement with the Royal College of Art (RCA) with respect to the MA Film and Television was renewed in 2021 and remains in place until the end of December 2025.

The School is currently in the process of applying for degree awarding powers. The RCA have confirmed that they remain happy to accredit the School's Master's degrees until such time that the School secures its own degree awarding powers.

Student numbers increased from 661 to 732 in 2022, reflecting the students participating in the new Virtual Production Certificate course and other blended learning courses.

The School has a responsibility to include voices that represent the full diversity of British society in 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 (see section 1.6 Key Performance Targets). 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 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. A focus is now being placed on disability, to ensure that disabled applicants and students receive the support and adjustments they need to be successful.

The School recognises that the work it is doing to increase diversity within the creative industries needs to be continued, especially in the area of socio-economic diversity. A number of targeted initiatives have been undertaken to address underrepresentation including entering into an Early Stage Access and Diversity Accelerator Programme agreement with BFI, which aims to deliver a fully diverse and inclusive 'UK-wide' education and training programme that improves access for talent to the film and television industry, and partnering with Amazon Prime to establish a new Prime Video Craft Academy offering paid traineeships in a craft specialism on a UK-produced Amazon original series.

Student feedback remains very positive. The results of the 2021 annual student survey demonstrated that, once again, the majority of students are very satisfied with their experience at the School.

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.

In the Overall Assessment, 39 students were awarded an Excellent (compared with 46 in 2021 and 52 in 2020), 74 a Very Good (compared with 72 in 2021 and 69 in 2020) and 18 a Good (compared with 27 in 2021 and 26 in 2020). There were also 2 Passes (compared with 3 in 2021 and 2 in 2020). There were no Fails (compared with no Fails in 2021 and 1 Fail in 2020).

2.3 “Bridges to Industry” and Masterclasses

The School's students had the opportunity to attend 40 masterclasses during the year. These included a range of in-person, online and hybrid events to provide maximum opportunities and access.

Strategic Report for the Year Ended 31 July 2022 (*continued*)

Several of our online masterclasses run by the School's hubs were open to the wider public as well as the School's students, to help promote and raise the profile of the hubs and their courses whilst also providing an inclusive service to aspiring filmmakers.

The masterclasses aimed to encompass a diverse range of guest both in terms of their work and themselves.

Guests included: directors and writer-directors Denis Villeneuve, Prano Bailey-Bond, Ryusuke Hamaguchi, Michael Pearce, Joe Wright, Sara Sugarman, Reggie Yates, Sarah Gavron, Alice Seabright and Danny Boyle; writers Neil Gaiman, Eric Roth and Adam Kay; documentary makers Louis Theroux, Orlando von Einsiedel and Asif Kapadia; editors Maya Maffioli and Eddie Hamilton; animation writer-directors Domee Shi, Phil Lord, Chris Miller and Joanna Quinn; executive and founder of The Black List, Franklin Leonard; composer Natalie Holt; cinematographers Benjamin Kracun and Diana Olifirova; science and natural history commissioner and executive Tom McDonald and actor Martin Freeman.

The Bridges to Industry project with Film4, *Joy* (formerly known as *Beyoncé Almighty*) was selected for the BFI London Film Festival, and two Kickstarter Bridges to Industry shorts *Dragged Up* and *Birthday Boy* were selected for the Iris Prize festival, resulting in them being made available on Channel 4's online streaming platform All4.

The Bridges to Industry short with BBC Film *Original Skin* by Mdamiri A Nkemi, successfully shot and is in post-production, and another BBC Film Bridges to Industry *Shé* by Renee Zhan is in script development. The BBC renewed the scheme and following a strong field of submissions selected *Stomach Bug* by Matty Crawford, which will now begin script development.

Students successfully completed two immersive VR experience projects for a Bridges to Industry project with StoryFutures Academy – *Midnight Story*, directed by Antonin Niclass, an immersive extension to his BAFTA winning NFTS graduation animation film; and *Seeds of Life*, directed by Christine Saab and Leto Meade, an original immersive experience exploring the connectivity of nature. StoryFutures Academy have now launched a further round of the Bridges to Industry, which has been offered out to graduates, to make a VR piece to be delivered in March 2023.

Graduates were also offered the opportunity to make a Bridges to Industry piece promoting the work of the Wiener Holocaust Library. Filmmaker Jonathan Glazer, a trustee of the Wiener Holocaust Library, was involved in the shortlisting, pitching and selection process. The library were so impressed by the proposals that not only did they select *Witness* by Katia Lom, but decided to make extra funds available to also commission *An Audio Testimony* by James Alexandrou. Both pieces are now in development and pre-production with delivery scheduled for autumn 2022.

Corporate Responsibility



Access NFTS Summer Sessions
saw over 120 young people
take part in 9 workshops

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 and all staff have an annual appraisal.

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 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 regularly supports teaching staff to complete the HEA Fellowship Programme with three cohorts now having completed or completing their Fellowship accreditation, and a further cohort beginning the programme in November 2022. 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.

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 was formed, drawn from a range of staff and students from across the School, bringing expertise in facilities management, engineering, production management, marketing, finance and the curriculum, all committed to improving the environmental sustainability of the School. The Student Union President is also a member of the team, providing input from the wider student body.

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

- Investment in new sub meters and reconfiguring the Building Management Systems (BMS) to target inefficiencies and reduce consumption;
- Developing new recycling and waste reduction strategies;
- Installed more LED lighting, both in buildings and on production; and
- Slowly increasing awareness and changing behaviours through regular communications with all staff and students.

It is early days, but the School has already seen a 13% reduction on electricity and gas consumption.

During the year, the School was successful in its bid to the Office for Students for £0.8m of capital funding to update its production lighting equipment to LED. The new lighting is in place for the summer 2022 graduate production season, and we expect to see a marked reduction in emissions from productions in 2022-23.

