



**London
Film
School
Limited**

**Annual Report and Financial
Statements**

31 August 2023

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

Charity Registration Number
270302

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Reference and administrative information

Governors

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

Management Team

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

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

Reference and administrative information

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

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

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

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

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

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

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

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

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

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

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

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

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

Greg Dyke
January 2024

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

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

Objectives and Activities

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

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

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

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

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

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

Objectives and Activities (continued)

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

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

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

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

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

Bursaries and student funding

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

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

Objectives and Activities (continued)

Activities

a. Workshops

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

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

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

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

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

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

b. Outreach

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

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

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

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

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

Objectives and Activities (continued)

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

c. Masterclasses

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

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

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

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

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

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

Achievements and performance

a. World Leading Specialist Provider

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

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

b. Festivals and awards

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

Achievements and performance (continued)

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

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

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

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

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

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

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

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

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

c. Graduate and alumni achievements

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

Achievements and performance (continued)

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

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

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

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

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

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

Graduate Showcase and Honorary Associates

a. Graduate Showcase

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

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

Achievements and performance (continued)

Graduate Showcase and Honorary Associates (continued)

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

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

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

b. Honorary Associates

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

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

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

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

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

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

Financial review

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

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

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

Reserves Policy and financial position

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

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

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

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

Plans for the future

a. Bursaries and student funding

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

b. Fundraising

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

Plans for the future (continued)

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

c. 2023/24 Strategy

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

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

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

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

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

The four key strategic pillars are:

1. Driving diversity and inclusion:

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

2. Delivering quality:

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

Plans for the future (continued)

3. Developing pathways:

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

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

4. Building sustainability:

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

Governance, structure and management

Constitution

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

Members' liability

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

Governors

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

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

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

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

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

Governance, structure and management (continued)

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

Organisation

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

Its governance structure includes four committees:

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

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

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

Key management personnel

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

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

Governance, structure and management (continued)

Statement of governors' responsibilities

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

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

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

Governors report Year to 31 August 2023

- ◆ make judgements and estimates that are reasonable and prudent;
- ◆ state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- ◆ prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The Governors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Each of the Governors confirms that:

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

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

Governance, structure and management (continued)

Risk management

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

Student Recruitment

Global Context

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

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

LFS Performance

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

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

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

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

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

Governance, structure and management (continued)

Student Recruitment (continued)

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

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

Regulatory Environment

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

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

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

Facilities

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

Relationship with other organisations

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

Governance, structure and management (continued)

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

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

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



Greg Dyke

Chair of Governors

Approved by the Governors on: 18 January 2024

Statement of corporate governance and internal control

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

The School endeavours to conduct its business:

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

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

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

Legal Status

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

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

Governors

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

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

Meeting procedures

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

Statement of corporate governance and internal control (continued)

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

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

Appointment to the Governing Body

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

Governing Body performance

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

Committees

Audit and Risk Committee

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

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

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

The Audit & Risk Committee is responsible for the following:

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

Statement of corporate governance and internal control (continued)

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

Internal Control

Scope of responsibility

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

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

The purpose of the system of internal control

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

Capacity to handle risk

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

The risk and control framework

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

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

Review of effectiveness

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

- ◆ the work of the external auditors;

Review of effectiveness (continued)

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

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

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

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

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

Regularity, propriety, and compliance

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

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

Going Concern

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

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



Greg Dyke
Chair of Governors
Date: 6 February 2024



Christopher Auty
Director & CEO: (Accounting Officer)

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

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

In our opinion, the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Governors' Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement

of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Governors' Report (which incorporates the directors' report).

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

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

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

In our opinion, in all material respects:

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

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

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

Responsibilities of trustees for the financial statements

As explained more fully in the Statement of Governors' Responsibilities statement set out on page 15, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to potential for management to post inappropriate journal entries and to manipulate accounting estimates. Audit procedures performed by the engagement team included:

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

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

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

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the

Independent auditor's report Year to 31 August 2023

charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Tracey Young
Senior Statutory Auditor

For and on behalf of Haysmacintyre LLP,
Statutory Auditors

10 Queen Street Place
London, EC4R 1AG

Date: 7 February 2024

Statement of financial activities Year to 31 August 2023

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

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

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

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

Balance sheet 31 August 2023

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

Approved by the governors and signed on their behalf by:

Greg Dyke
Chair of Governors

Approved on: 06 February 2024

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

Statement of cash flows 31 August 2023

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

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

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

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

B Analysis of changes in net debt

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

Principal accounting policies 31 August 2023

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

Basis of preparation

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

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

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

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

Critical accounting estimates and areas of judgement

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

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

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

Assessment of going concern

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

Assessment of going concern (continued)

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

Income recognition

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

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

Donations are recognised when the charity has confirmation of both the amount and settlement date. In the event of donations pledged but not received, the amount is accrued for where the receipt is considered probable. In the event that a donation is subject to conditions that require a level of performance before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that those conditions will be fulfilled in the reporting period.

