

REGISTRAR OF COMPANIES

**London
Film
School
Limited**

**Annual Report and Financial
Statements**

31 August 2018

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

Charity Registration Number
270302



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Reference and administrative information

Governors	Mr Greg Dyke (Chairman) (appointed 1 April 2018) Mr Mike Leigh OBE (Chairman) (resigned 19 March 2018) Mr Kemal Akhtar Mr Peter Armstrong Mr Dan Chambers (resigned 4 July 2018) Ms Helen Dudley CBE Mr Graham Easton Mr Juri Ferri (appointed 4 July 2018) Mr Stephen Garrett (resigned 12 October 2017) Professor Diana Green CBE Mr Nick Humby (appointed 19 December 2018) Mr Olivier Kaempfer Ms Ruth Lesirge (resigned 1 September 2017) Mr Marijn Maas (resigned 4 July 2018) Ms Margaret Matheson (resigned 13 October 2017) Mr Moshe Nitzani (appointed 25 September 2017) Mrs Julie Parmenter (resigned 17 October 2018) Sir Michael Wakeford OBE (resigned 13 October 2017) Mr Guy Wilson (resigned 28 September 2018)
Management Team	Mr Gisli Snaer (Director) Mr Dan Lawson (Chief Operating Officer) Mrs Dawn Taylor (Financial Controller) Mr Philip Ramge (Academic Registrar) Miss Veronique Fricke (Head of Marketing) Mrs Michell Barkwith (Head of HR) Mr Femi Kolade (Head of Studies)
Company Secretary	Robin Graham
Principal address and registered office	24 Shelton Street London WC2H 9UB
Telephone	0207 836 9642
Facsimile	0207 497 3718
Website	www.lfs.org.uk
E-mail	info@lfs.org.uk
Company registration number	01197026 (England and Wales)
Charity registration number	270302

Reference and administrative information

Auditor Buzzacott LLP
130 Wood Street
London
EC2V 6DL

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

Solicitors Pinsent Masons LLP
30 Crown Place
London
EC2A 4ES

Wedlake Bell LLP
71 Queen Victoria Street
London
EC4V 4AY

Governors' report

The governors present their annual report together with the financial statements of London Film School Limited for the year ended 31 August 2018.

The financial statements have been prepared in accordance with the accounting policies set out on pages 21 to 24 and comply with the charitable company's memorandum and articles of association, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), effective from accounting periods commencing 1 January 2015 or later.

Governance, structure and management

Constitution

London Film School Limited ("the School") is a registered charity (Charity Registration No. 270302) and a company limited by guarantee (Company Registration No. 01197026). The charitable company's memorandum and articles of association dated 20 January 1975 (as amended by special resolution of 21 July 1975 and 21 March 2002) are its primary governing documents. The charitable company was previously known as London International Film School Limited. The governors resolved to change the name of the charitable company to London Film School Limited on 20 March 2017.

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, including staff governors, are elected either at the Annual General Meeting (AGM) or at any other time by the other governors themselves if a position becomes vacant. Student governors are elected by the students themselves and the staff governors are elected by the staff.

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

The minimum and maximum number of governors at any one time is 8 and 25 respectively. Approximately one third of the governing body retire annually, by rotation in order of seniority, and can offer themselves for re-election.

Governors' report

Governance, structure and management (continued)

Governors (continued)

The School recruits new governors from the industry and related organisations. Their induction includes a tour of the School, screenings and from time to time an away day attended by the board of governors, the principal officers and the heads of department. An information pack about the School is also given to each new governor.

Organisation

Following a review of its governance during 2018, the Board has strengthened its governance arrangements. The Board now meets six times a year. It has also established a governance structure comprising 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;
- ◆ a Relocation Committee to oversee the planned relocation of the School; and
- ◆ an Audit & Risk Committee to advise on risk, internal control, governance and promoting value for money.