In addition, in response to the ongoing energy crisis, the School fixed its energy prices up to September 2024. In doing so, the School took the opportunity to embrace greener and more sustainable sources of supply, with gas to be sourced from biomethane – gas sourced from farm and animal waste, which is virtually carbon neutral – from September 2022. Further, the School has contracted to source 100% of its future supply of electricity from renewable sources, such as solar, tidal and wind, from September 2024 when the current contract ends, further reducing the School's carbon emissions.

Plans for 2022-23 include developing a new travel plan to encourage changes in behaviours and use of greener modes of transport, and to scope the financial viability of capital investment in areas such as solar panels and heat pumps to further reduce consumption and make the School more environmentally sustainable on an ongoing basis.

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 policy 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 anti-racism commitment is available from 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 2021 to March 2022, the amount of time spent by staff on trade union activities and the cost related to that time was:

- Number of trade union representatives 3.
- Time spent on union activities by these employees was in the band 1% to 50%.
- School's total staff cost £6,885,602.
- Cost of time spent on union activities £2,312.
- 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 1.1%.



Financial

During the year the NFTS held two fundraising galas to raise vital funds for Scholarships and course enhancement.

4 Financial

4.1 Financial Review of the Year Ended 31 July 2022

As the School emerged from the challenges of the Covid-19 pandemic through 2020-21, the School approached the new financial year with renewed confidence. This is reflected in the growth of activity over the last 12 months, including the recruiting of a second cohort of ten students per class on the core production MAs (previously cohorts of eight), launching a new course in the emerging field of Virtual Production, and further growing capacity in response to the increase in demand for the School's courses in Post Production Supervision and Filmmaking.

Over the last 12 months, the School has seen revenue grow by 19% to £19.2m (2020-21: £16.2m). Income from tuition fees grew 13% with the increase in the core production MA class sizes and the launch of a new course in Virtual Production. The School also welcomed new industry partners, with Amazon joining to sponsor a new training academy from 2023, and Disney partnered with the School to sponsor the School's Production Accounting diploma.

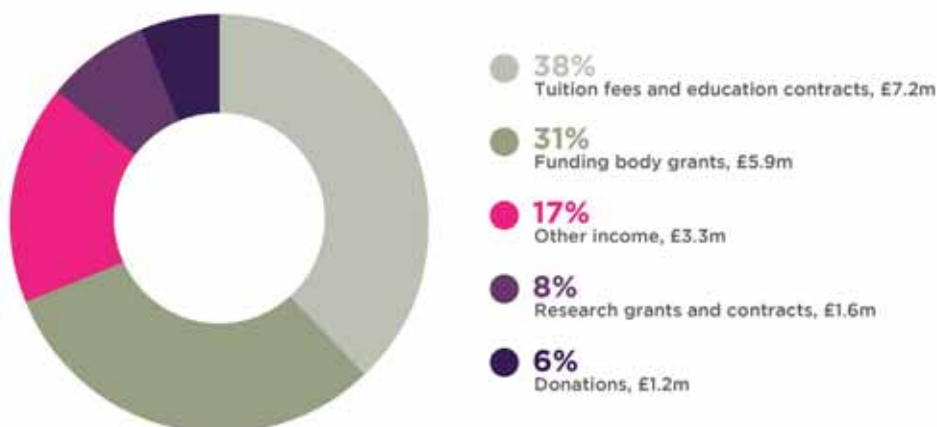
Income from Funding bodies grew 10% in the period, reflecting an increase in OfS funding in line with the growth of fundable students. During the year, the School also utilised funding provided by the Welsh Government to enable the launch of courses out of the School's new regional hub based in Cardiff.

The School's research into immersive storytelling continued through 2021-22 funded by £1.6m of research funding provided by Research England.

Other income grew by 74% from £1.9m to £3.3m, due primarily to the return of the School's annual gala to raise new funds for the School and to fund the ever-increasing demand for scholarship funding to support new and emerging talent. The 2021 annual gala was postponed from June 2021 due to the pandemic and held in September 2021, celebrating the School's 50th anniversary. The event was well attended, being one of the School's first major face-to-face events since the pandemic, raising over £200k specifically targeted to fund new scholarships in 2021-22.

The 2022 annual gala returned to its usual slot in June 2022 and was equally successful, raising over £500k to support the School and its future students.

Income 2021-22 (£'millions)



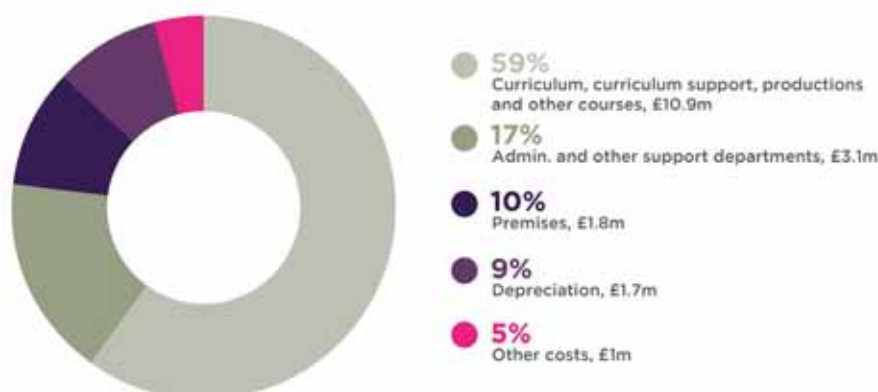
The School continues to maintain its significant student financial support programme through bursaries and scholarships programmes. The combined scholarship and bursary support for the year was £1.7m and covered approximately 23% of the total tuition fee income for the year. The School's bursaries are 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.

2022 has proven considerably challenging from a cost perspective, with the surge in 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, including fixing its energy costs going forward in the face of ever-rising prices, pre-ordering major goods and equipment and keeping a tight rein on budgets.