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

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

Expenditure recognition

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

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

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

Tangible fixed assets

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

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

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

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

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

Debtors

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

Cash at bank and in hand

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

Creditors and provisions

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

Financial instruments

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

Financial assets – other debtors are basic financial instruments and are debt instruments measured at amortised cost. Listed investments are a basic financial instrument as detailed above. Prepayments are not financial instruments.

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

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

Pension costs

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

Leased assets

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

Fund structure

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

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

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

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

1 Donations

	Unrestricted funds £	Restricted funds £	Total funds 2023 £
2023 Total funds: Donations	27	—	27
<i>2022 Total funds: Donations</i>	<i>15</i>	<i>—</i>	<i>15</i>

2 Income from charitable activities

	Unrestricted funds £	Restricted funds £	2023 Total funds £
Tuition fees and charges	6,392,063	—	6,392,063
Less: bursaries awarded	(59,426)	—	(59,426)
	6,332,637	—	6,332,637
Grant income from the Office for Students	1,443,912	21,724	1,465,636
	7,776,549	21,724	7,798,273

	Unrestricted funds £	Restricted funds £	As restated 2022 Total funds £
<i>Tuition fees and charges</i>	<i>6,527,760</i>	<i>—</i>	<i>6,527,760</i>
<i>Less: bursaries awarded</i>	<i>(92,552)</i>	<i>—</i>	<i>(92,552)</i>
	<i>6,435,208</i>	<i>—</i>	<i>6,435,208</i>
<i>Grant income from the Office for Students</i>	<i>—</i>	<i>87,443</i>	<i>87,443</i>
<i>Other grants</i>	<i>—</i>	<i>2,021</i>	<i>2,021</i>
	<i>6,435,208</i>	<i>89,464</i>	<i>6,524,672</i>

During the year ended 31 August 2023, 4 (2022 – 8) students received a bursary to support their tuition fees. The amounts shown above include £13,544 (2022 - £53,311) directly from the School, in 2023, and £45,882 (2022 - £39,241) from funding received from the Leverhulme Trust.

3 Expenditure on raising funds

	Unrestricted funds £	Restricted funds £	2023 Total funds £
Staff costs	14,157	—	14,157
Total funds	14,157	—	14,157

	Unrestricted funds £	Restricted funds £	2022 Total funds £
Staff costs	40,922	—	40,922
Total funds	40,922	—	40,922

4 Expenditure on charitable activities – provision of education

	Unrestricted funds £	Restricted funds £	2023 Total funds £
Direct costs			
. Staff costs	2,060,615	26,722	2,087,337
. Visiting lecturers	478,775	6,209	484,984
. Premises	522,717	4,435	527,152
. Production allowances and costs	471,139	6,623	477,762
. Repairs and technical maintenance	91,279	925	92,204
. Depreciation	91,121	799	91,920
. IT costs	175,234	—	175,234
. Marketing costs	56,391	—	56,391
. Other costs	552,272	5,293	557,565
	4,499,543	51,006	4,550,549
Support costs			
. Staff costs	1,011,699	8,768	1,020,467
. Legal and professional	559,695	502	560,197
. Other costs	237,613	3,910	241,523
. Governance costs (note 5)	85,237	1,798	87,035
	1,894,244	14,978	1,909,222
2023 Total funds	6,393,787	65,984	6,459,771

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

	Unrestricted funds £	Restricted funds £	2022 Total funds £
<i>Direct costs</i>			
. Staff costs	1,960,118	51,665	2,011,783
. Visiting lecturers	545,671	14,383	560,054
. Premises	464,392	8,261	472,653
. Production allowances and costs	613,194	13,697	626,891
. Repairs and technical maintenance	99,640	1,772	101,412
. Depreciation	70,307	1,438	71,745
. IT costs	91,775	—	91,775
. Marketing costs	74,487	—	74,487
. Other costs	680,129	10,264	690,393
	<u>4,599,713</u>	<u>101,480</u>	<u>4,701,193</u>
<i>Support costs</i>			
. Staff costs	1,143,974	17,312	1,161,286
. Legal and professional	70,782	821	71,603
. Other costs	274,951	7,442	282,393
. Governance costs (note 5)	106,263	1,650	107,913
	<u>1,595,970</u>	<u>27,225</u>	<u>1,623,195</u>
2022 Total funds	<u>6,195,683</u>	<u>128,705</u>	<u>6,324,388</u>