The day-to-day running of the School has been delegated to 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 authority and responsibility for planning, directing and controlling the activities of the charity, directly or indirectly. Within the School, this includes the Director, Head of Studies, Chief Operating Officer, Head of Marketing, Academic Registrar, Financial Controller and Head of HR. During 2017/18, Mr Gisli Snaer was appointed as Director and Mr Dan Lawson was appointed as Chief Operating Officer, following their respective Acting up to their respective roles.

The remuneration of the Director and Management Team is set by the Remuneration Committee as set out above.

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).

Governors' report

Governance, structure and management (continued)

Statement of governors' responsibilities (continued)

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

- ◆ select suitable accounting policies and then apply them consistently;
- ◆ observe the methods and principles in Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102);
- ◆ make judgements and estimates that are reasonable and prudent;
- ◆ state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- ◆ prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

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

Each of the governors confirms that:

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

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

Risk management

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

Governors' report

Governance, structure and management (continued)

Risk management (continued)

Reliance on student numbers, and the international dimension

London Film School's revenue base is heavily reliant on student numbers on the postgraduate programmes, in particular the MA Filmmaking course. The courses continue to attract strong interest from potential students, and in order to ensure an ongoing and robust pipeline of future talent, the School is investing in student recruitment including through the creation of two new posts (a Head of Marketing & Student Recruitment, and a Student Recruitment Manager), and improvements to our application tracking and reporting processes.

Whilst the diversity of a truly international cohort brings many unique benefits to the School, it also presents challenges in securing local support in particular relating to the upcoming relocation project. With the School's registration with the Office for Students, submitted in August 2018, the School hopes to open up new avenues of support for UK and EU students, including qualification for postgraduate loans, and the availability of teaching grants, including high-cost subject funding and other targeted allocations to support strategically important areas.

We continue to seek support for bursaries and scholarships to support disadvantaged students, adding to existing support from Leverhulme and others. A number of new supporters are in active discussions with the School at any one time, and revenue fundraising has been made a core component of the School's fundraising strategy, developed in the first half of 2018.

Alternative revenue streams to diversify the School's income base include partner degrees such as our MA International Film Business, with the University of Exeter, and our short professional courses and outreach projects under the LFS OPEN programme. We continue to deliver a practical filmmaking module as part of the University of Warwick's undergraduate film course.

The London Film School continues to be a member of the International Education Council (IEC) in the US that keeps foreign schools up to date on US education legislation. This is of particular importance as the current administration in the US has already announced and partially introduced regulatory changes, but also because of the scheduled re-authorisation of the US Higher Education Act.

Relocation to London City Island

The school retains a long-term plan to relocate to new, fit-for-purpose facilities as part of a wider estates strategy developed in 2018. The School has located new premises and signed an agreement to lease with the developer Ballymore/ECO World to relocate to a building on London City Island during the 2019/20 academic year.

Governors' report

Governance, structure and management (continued)

Risk management (continued)

Relocation to London City Island (continued)

The fit out costs are budgeted at £7.2m and the owners and developers of London City Island, Ballymore/ECO World, will provide enabling works along with further enhancement works of £1.4m. They are highly committed to the development of the Creative Hub on the site and are providing significant financial support behind the relocation. £306,000 of development funding has been awarded by ScreenSkills, and a further £1m has been ring-fenced by the BFI subject to the usual application process due to be concluded by April 2019 with the remaining funds being raised through developer support, individuals, corporates, and trusts and foundations.

The key risks to the project are:

- ◆ Delays in landlord remedial or enhancement works leading to delay in completion of the fit out work. The School has mitigated this by securing an extension to the current lease if necessary to allow for slippages in the LCI construction programme, ensuring at all times that students' teaching is not compromised.
- ◆ Funding is the other major risk and a fundraising strategy is in place with support from an experienced fundraising consultancy to maximise donations from a range of grant-making organisations, companies and individuals.