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 2021-22 (£'millions)



Overall, the School delivered a net surplus of £0.7m, a significant improvement on its performance in 2020-21 of £0.1m, which was greatly impacted by the pandemic. The actuarial valuation of the deficit on the School's closed defined benefit scheme has decreased by a further £0.9m, reflecting the School's increase in financial contributions to ensure that the School brings the Scheme deficit in balance by 2029 and the reduction in the valuation of future liabilities in the face of strong bond yields.

The School's net assets increased to £13.4m as at 31 July 2022 (2021: £12.1m), reflecting the operating results for the year above and an actuarial gain of £0.5m on the School's defined benefits scheme as highlighted above.

The School has generated positive cash inflows of £0.9m from operating activities compared with positive inflows of £2.9m in 2020-21 (see page 42 Statement of Cash Flows). The prior year included a £2.1m advance payment of funding from AHRC following the extension of the Immersive Storytelling research project to March 2023.

During the year, the School invested £1.8m in new equipment and facilities, reflecting the School's commitment to ensure that its students are trained on industry-standard tools and equipment. This investment also included £0.8m of new production lighting replacing its old tungsten lighting to more environmentally sustainable LED lighting, funded through a capital grant secured from the OfS.

Overall, the School delivered a balanced cash flow for the year to 31 July 2022 and cash reserves remain sufficient for the foreseeable future.

The School's results meet the financial covenants on the School's bank loan now held with Allica Bank.

4.2 Value for Money

2021-22 was another year of major capital investment, funded in part by the School's successful bid to the Office for Students for £800k to update the School's production lighting. 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 the lighting equipment and other capital expenditure, equating to procurement savings of approximately £643k on retail prices.

From a student perspective, the School continued to offer face to face learning for all its full-time courses throughout 2021-22, and all students were able to show a complete portfolio of work at the Graduation Screenings. 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

Prevailing rates on short to medium term cash deposits remained low through the majority of 2021-22, with increases in rates seen towards the latter half of the year in the face of rising interest rates. The School will look to place any surplus cash on deposit through the next financial year as interest rates continue to rise.

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 successfully implemented a new finance system – ACCESS Workplace – in August 2019. The School continues to invest in further modules of the system to drive further efficiency and effectiveness, with plans to launch a new fixed asset register in the new financial year.

4.6 Going Concern

The Board of Governors have reviewed the School's projected results to July 2027 as part of the School's rolling five-year forecast to assure themselves that the School is a going concern.

Demand for places at the School remains high with application numbers for courses starting in September 2022 and January 2023 in line with the previous year.

In July 2022, the OfS confirmed that the School's application to renew its Specialist Provider funding was successful, with funding secured for another five years.

The majority of the School's industry partners are on multi-year sponsorship contracts. Of those contracts ending in 2022-23, new three-year contracts were agreed with Channel 4 and Sky Plc, and ITV Plc have renewed their funding for a further 12 months. The School's annual funding with the BFI totalled £770k for 2021-22 and runs to March 2023. The BFI has recently published its new ten-year strategy; the School is currently reviewing the BFI's new objectives to identify those priorities that the School is best placed to bid for and support the BFI's ambitions.

Cash flow projections for 2022-23 remain positive, with funds projected to grow through the year. The School has low debt exposure and continues to operate well within its loan covenants.

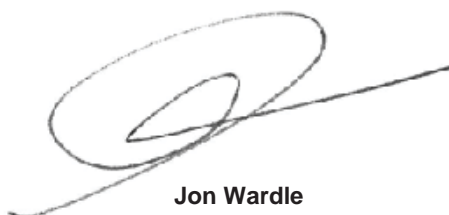
Based on the assessment above, the governors consider the School to be a going concern.

Signed on behalf of the Board of Governors



Ian Lewis

Deputy Chair



Jon Wardle

Director

Date: 22 November 2022

NFTS hosts local Ukrainian refugee families to a special screening of Paddington Bear.



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.

The School is one of the top postgraduate institutions of its kind, and has been recognised as such this year through its inclusion in The Hollywood Reporter's Top International Film Schools list for the twelfth consecutive year. The School offers a transformative experience to students who go on to play a significant role in our cultural life through their work in the film, television and games industries. NFTS alumni have won 13 Oscars, 152 BAFTAs, and 15 Emmys, and been nominated dozens of times for each.

The School provides postgraduate programmes in a range of film, television and games disciplines on a not-for-profit basis, including 17 masters courses, 14 full and part-time diploma courses and 10 certificate courses, with 732 students in 2022. The School is committed to ensuring it is open to students of genuine ability, no matter what their background or financial circumstances. As an institution that develops the next generation of creative talent, the School takes a special responsibility to ensure our creative industries reflect the full diversity of our country. As such, the School provides a substantial amount of bursary and scholarship support to students on a means-tested basis, as detailed elsewhere in this report.

The School also provides opportunities beyond those offered to its own students. Each year, in partnership with the BFI, it hosts the BFI Film Academy, a filmmaking programme for 16 to 19-year-old aspiring filmmakers.

The School also seeks to reach out to young people in the Buckinghamshire area through an annual schools competition run in partnership with the Buckinghamshire Skills Hub. Pupils at participating schools around the county take part in a session with an NFTS tutor before making their own television commercials. The winners are then invited to visit the School and take part in a workshop in the on-site 4K TV studio.

The School also offers many opportunities for the public to use its facilities. The School allows local charities to use the cinema and other facilities for fundraising events without charge.

The School launched Access NFTS, a national outreach programme designed to find, inform and inspire a new generation of film, television and games talent, sponsored by Universal Pictures.

Access NFTS consists of pop-up events around the UK themed around different disciplines from sound to production design; masterclasses at universities and colleges; and the opportunity to connect with the School's expert tutors, alumni and industry professionals at festivals and film, television and games industry events.