5 Governance costs

	Unrestricted funds £	Restricted funds £	2023 Total funds £
Audit and advisory fees	23,424	1,296	24,720
Other professional costs	61,813	502	62,315
2023 Total funds	<u>85,237</u>	<u>1,798</u>	<u>87,035</u>
	<u>37,811</u>	<u>369</u>	<u>38,180</u>
<i>Audit and advisory fees</i>	<u>68,452</u>	<u>1,281</u>	<u>69,733</u>
<i>Other professional costs</i>	<u>106,263</u>	<u>1,650</u>	<u>107,913</u>
2022 Total funds	<u>106,263</u>	<u>1,650</u>	<u>107,913</u>

6 Net movement in funds

This is stated after charging:

	2023 £	2022 £
Depreciation – owned assets	91,920	71,745
Operating lease rentals – Land and buildings	338,097	329,946
Operating lease rentals – Equipment hire	101,783	150,358
Auditor’s remuneration (including VAT)		
. Statutory audit	21,500	27,000
. Other services	3,000	8,000
Staff costs (including visiting lecturers) (note 7)	3,606,945	3,733,123

7 Staff costs

	2023 £	2022 £
Wages and salaries	2,784,515	2,764,851
Social security costs	273,727	258,965
Pension costs	63,719	63,550
Compensation for loss of office	—	85,703
	3,121,961	3,173,069

In addition to the staff costs disclosed above, the amount paid to visiting lecturers used by the School in year was £484,984 (2022 – £560,054).

During the year, termination payments of £34,630 (2022: £nil) were made.

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

	2023 Number	2022 Number
Provision of education		
. Academic staff	42	41
. Support staff	22	22
	64	63

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

	2023 Number	2022 Number
£60,001 - £65,000	4	4
£70,001 - £75,000	—	1
£75,001 - £80,000	1	2
£80,001 - £85,000	1	—
£90,001 - £95,000	1	—
	7	7

7 Staff costs (continued)

The key management personnel of the charity in charge of directing and controlling, running and operating the charity comprise the governors and the Management Team as detailed on page 1. The total remuneration (including taxable benefits and employer's pension contributions) of the key management personnel for the year was £848,662 (2022 – £783,147).

During the year, staff governors received remuneration only in relation to their roles as staff members. No member(s) of the governing body received any remuneration in respect of their services as governors during the year (2022 – £nil).

No expenses were reimbursed to the governing body members during the year (2022 - £nil).

Remuneration of Director and Chief Executive Officer

	Interim CEO to 30 Jan 2023 £	CEO to 31 Aug 2023 £	2023 £	2022 £
Basic salary	37,685	76,833	114,518	97,493
Bonus	—	—	—	—
Pension contribution	860	592	1,452	1,137
Compensation for loss of office	—	—	—	85,703
	38,545	77,425	115,970	184,333

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

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

	2023 £	2022 £
Chief Executive's basic salary as a multiple of the median of all staff	3.08	2.72
Chief Executive's total remuneration as a multiple of the median of all staff	3.12	5.11*

During 2022/23 the interim Chief Executive Officer left the School on 3rd February, 2023 and the Chief Executive Officer joined the School on 30th January, 2023 on a full-time basis. There was no compensation for the loss of office in 2022/23.

* Based on total remuneration for the interim CEO and exiting CEO, including severance payment

8 Taxation

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

9 Tangible fixed assets

	Cinema equipment £	Fixtures, fittings and computer equipment £	Total £
Cost			
At 1 September 2022	405,271	132,380	537,651
Additions	121,094	69,816	190,910
Disposals	(56,435)	(70,322)	(126,757)
At 31 August 2023	<u>469,930</u>	<u>131,874</u>	<u>601,804</u>
Depreciation			
At 1 September 2022	230,261	103,529	333,790
Charge for the year	74,107	17,813	91,920
Disposals	(56,435)	(70,322)	(126,757)
At 31 August 2023	<u>247,933</u>	<u>51,020</u>	<u>298,953</u>
Net book values			
At 31 August 2022	175,010	28,851	203,861
At 31 August 2023	<u>221,997</u>	<u>80,854</u>	<u>302,851</u>

10 Debtors

	2023 £	2022 £
Trade debtors	109,863	118,423
Other debtors	75,243	98,520
Prepayments and accrued income	537,242	681,140
	<u>722,348</u>	<u>898,083</u>