The School is also developing a stakeholder engagement strategy to ensure all stakeholders (students, staff, alumni, industry and government) are properly and meaningfully consulted and engaged with the relocation project.

Compliance

As the UK higher education sector transitions from HEFCE to the Office for Students, the London Film School continues to be subject to educational oversight by with the Quality Assurance Agency for Higher Education (QAA): the independent body entrusted with monitoring, and advising on, standards and quality in UK Higher Education. There is a requirement for the School to retain its Tier 4 status (and its ability to sponsor international students) and for specific course designation by the Department for Education.

In October 2016, the School had a full QAA review (Higher Education Review) which is completed normally every four years. The findings, which includes one commendation, are being monitored both internally as well as by the QAA through annual monitoring reports (in 2017 and 2018) and an annual monitoring visit in 2018 to ensure academic standards, and learning opportunities are maintained and enhanced.

Going forward, the School will come under the regulatory oversight of the new Office for Students for which it submitted a comprehensive application in August 2018.

Governors' report

Governance, structure and management (continued)

Relationship with other organisations

In pursuit of its objectives, the School works with a number of other organisations including ScreenSkills (previously Creative Skillset) London Metropolitan University, the University of Exeter and the University of Warwick and the Deutsche Film und Fernsehakademie Berlin (DFFB). Other partners across a range of our projects have included Sundance, the BBC Academy, the British Film Institute, Into Film, the Royal Television Society, the H Foundation, HM Prisons Service, The Third Floor and many more.

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 degree covering all of film's craft and interpretive departments, and a one year MA in Screenwriting. The MA in International Film and Business continues in partnership with Exeter University. The School also offers over 50 short course workshops for film and television professionals each year. Since 2016, the School has also offered an expanding programme of outreach projects, bringing filmmaking training and education to audiences who could not normally access such opportunities for reasons of cost or geography.

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

The School has a means tested bursary scheme which benefits UK and EU students. It is also now in a position to offer a small number of scholarships to students from other countries where access to film education is limited. The School receives funding from The Leverhulme Trust to provide bursaries to students and allocates Creative Skillset and Leverhulme bursaries according to students' needs.

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.
 - ◇ In addition to securing our existing premises until the completion of the relocation project, we made good progress in our application to the BFI for capital support for the new building at London City Island. Investment was made in the existing facilities including redecoration of the main stairwell and student cafeteria area, air-conditioning to the fifth floor editing area, and new working lights in the main studio.
- ◆ Ensure our film education is accessible to all UK students irrespective of background or income.

Governors' report

Objectives and activities (continued)

- ◇ We submitted our application to register with the Office for Students in August 2018, and if successful, from September 2019 all LFS postgraduate courses will qualify for postgraduate loan support. The School will also be able to access teaching grants which, in turn, may allow it to divert existing resources towards additional bursaries and scholarships. Our fundraising strategy includes revenue fundraising as a core component.
- ◆ Maintain our excellent international profile, exporting best-practice around the world and bringing new global perspectives to our pedagogy.
 - ◇ The School continues to engage with CILECT (The International Association of Film and Television Schools), including attendance at the annual conference in Zurich in 2017, and its regional division, GEECT (European Grouping of Film & Television Schools). As can be seen below, LFS graduation works enjoyed another year of wide international exposure at festivals and awards 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.
 - ◇ Ongoing review and improvement of the postgraduate programmes continued in 2017/18 through regular feedback and review from students, staff and external examiners. Development work was undertaken on the creation of industry advisory boards for our MA Filmmaking and MA Screenwriting programmes, to ensure continued industry engagement and relevance.
- ◆ Build new and lasting partnerships and collaborations with industry and relevant institutions.
 - ◇ Partners in 2017/18 included Sundance, the BBC Academy, the British Film Institute, ScreenSkills, Into Film, the Royal Television Society, the H Foundation, HM Prisons Service, The Third Floor and many more.