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 2022 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
Joe Bradbury-Walters – Staff Governor
Georgia Brown (appointed 21 June 2022) (resigned 27 September 2022)
Geoffrey Crossick
Phil Edgar-Jones
Patrick Fuller
Rose Garnett (resigned 31 August 2022)
Sara Geater
Danielle Goff – Student Governor (resigned 22 March 2022)
Caroline Hollick
Oliver Hyatt MBE
Stephen Louis (resigned 5 October 2021)
Andrew Macdonald
Leto Meade – Student Governor (appointed 22 March 2022)
Pukar Mehta
Steve Mertz (resigned 5 October 2021)
Charlotte Perry (appointed 1 September 2022)
Raja Adil Rehman OBE
Laurent Samama
Bal Samra
Mary Stiasny OBE
Hilary Strong (appointed 5 October 2021)
Sue Vertue
Jon Wardle

Company Secretary

Trevor Hall

Clerk to the Board

Chris Wensley

Audit Committee

Sara Geater – Chair
Patrick Fuller
Sonia Magris
Pukar Mehta
Janet Oakes

Finance and General Purposes Committee

Ian Lewis – Chair
Caroline Cooper
Angela McMullen
Sarj Nijjer
Laurent Samama
Hilary Strong
Sophie Turner Laing

Governance, Appointments and Remuneration Committee

Sophie Turner Laing – Chair
Sara Geater
Ian Lewis
Bal Samra
Sue Vertue

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 £12k (2021 – £9k) was purchased to indemnify the governors and officers against default on their part.

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 major risks that the School is currently exposed to are student recruitment and government funding, and 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 is an ongoing process linked to achieving the organisation's objectives;
- The approach to internal control is risk-based, including an evaluation of the likelihood and impact of risks becoming a reality;
- Review procedures cover business, operational and compliance risk as well as financial risk;
- Risk assessment and internal control are embedded in ongoing operations;
- During the year the Audit Committee receives regular reports from the internal auditor on the adequacy and effectiveness of the School's system of internal control, together with recommendations for improvement; and
- The principal results of risk identification, risk evaluation and the management review of the effectiveness of the arrangements are reported to, and reviewed by, the governing body.

The School has retained 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 2022 (*continued*)

During the period to the balance sheet date, KCG undertook six reviews covering a range of risks from the School's work around supporting students with their mental health, to the School's move into courses delivered through blended-learning, to a review of the School's controls over payroll processing and management. All reviews have provided 'satisfactory' or 'substantial' assurance and all recommendations arising have been implemented in a timely manner.

No material issues were raised by the external auditors in their Audit Completion report.

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 2022 and to the date of approval of these financial statements.

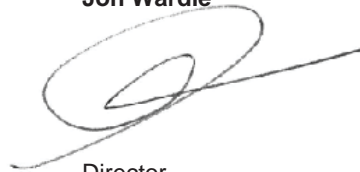
Signed on behalf of the Board of Governors

Ian Lewis



Deputy Chair of the Board of Governors

Jon Wardle



Director

Date: 22 November 2022

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 2022 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 2022 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 board members' 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 board members 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 Statements, 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.

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 *annual report*, 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 *annual report* has 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 members' 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:

Based on our understanding of the School and the sector in which it operates, we identified that the principal risks of non-compliance with laws and regulations are related to their registration with the Office for Students and their ongoing conditions of registration, and we considered the extent to which non-compliance might have a material effect on the Financial Statements or their continued operation. We also considered those laws and regulations that have a direct impact on the financial statements such as compliance with the Accounts Direction OfS 2019.41 and tax legislation.

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

The audit procedures to address the risks identified included:

- Reading minutes of meetings of those charged with governance, reviewing internal audit reports and reviewing correspondence with HMRC and relevant regulators to identify any actual or potential frauds or any potential weaknesses in internal control which could result in fraud susceptibility;
- Discussions with management and Audit Committee, including consideration of known or suspected instances on non-compliance with laws and regulations and fraud, including direct representation from the Accountable Officer;
- Reviewing items included in the fraud register as well as the results of any internal audit investigations into these matters;
- Challenging assumptions made by management in their significant accounting estimates in particular in relation to the defined benefit pension liability, provision against student and other debtors and finance lease liabilities;
- In addressing the risk of fraud, including the management override of controls and improper income recognition, we tested the appropriateness of certain journals, reviewed the application of judgements associated with accounting estimates for the indication of potential bias and tested the application of cut-off and revenue recognition; and
- Identifying and testing journal entries, in particular any journal entries posted from staff members with privilege access rights, journals posted by key management, journals posted and journals posted after the year end.

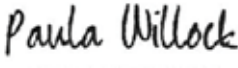
Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, 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.

In addition, we also report to you whether income from funding bodies, grants and income for specific purposes and from other restricted funds administered by the School have been properly applied only for the purposes for which they were received and whether income has been applied in accordance with the Statutes and, where appropriate, with the Terms and Conditions of Funding with the OfS and UK Research and Innovation (including Research England).

Use of our report

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

DocuSigned by:

8F75FEDC31D1467...