11 Creditors: amounts falling due within one year

	2023 £	As restated 2022 £
Trade creditors	312,884	125,655
Accruals and deferred income	1,145,452	1,094,662
Sundry creditors	514,321	786,332
CBILS Loan (see note 12)	300,000	300,000
	2,272,657	2,306,649

	2023 £	As restated 2022 £
Deferred income at 1 September	1,259,412	1,031,200
Released during the year	(1,259,412)	(1,031,200)
Resources deferred in the year	853,308	1,259,412
Deferred income at 31 August	853,308	1,259,412

Deferred income consists principally of fee income received in advance.

12 Creditors: amounts falling due in more than one year

	2023 £	2022 £
CBILS Loan	800,000	1,100,000

Maturity of debt	2023 £	2022 £
CBILS loan repayable within one year	300,000	300,000
CBILS loan repayable between one and two years	300,000	300,000
CBILS loan repayable between two and five years	500,000	800,000
	1,100,000	1,400,000

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

13 Restricted funds

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

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

	At 1 September 2021 £	Income £	Expenditure £	Transfer between funds £	At 31 August 2022 £
Office for Students	—	87,443	(87,443)	—	—
Skillset Academy Fund	5,692	—	—	—	5,692
Kickstart	—	2,021	(2,021)	—	—
Adam Sedgwick Award	5,010	—	—	—	5,010
Leverhulme fund	9,704	39,241	(39,241)	—	9,704
	20,406	128,705	(128,705)	—	20,406

Office for Students fund

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

Skillset Academy fund

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

Kickstart Scheme

The Kickstart Scheme provides funding to employers to create jobs for 16 to 24 year olds on Universal Credit as a high quality 6-month job placement.

Adam Sedgwick Award

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

Leverhulme fund

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

14 Tangible fixed assets fund

	2023 £	2022 £
At 1 September	203,861	223,551
Net movements in year	98,990	(19,690)
At 31 August	302,851	203,861

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

15 Operating lease commitments

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

	Equipment		Land and buildings	
	2023 £	2022 £	2023 £	2022 £
Operating lease payable:				
Within one year	—	—	89,400	89,400
	-	—	89,400	89,400

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

16 Related and connected parties disclosure

There were no other related party transactions during the year ended 31 August 2023 (2022 – none), other than those disclosed in note 7.

17 Analysis of Net Assets Between Funds

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

17 Analysis of Net Assets Between Funds (continued)

	<i>Unrestricted funds (as restated) £</i>	<i>Restricted funds £</i>	<i>2022 Total funds (as restated) £</i>
<i>Fixed Assets</i>	203,861	-	203,861
<i>Net current assets</i>	2,009,568	20,406	2,029,974
<i>Long term liabilities</i>	<i>(1,100,000)</i>	-	<i>(1,100,000)</i>
<i>2022 Total</i>	<u>1,113,429</u>	<u>20,406</u>	<u>1,133,835</u>

18 Prior Year Adjustment

There has been a restatement of creditors for 2022, which has reclassified £683,339 from deferred income to sundry creditors.

An additional adjustment has been made to tuition fees and charges income and expenditure for amounts which had previously been included within deferred income over a number of years. The net assets as at 31 August 2021 had been under-stated by £146,440 due to the over-stated deferred income and therefore the balance has been restated. In addition, a third adjustment has been made tuition fees and charges income and expenditure for the year ended 31 August 2022 have been restated to include transactions that had been omitted in error, as per the table below:

	<i>Unrestricted funds £</i>	<i>Restricted funds £</i>	2022 Total funds £
Net assets carried forward at 31 August 2021 as previously stated	637,732	20,406	658,138
Add back over-stated deferred income	146,440	-	146,440
Net assets carried forward at 31 August 2021 as restated	<u>784,172</u>	<u>20,406</u>	<u>804,578</u>
Net income as restated (see below)	329,257	-	329,257
Net assets carried forward at 31 August 2022 as restated	<u>1,113,429</u>	<u>20,406</u>	<u>1,133,835</u>
	<i>Unrestricted funds £</i>	<i>Restricted funds £</i>	2022 Total funds £
Net income for the year to 31 August 2022 as previously stated	244,487	-	244,487
Add Charitable Activities income	110,740	-	110,740
Less Provision of Education expenditure	<i>(25,970)</i>	-	<i>(25,970)</i>
Net income for the year to 31 August 2022 as restated	<u>329,257</u>	<u>-</u>	<u>329,257</u>