London City Island – Relocation Project

As part of its strategic commitment to ensuring the School is situated in contemporary, fit-for-purpose facilities, the School continues to pursue its long-term ambition of relocating to London City Island.

London City Island offers the School:

- ◆ fit-for-purpose facilities, with future expansion options available including additional office/teaching space in the adjacent building and potential for development at the basement level of the School's building;
- ◆ purpose-built soundstage and cinema facilities, with modern, industry-standard equipment;
- ◆ flexible teaching and learning spaces, and dedicated editing/post-production facilities;

Objectives and activities (continued)

London City Island – Relocation Project (continued)

- ◆ a fully-supportive developer partner offering significant support;
- ◆ the opportunity to be a leader in the creation of a new creative hub in east London, with neighbours including English National Ballet; and
- ◆ a 75 year lease arrangement with security of tenure and rent reducing to a peppercorn after 15 years.

The agreement to lease has been signed and the current construction programme for both landlord's (remedial and enhancement) works and tenant's fitting out works envisages completion by the end of the 2019/20 academic year. The project remains subject to financing, principally through support from ScreenSkills which has committed development funding of £306,000, and from the BFI, where an additional £1m has been ring-fenced subject to an application from the school by April 2019.



US Federal Loans

The School continues to participate in the William D. Ford Federal Direct Loan (Direct Loan) Program administered by the United States Department of Education. After submitting an application for re-certification, the Department of Education confirmed in September 2017 that the London Film School "meets the minimum requirements of institutional eligibility, administrative capability, and financial responsibility" and confirmed that LFS had been approved to participate in the program until March 2023.

In 2017/18, 27 US students applied for and received Direct Loans, enabling them to study and live in London.

ScreenSkills (formerly Creative Skillset)

ScreenSkills continue to support the School's work including through a Stage 1 pass for capital funding for the London City Island relocation project, and an outgoing contract for supporting scholarships and bursaries for UK students. As part of ScreenSkills' new five-year funding plan, there are regrettably currently no plans to continue bursary support going forward, although the School has had constructive discussions with the film department about reviewing this in 2019. Meanwhile a new Art Department for Beginners course, developed from our existing workshop and adding industry connections including on-set experience, has been supported by ScreenSkills' new entrant funding. The course started in January 2019.

Governors' report

Achievements and performance

As in previous years, London Film School students and graduates continue to enjoy successes around the world. Our achievements as a school are reflected in the journeys our graduates then undertake, and 2017/18 has been no exception when it comes to global recognition.

For a look into the films that are created within the School, please visit:

<https://vimeo.com/190899498?lite=1>

Festivals

LFS student and alumnus films continue to screen and win awards throughout the year, featuring in festivals around the world. Selected highlights include:

- ◆ 'The Miseducation of Cameron Post', executive produced by LFS graduate and current governor Olivier Kaempfer, won the Grand Jury prize at Sundance. The Short Film Grand Jury Prize went to LFS graduate Alvaro Gago's 'Matria'.
- ◆ 'A Fantastic Woman', written by MA Screenwriting graduate and current PhD student Gonzalo Maza, won Best Foreign Language Film at the Academy Awards, as well as the Golden Globes
- ◆ Carla Simon, an LFS graduate whose 'Summer 1993' received critical plaudits, was selected for the highly competitive Torino FilmLab 2018. Her project, 'Alcarras', won Best Scriptlab project.
- ◆ Graduate Lara Zeidan's LFS graduation film 'Three Centimetres' has toured festivals around the world, including screening at Berlinale's Generations 14+ and scooping Best Short Film at the Teddy Awards.
- ◆ Elsewhere at Berlinale, graduate Marcelo Martinessi's debut feature 'The Heiress' picked up three awards, including Best Actress and the Alfred Bauer Prize, awarded to a feature film that opens new perspectives.
- ◆ Film London's annual London Calling slate, which commissions original short films from up and coming filmmakers, featured three LFS graduates in 2018: Koby Adom, Sami El-Hadi, and Rachel Swindale. Koby's film 'Haircut' was selected by director David Yates as the standout short from this year's slate. Koby has since begun directing on the BBC's adaptation of 'Noughts and Crosses'.
- ◆ Screenwriting graduate Sophie McVeigh was selected for the inaugural CannesSeries programme, an intensive 5-week residential dedicated to screenwriting for series.
- ◆ Graduate Zhannat Alshanova's 'End of Season' was nominated in the Cannes Cinefondation programme, recognising outstanding work from film schools around the world.