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

Date: 29 November 2022

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

Financial Statements for the Year Ended 31 July 2022

Statement of Comprehensive Income

	Note	2022 31 July £	2021 31 July £
Income			
Tuition fees and education contracts	3	7,247,394	6,405,362
Funding body grants	4	5,887,742	5,349,967
Research grants and contracts	5	1,578,778	1,719,328
Other income	6	3,319,734	1,884,582
		<hr/>	<hr/>
Total income before other grants and donations		18,033,648	15,359,239
Donations	7	1,194,366	855,736
		<hr/>	<hr/>
Total income		19,228,014	16,214,975
		<hr/>	<hr/>
Expenditure			
Staff costs	9	6,885,602	6,459,799
Other operating expenses	12	9,812,697	7,975,249
Depreciation	13	1,718,366	1,578,454
Interest and other finance costs	14	84,162	87,078
		<hr/>	<hr/>
Total expenditure		18,500,827	16,100,580
		<hr/>	<hr/>
Surplus before other gains		727,187	114,395
Profit on disposal of fixed assets		20,393	-
		<hr/>	<hr/>
Surplus for the year		747,580	114,395
		<hr/>	<hr/>
Actuarial gain in respect of pension scheme	25	516,000	789,000
		<hr/>	<hr/>
Total comprehensive income for the year		1,263,580	903,395
		<hr/> <hr/>	<hr/> <hr/>
Represented by:			
Unrestricted comprehensive income for the year		1,135,480	903,395
Restricted comprehensive income for the year		128,100	-
		<hr/>	<hr/>
		1,263,580	903,395
		<hr/> <hr/>	<hr/> <hr/>

All activities relate to continuing operations.
The notes on pages 43 to 61 form part of these financial statements.

Financial Statements for the Year Ended 31 July 2022

Balance Sheet

Company number 981908	Note	2022 at 31 July £	2021 at 31 July £
Fixed assets			
Tangible assets	16	31,040,969	31,032,060
Investment in subsidiary undertaking	17	2	2
		<hr/>	<hr/>
		31,040,971	31,032,062
Current assets			
Stock	18	9,086	59,160
Debtors	19	3,966,874	3,776,133
Cash and cash equivalents		5,928,001	5,947,803
		<hr/>	<hr/>
		9,903,961	9,783,096
Creditors: amounts falling due within one year	20	(10,722,580)	(10,711,186)
		<hr/>	<hr/>
Net current liabilities		(818,619)	(928,090)
		<hr/>	<hr/>
Creditors: amounts falling due after more than one year	21	(13,522,045)	(13,721,912)
Provisions for liabilities:			
Pension scheme liability	25	(3,292,011)	(4,237,344)
		<hr/>	<hr/>
Total net assets		13,408,296	12,144,716
		<hr/> <hr/>	<hr/> <hr/>
Restricted reserves			
Income and expenditure reserve		128,100	-
Unrestricted reserves			
Income and expenditure reserve		5,307,931	3,944,421
Revaluation reserve		7,972,265	8,200,295
		<hr/>	<hr/>
Total reserves		13,408,296	12,144,716
		<hr/> <hr/>	<hr/> <hr/>

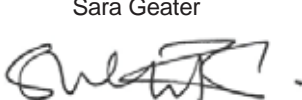
The financial statements were approved by the Board, authorised for issue on 22 November 2022 and signed on its behalf on that date by:

Ian Lewis



Deputy Chair

Sara Geater



Governor

Jon Wardle



Director

The notes on pages 43 to 61 form part of these financial statements.

Financial Statements for the Year Ended 31 July 2022

Statement of Changes in Reserves

	Income and expenditure reserves			
	Restricted reserve	Unrestricted reserve	Revaluation reserve	Total
	£	£	£	£
At 1 August 2020	-	2,812,996	8,428,325	11,241,321
Surplus from the Statement of Comprehensive Income	-	114,395	-	114,395
Actuarial gain in respect of pension scheme	-	789,000	-	789,000
Reserves transfer: depreciation on revalued assets	-	228,030	(228,030)	-
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 July 2021	-	3,944,421	8,200,295	12,144,716
	<hr/>	<hr/>	<hr/>	<hr/>
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)	-
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 July 2022	128,100	5,307,931	7,972,265	13,408,296
	<hr/>	<hr/>	<hr/>	<hr/>

The notes on pages 43 to 61 form part of these financial statements.

Financial Statements for the Year Ended 31 July 2022

Statement of Cash Flows

	Note	2022 31 July £	2021 31 July £
Cash flow from operating activities			
Surplus for the financial year		747,580	114,395
Adjustment for non-cash items:			
Depreciation	13	1,718,366	1,578,454
Release of capital grants		(727,666)	(709,838)
Decrease/(increase) in stock	18	50,074	(55,459)
Increase in debtors	19	(190,741)	(130,592)
(Decrease)/increase in creditors		(277,822)	2,298,820
Difference between net pension expense and cash contribution		(493,333)	(318,655)
Adjustment for investing or financing activities:			
Profit on disposal of fixed assets		(20,393)	-
Interest payable and pension costs	14	84,162	87,078
Net cash inflow from operating activities		890,227	2,864,203
Cash flows from investing activities			
Payments made to acquire fixed assets	16	(1,794,843)	(1,193,932)
Proceeds from disposal of fixed assets		87,961	-
Deferred capital grants received		1,107,208	354,130
		(599,674)	(839,802)
Cash flows from financing activities			
Interest paid	14	(20,162)	(20,078)
Finance lease rental payments		(133,089)	(114,620)
Repayments of amounts borrowed		(157,104)	(157,104)
		(310,355)	(291,802)
(Decrease)/increase in cash and cash equivalents in the year		(19,802)	1,732,599
Cash and cash equivalents at beginning of the year		5,947,803	4,215,204
Cash and cash equivalents at end of the year		5,928,001	5,947,803

The notes on pages 43 to 61 form part of these financial statements.

Notes to the Financial Statements for the Year Ended 31 July 2022

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 the Statement of Recommended Practice (SORP): Accounting for Further and Higher Education (2019) and the Companies Act 2006. The charity has applied FRS102 (March 2018) in these financial statements which includes the amendments as a result of the Triennial Review 2017. 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 have reviewed the School's projected results to July 2027 as part of the School's rolling five-year forecast to assure themselves that the School is a going concern.

Demand for places at the School remains high with application numbers for courses starting in September 2022 and January 2023 in line with the previous year.

In July 2022, the OfS confirmed that the School's application to renew its Specialist Provider funding was successful, with funding secured for another five years.

The majority of the School's industry partners are on multi-year sponsorship contracts. Of those contracts ending in 2022-23, new three-year contracts were agreed with Channel 4 and Sky Plc, and ITV Plc have renewed their funding for a further 12 months. The School's annual funding with the BFI totalled £770k for 2021-22 and runs to March 2023. The BFI has recently published its new ten-year strategy; the School is currently reviewing the BFI's new objectives to identify those priorities that the School is best placed to bid for and support the BFI's ambitions.

Cash flow projections for 2022-23 remain positive, with funds projected to grow through the year. The School has low debt exposure and continues to operate well within its loan covenants.

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:

(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.

2 Principal accounting policies (*continued*)

Fee income is credited to the statement of comprehensive income over the period in which students are studying.

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.

Donations and endowments with restrictions are classified as restricted reserves with additional disclosure provided within the notes to the accounts.

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.

(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

2 Principal accounting policies (*continued*)

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.

(g) *Stock*

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

2 Principal accounting policies (*continued*)

(h) Retirement benefits

The final salary pension scheme closed to employee contributions on 1 September 2006. A new recovery plan to pay off the deficit on the scheme by 30 September 2029 has been implemented with contributions of £582k for 2021-22, and £626k per annum from 2023 to 2029, increasing at 2% per annum (contribution in the year £493k). All members of the final salary pension scheme were offered a group personal defined contribution pension scheme. All staff joining the School after 1 April 2001 are invited to join the group personal defined contribution pension scheme.

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 95 days or less and overdrafts.

2 Principal accounting policies (*continued*)

(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;
- (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

	2022 £	2021 £
Home postgraduate fees	2,738,827	2,919,373
Overseas postgraduate fees	1,785,974	1,290,927
Diploma fees	1,051,246	982,475
Other fees – certificates, short courses, partnerships	1,671,347	1,212,587
	<hr/>	<hr/>
Tuition fees net of scholarship and bursary awards	7,247,394	6,405,362
Scholarship and bursary awards	1,520,267	1,056,662
	<hr/>	<hr/>
	8,767,661	7,462,024
	<hr/> <hr/>	<hr/> <hr/>

4 Funding body grants

	2022 £	2021 £
Recurrent grant		
Office for Students teaching grant	281,837	144,014
Research England	250,000	277,038
Department for Digital, Culture, Media and Sport	2,118,000	2,118,000
ScreenSkills	25,108	531,061
British Film Institute	859,350	138,000
Specific grant		
Office for Students specific grants	1,471,430	1,346,155
The Scottish Government	-	10,859
The Welsh Government	154,350	75,000
Office for Students deferred capital grant released	155,166	146,728
Research England deferred capital grant released	19,477	12,529
Department for Digital, Culture, Media and Sport deferred capital grant released	340,226	337,785
ScreenSkills deferred capital grant released	43,636	43,636
The Buckinghamshire Local Enterprise Partnership deferred capital grant released	169,162	169,162
	<hr/>	<hr/>
	5,887,742	5,349,967
	<hr/> <hr/>	<hr/> <hr/>

5 Research grants and contracts	2022	2021
	£	£
Arts and Humanities Research Council	1,578,778	1,719,328
	<u>1,578,778</u>	<u>1,719,328</u>
6 Other income		
	2022	2021
	£	£
Grants from key partner sponsors	1,597,702	1,264,048
Other income	1,722,032	620,534
	<u>3,319,734</u>	<u>1,884,582</u>
7 Donations		
	2022	2021
	£	£
Scholarships	1,114,366	724,393
Other donations – NFTS Foundation	80,000	80,000
Donated stock	-	51,343
	<u>1,194,366</u>	<u>855,736</u>
8 Grant and fee income		
	2022	2021
	£	£
Grant income from the Office for Students	1,908,433	1,636,897
Grant income from other bodies	5,558,087	5,488,033
Fee income for taught awards	6,709,192	6,114,016
Fee income from non-qualifying courses	2,058,469	1,348,008
	<u>16,234,181</u>	<u>14,586,954</u>
Grant income from other bodies includes £Nil (2021 – £56k) in relation to the Coronavirus Job Retention Scheme.		
9 Staff costs		
Staff costs consist of:	2022	2021
	£	£
Salaries (including tutors and freelancers)	5,696,188	5,373,475
Social security costs	623,297	566,027
Pension scheme contributions	566,117	520,297
	<u>6,885,602</u>	<u>6,459,799</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:

	2022	2021
£165,000 – £169,999	1	1
£110,000 – £114,999	1	-
£100,000 – £104,999	-	1
	<hr/>	<hr/>
Emoluments of the Director:	2022	2021
	£	£
Basic salary	165,000	150,000
Benefits	1,096	1,070
Performance related bonus	-	15,000
	<hr/>	<hr/>
Total before employer pension contributions	166,096	166,070
Employer pension contributions	8,250	7,500
	<hr/>	<hr/>
Total including employer pension contributions	174,346	173,570
	<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 4.3 (2021 – 4.4) 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 his total remuneration package against a range of leaders of comparative institutions, and also takes into account 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 a salary increase similar to that awarded to all School staff. This recognised his leadership and management role in growing student numbers and developing the activities of the national and regional hubs. He had also effectively managed the considerable challenges caused by the pandemic, achieving support from staff and students, expressed through positive satisfaction survey results.

9 Staff costs (continued)

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

	2022	2021
Curriculum, production support, short courses	93	85
Fundraising and events	3	3
Finance, registrar, I.T., marketing, H.R., directorate	30	30
	<hr/>	<hr/>
	126	118
	<hr/> <hr/>	<hr/> <hr/>

During the year the School paid £4k in compensation for loss of office to one employee (2021 – £40k, 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 (2021 – £Nil).

During the year, travel and subsistence expenses totalling £50 were reimbursed to governors relating to attending board meetings (2021 – £Nil). In addition, a payment of £1,200 was made to a governor to host the NFTS fundraising gala.

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 £579,750 (2021 – £584,187).