Filmmaking graduate Franco Volpi's graduation film 'Sol de Agosto' reached the finalist stage at the Student Oscars, having been a semi-finalist at the Student BAFTA awards.

Governors' report

Achievements and performance (continued)

Honorary Associates

At the graduation ceremony in December 2017, the School was delighted to welcome legendary film editor and sound designer Walter Murch as its latest honorary associate. The ceremony was hosted by Acting Director and CEO Gisli Snaer (now Director), alongside Vice Chair Professor Diana Green.

With a career stretching back to 1969, Walter's work includes *Apocalypse Now*, *The Godfather I, II and III*, *American Graffiti*, *The Conversation* and *The English Patient*. Walter has won three Academy Awards from nine nominations: six for picture editing and three for sound mixing.

Walter commented, "I am delighted to receive an Honorary Associate award from London Film School. It's a School with a strong heritage and a worldwide reputation for nurturing talent behind the camera and in the edit suite – without whom great cinema wouldn't be possible. LFS attracts students from all over the world to collaborate and create original stories. I'm very proud to be a part of the school's journey."

Financial review

A summary of the year's results can be found on page 18 of the attached financial statements. Total income for the year was £4,704,805 (2017 - £4,177,436). The majority of the income is from MA tuition fees.

Total expenditure for the year amounted to £3,787,169 (2017 - £3,702,510).

The net movement in funds for the year was a surplus of £917,636 (2017 - £474,926). The improved financial result in 2017/18 was largely due to the increase in MA Filmmaking students.

The joint MA with Exeter University in International Film and Business generates revenue for the School that will continue. With additional income streams being developed and continuing review of costs and potential savings, the School will aim to build up its reserves to policy levels stated below in the medium term.

A five year financial plan has been produced to support the School in its strategic plan and growth. This also fulfils the QAA Financial and Sustainability requirement and Office for Students.

Governors' report

Financial review (continued)

Reserves policy and financial position

The governors have examined the requirement for free reserves i.e those unrestricted funds not invested in tangible fixed assets, designated for specific purposes or otherwise committed. The governing body has previously considered that, given the nature of the School's work, the level of free reserves should be approximately equivalent to six months' annual expenditure on unrestricted funds at any one time i.e. approximately £1.5 million. The governing body are of the opinion that this provides sufficient flexibility to cover temporary shortfalls in incoming resources due to timing differences in income flows, adequate working capital to cover core costs, and will allow the School to cope and respond to unforeseen emergencies whilst specific action plans are implemented.

The governing body are currently in the process of reviewing this policy in light of the major project currently undertaking to relocate the school to London City Island.

At 31 August 2018, the School had total funds of £1,894,140 (2017 - £976,504).

Included in total funds is an amount of £23,553 (2017 - £23,553) which is restricted. These monies have either been raised for, and their use restricted to specific purposes, or they comprise donations subject to donor imposed conditions. Full details of these restricted funds can be found in note 16 to the financial statements together with an analysis of movements in the year.

Unrestricted funds of the charity at 31 August 2018 amounted to £1,870,587 (2017 - £952,951). These funds include tangible fixed assets with a net book value of £715,566 (2017 - £689,200) as well as other funds designated for specific projects of £600,000 (2017- £nil). Free reserves, which represent the net assets excluding fixed assets and other designations held under the general fund, were £554,021 (2017 - £263,751).