12 Other operating expenses

	2022	2021
	£	£
Curriculum, productions, research, and short courses	5,564,638	4,755,503
Curriculum support and accreditation	408,928	310,362
Bursaries	174,768	120,738
Scholarships	44,625	44,000
Premises	1,622,640	1,287,320
Production support and facilities departments	386,575	421,835
Admin departments – finance, registrar, I.T., marketing, H.R., directorate	1,129,858	939,567
Fundraising and events	393,950	14,629
External audit fees	49,800	44,640
Internal audit fees	36,915	36,655
	<hr/>	<hr/>
	9,812,697	7,975,249
	<hr/> <hr/>	<hr/> <hr/>

13 Depreciation

	2022	2021
	£	£
The depreciation charge has been funded by:		
Deferred capital grants released	727,667	709,840
General income	990,699	868,614
	<hr/>	<hr/>
	1,718,366	1,578,454
	<hr/> <hr/>	<hr/> <hr/>

14 Interest and other finance costs

	2022	2021
	£	£
Interest on bank loans	3,813	4,219
Interest on finance leases	16,349	15,859
Pension finance costs	64,000	67,000
	<hr/>	<hr/>
	84,162	87,078
	<hr/> <hr/>	<hr/> <hr/>

15 Net expenditure

	2022	2021
	£	£
This is arrived at after charging:		
Depreciation	1,718,366	1,578,454
External auditors' remuneration		
- audit services	49,800	44,640
- other services	18,000	14,814
Internal auditors' remuneration	36,915	36,655
Operating lease rentals – equipment	106,070	107,165
	<hr/> <hr/>	<hr/> <hr/>

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	5,371,761	24,163,138	2,972,591	8,642,649	78,176	41,228,315
Additions	10,575	-	186,659	1,597,609	-	1,794,843
Disposals	-	-	(430,492)	(1,331,733)	(21,491)	(1,783,716)
At end of period	5,382,336	24,163,138	2,728,758	8,908,525	56,685	41,239,442
<i>Depreciation</i>						
At beginning of period	495,061	2,764,315	1,754,260	5,122,379	60,240	10,196,255
Provided for the period	88,799	483,263	231,954	900,005	14,345	1,718,366
Disposals	-	-	(430,492)	(1,264,165)	(21,491)	(1,716,148)
At end of period	583,860	3,247,578	1,555,722	4,758,219	53,094	10,198,473
<i>Net book value</i>						
At 31 July 2022	4,798,476	20,915,560	1,173,036	4,150,306	3,591	31,040,969
At 31 July 2021	4,876,700	21,398,823	1,218,331	3,520,270	17,936	31,032,060

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 £319k (2021 – £418k) in respect of assets held under finance leases. The depreciation charged in the year on finance leases was £99k (2021 – £79k).

Following a review by management fully depreciated fixed assets totalling £1,705k were written off.

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

	2022 at 31 July £	2021 at 31 July £
Cost brought forward	302,009	302,009
Accumulated depreciation based on historic cost	(184,547)	(174,834)
Historic cost net book value	<u>117,462</u>	<u>127,175</u>

17 Investment in subsidiary undertakings

	2022 at 31 July £	2021 at 31 July £
Cost at 1 August 2021 and 31 July 2022	<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 2022
		%	£
NFTS Enterprises Limited	England and Wales	100%	2

During the year ended 31 July 2022 there was no trading activity through NFTS Enterprises Limited (2021 – Nil).

18 Stocks

	2022 at 31 July £	2021 at 31 July £
Production and post-production consumables	<u>9,086</u>	<u>59,160</u>

19 Debtors

	2022 at 31 July £	2021 at 31 July £
Trade debtors	2,657,603	2,670,560
Other debtors	16,116	13,434
Prepayments and accrued income	1,293,155	1,092,139
	<u>3,966,874</u>	<u>3,776,133</u>

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

20 Creditors: amounts falling due within one year

	2022 at 31 July £	2021 at 31 July £
Trade creditors	759,305	696,213
Taxation and social security	329,341	220,873
Other creditors	75,992	63,913
Deferred income	7,841,846	8,287,682
Deferred capital grants	790,424	699,913
Accruals	439,965	455,589
Finance lease obligation	128,603	129,899
Bank loan (secured)	157,104	157,104
Sky loan (unsecured concessionary loan)	200,000	-
	<u>10,722,580</u>	<u>10,711,186</u>

21 Creditors: amounts falling due after more than one year

	2022 at 31 July £	2021 at 31 July £
Bank loan (secured)	117,858	274,962
Sky loan (unsecured concessionary loan)	800,000	1,000,000
Deferred capital grants	12,435,922	12,146,892
Finance lease obligation	168,265	300,058
	<u>13,522,045</u>	<u>13,721,912</u>

Maturity of debt	Loans £	Finance leases £	Deferred capital grants £	Total 2022 at 31 July £	Total 2021 at 31 July £
In more than one year but not more than two years	317,858	114,046	772,541	1,204,445	987,007
In more than two years but not more than five years	600,000	54,219	2,710,468	3,364,687	2,643,047
In more than five years	-	-	8,952,913	8,952,913	10,091,858
	<u>917,858</u>	<u>168,265</u>	<u>12,435,922</u>	<u>13,522,045</u>	<u>13,721,912</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 (£275k) represents 3.1% of the cost of the Oswald Morris Building. The interest rate charged on this loan during the year was 1.15%. During the year the loan portfolio was sold to Allica Bank, with the terms and conditions of the loan remaining the same.

A £1m unsecured interest-free concessionary loan repayable over 5 years was arranged with Sky Plc in 2016. Repayments are due to commence in December 2022.