This is below the target level of £1.5 million stated in the policy above, but the five year financial plan shows that this level should be reached by 2020.

Plans for the future

The board of governors approved a new five-year strategic plan for LFS in 2018, where the School's key strategic objectives were agreed as:

- ◆ Ensure that LFS is appropriately resourced and situated in contemporary facilities, matching the excellence in our teaching and delivering a peerless learning experience;
- ◆ Ensure our film education is accessible to all UK students irrespective of background or income;
- ◆ Maintain our excellent international profile, exporting best-practice around the world and bringing new global perspectives to our pedagogy;
- ◆ Ensure our film education offer continues to be among the best in the world and is relevant to the film and wider creative industries of today, and tomorrow; and
- ◆ Build new and lasting partnerships and collaborations with industry and relevant institutions.

Governors' report

Plans for the future (continued)

As described above, key projects in the coming year will include progressing the School's relocation to London City Island, alongside developing a full estates strategy; securing our registration with the Office for Students, unlocking new support for UK/EU students; continuing to support the development of our students and their future success on the national and international stage; and introducing new programmes (at short course level and above) that complement our existing provision and contribute to our vision of LFS as a distinctive global leader in contemporary, practice-based film education and research.

Approved by the governing body and signed on its behalf by:

Governor

 (GREG DYKE)

Approved by the governors on: [17/4/19]

Independent auditor's report

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

Opinion

We have audited the financial statements of The London Film School Limited (the 'charitable company') for the year ended 31 August 2018 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 2018 and of its income and expenditure for the year then ended;
- ◆ have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- ◆ have been prepared in accordance with the requirements of the Companies Act 2006.

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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- ◆ the governors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- ◆ the governors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Independent auditor's report

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- ◆ the information given in the governors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- ◆ 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.

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

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

Independent auditor's report

Responsibilities of governors

As explained more fully in the governors' responsibilities statement, the governors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the governors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

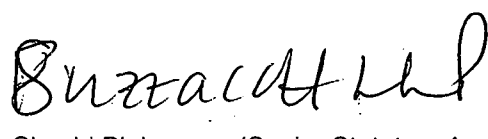
Auditor's responsibilities for the audit of the financial statements

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

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 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.

 15 May 2019

Shachi Blakemore (Senior Statutory Auditor)
For and on behalf of Buzzacott LLP, Statutory Auditor
130 Wood Street
London
EC2V 6DL

Statement of financial activities Year to 31 August 2018

	Notes	Unrestricted funds £	Restricted funds £	2018 Total funds £	2017 Total funds £
Income from:					
Donations	1	—	—	—	150,000
Charitable activities	2	4,373,153	264,890	4,638,043	3,982,857
Investments	3	1,185	85	1,270	2,583
Other income	4	65,492	—	65,492	41,996
Total income		4,439,830	264,975	4,704,805	4,177,436
Expenditure on:					
Raising funds	5	118,576	6,646	125,222	50,186
Charitable activities					
Provision of education	6	3,403,618	258,329	3,661,947	3,652,324
Total expenditure		3,522,194	264,975	3,787,169	3,702,510
Net income and net movement in funds	8	917,636	—	917,636	474,926
Reconciliation of funds					
Fund balances brought forward at 1 September		952,951	23,553	976,504	501,578
Fund balances carried forward at 31 August		1,870,587	23,553	1,894,140	976,504

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

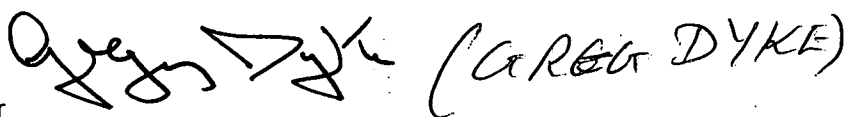
All of the charitable company's activities are derived from continuing operations during the above two financial periods.