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 2021, are as follows:

Opening balance	Income	Expenditure	Change in market value of investments	Closing balance
£	£	£	£	£
4,677,179	209,645	(166,916)	454,280	5,174,188

23 Analysis of changes in net debt

	2021 at 31 July	Cash flows	Non-cash movements	2022 at 31 July
	£	£	£	£
Cash and cash equivalents	5,947,803	(19,802)	-	5,928,001
	5,947,803	(19,802)	-	5,928,001
Obligations under finance leases	(429,957)	133,089	-	(296,868)
Bank loans	(432,006)	157,104	-	(274,902)
Other loans	(1,000,000)	-	-	(1,000,000)
	(1,861,963)	290,193	-	(1,571,770)
Net cash	4,085,840	270,391	-	4,356,231

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 £
Patrick McKenna	Chair	Ingenious Capital Management Holdings Limited	Director	Provision of office space to the School free of charge Gala tables	- 29,600
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 - 4,650
Phil Edgar-Jones	Governor	Sky Plc	Director of Sky Arts	Key partner sponsor Gala tables	200,000 32,000
Bal Samra	Governor	BBC	Commercial Director	Gala table	4,950
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 tables Employees attending courses	500,000 - 9,600 20,700
Laurent Samama	Governor	Google Plc	Director of Media, Entertainment & Industries	Gala table	4,650
Caroline Hollick	Governor	Channel 4	Head of Drama	Key partner sponsor Bursaries Gala table	210,00 14,600 4,650
Andrew Macdonald	Governor	DNA Films	Founder	Gala table and auction items	10,450
Hilary Strong	Governor	International Literary Properties	CEO	Gala table	4,650
Sue Vertue	Governor	Hartwood Films	CEO/Executive Producer	Gala table and auction items Board member of PACT	23,550
Raja Adil Rehman	Governor	Governor		Payment for hosting the Gala	1,200
Georgia Brown	Governor	Amazon	Head of Amazon Studios, Europe	Key partner sponsor	51,078
Sara Geater	Governor	All3Media	COO	Scholarships	10,000

During the year the NFTS Foundation made donations to the School totalling £144k (2021 – £120k) of which £64k was for scholarships (2021 – £40k).

During the year the School paid grants to the NFTS Student Union of £20,866 (2021 – £18,374).

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 3.5% 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 2021 (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 £6.9m and the value of the scheme's technical provisions was £10.2m indicating a deficit of £3.3m.

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 £582k for the financial year 2022-23, 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 £582,000 to the Scheme during the accounting year beginning 1 August 2022.

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 2022, there were 31 deferred members and 36 pensioners of the scheme.

25 Pension scheme (continued)

Assumptions

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

	2022 at 31 July	2021 at 31 July
Rate of increase in salaries	N/a	N/a
Discount rate	3.5% p.a.	1.6% p.a.
Inflation assumption – RPI	3.1% p.a.	3.0% p.a.
Inflation assumption – CPI	2.8% p.a.	2.6% 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 2021	86.3 years	87.6 years	88.7 years	90.2 years
At 31 July 2022	86.3 years	87.7 years	88.8 years	90.2 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:

	2022 at 31 July £'000	2021 at 31 July £'000
Equities and property	1,718	3,469
Overseas equities	1,098	1,373
Liability driven instruments and diversified credit funds	3,239	3,167
Cash	103	105
Private markets	766	-
	<hr/>	<hr/>
Total market value of the asset	6,924	8,114
	<hr/>	<hr/>

	2022 at 31 July £'000	2021 at 31 July £'000
Analysis of the amount shown in the balance sheet:		
Scheme assets	6,924	8,114
Scheme liabilities	(10,216)	(12,351)
	<hr/>	<hr/>
Deficit in the scheme	(3,292)	(4,237)
	<hr/>	<hr/>

25 Pension scheme (continued)

	2022 at 31 July £'000	2021 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	(130)	(99)
Interest cost on scheme liabilities	194	166
	<hr/>	<hr/>
Net finance cost	64	67
	<hr/>	<hr/>
Other comprehensive income:		
The actual return on scheme assets excluding interest income (loss)/gain	(1,377)	465
Changes in assumptions underlying the present value of the scheme liabilities	1,893	324
	<hr/>	<hr/>
	516	789
	<hr/>	<hr/>
	2022 at 31 July £'000	2021 at 31 July £'000
Analysis of movement in balance sheet deficit in the year		
Deficit in scheme at beginning of period	(4,237)	(5,278)
Net finance cost	(64)	(67)
Actuarial gain	516	789
Contributions received	493	319
	<hr/>	<hr/>
Deficit in scheme at end of period	(3,292)	(4,237)
	<hr/>	<hr/>
Reconciliation of the fair value of plan assets		
Fair value of plan assets at beginning of period	8,114	7,740
Interest income	130	99
The actual return on scheme assets excluding interest income (loss)/gain	(1,377)	465
Contributions by the School	493	319
Benefits paid	(436)	(509)
	<hr/>	<hr/>
Fair value of plan assets at end of period	6,924	8,114
	<hr/>	<hr/>
	2022 at 31 July £'000	2021 at 31 July £'000
Reconciliation of the present value of plan liabilities		
Present value of plan liabilities at beginning of period	12,351	13,018
Interest cost	194	166
Actuarial gain	(1,893)	(324)
Benefits paid	(436)	(509)
	<hr/>	<hr/>
Present value of plan liabilities at end of period	10,216	12,351
	<hr/>	<hr/>

26 Indemnity insurance

During the year, insurance costing £12k (2021– £9k) 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:

	2022 at 31 July £	2021 at 31 July £
Commitments contracted for	362,798	284,766
	<u> </u>	<u> </u>

28 Commitments under operating leases

Total rentals payable under operating leases:

	2022 at 31 July £	2021 at 31 July £
Payable during the year	106,070	107,165
Future minimum lease payments due:		
Not later than one year	83,548	97,564
Later than one year and not later than five years	161,522	245,070
	<u> </u>	<u> </u>
Total lease payments due	245,070	342,634
	<u> </u>	<u> </u>