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

Balance sheet 31 August 2018

	Notes	2018 £	2018 £	2017 £	2017 £
Fixed assets					
Tangible fixed assets	11	<u>715,566</u>		<u>689,200</u>	
			715,566		689,200
Current assets					
Debtors	12	590,318		766,417	
Cash at bank and in hand		<u>1,810,674</u>		<u>602,100</u>	
		2,400,992		1,368,517	
Liabilities					
Creditors: amounts falling due within one year	13	<u>(1,221,634)</u>		<u>(1,077,659)</u>	
Net current assets			1,179,358		290,858
Total assets less current liabilities			1,894,924		980,058
Creditors: amounts falling due after one year	14		(784)		(3,554)
Net assets			1,894,140		976,504
The funds of the charity					
Restricted funds	16		23,553		23,553
Unrestricted funds					
General fund			554,921		263,751
Tangible fixed assets fund	17		715,666		689,200
Designated funds	18		600,000		—
Total funds			1,894,140		976,504

Approved by the governors
and signed on their behalf by:

Governor  (GREG DYKE)

Approved on: 17/4/19

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

Statement of cash flows Year to 31 August 2018

	Notes	2018 £	2017 £
Cash flows from operating activities:			
Net cash provided by operating activities	A	1,295,937	386,331
Cash flows from investing activities:			
Investment income		1,270	2,583
Interest on finance leases		(941)	(1,521)
Payments to acquire tangible fixed assets		(85,501)	(616,424)
Net cash used in investing activities		(85,172)	(615,362)
Cash flows from financing activities:			
Capital element of finance lease payments		(2,191)	(1,611)
Net cash used in financing activities		(2,191)	(1,611)
Change in cash and cash equivalents in the year		1,208,574	(230,642)
Cash and cash equivalents at 1 September	B	602,100	832,742
Cash and cash equivalents at 31 August	B	1,810,674	602,100

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

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

	2018 £	2017 £
Net movement in funds (as per the statement of financial activities)	917,636	474,926
Depreciation	59,135	68,633
Investment income	(1,270)	(2,583)
Interest payable	941	1,521
Decrease (increase) in debtors	176,099	(190,885)
Increase in creditors	143,396	34,719
Net cash inflow from operating activities	1,295,937	386,331

B Analysis of cash and cash equivalents

	2018 £	2017 £
Cash at bank and in hand	1,810,674	602,100
	1,810,674	602,100

Principal accounting policies 31 August 2018

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 2018 and are presented in sterling and are rounded to the nearest pound.

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

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) (Charities SORP FRS 102) issued on 16 July 2014, the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

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

Critical accounting estimates and areas of judgement

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

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

- ◆ estimating the useful economic life of tangible fixed assets;
- ◆ determining the provision for bad and doubtful debts;
- ◆ determining the value of provisions for liabilities; and
- ◆ determining the point from which costs incurred in relation to the development project should be capitalised

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)

As detailed in the governors' report, LFS will be relocating to a new purpose built premises at London City Island. A Relocation Committee has been set up for the development and construction of this capital project. A number of LFS governors sit on this Committee along with capital development professionals to ensure that the project is delivered on a timely basis and resources are in place and used effectively.

To support the new strategic plan and relocation, 5 – 20 year operating forecasts have been completed along with a fundraising strategy.

During this capital project LFS has continued active and positive discussions with the current Landlords at Shelton Street, and the governors are of the opinion that LFS will be able to deliver its current and future obligations without disruption during the relocation, which is scheduled to be completed during the academic year 2019/20.

The governors are of the opinion that the School will have sufficient resources to meet its liabilities as they fall due.

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

Expenditure recognition (continued)

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.

Assets held under finance leases are capitalised and depreciated over their useful lives. The corresponding lease obligation is treated as a liability. The interest element is charged against income over the period of the lease at a constant proportion of the outstanding balance of capital repayments.

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.

Notes to the financial statements 31 August 2018

1 Donations

	Unrestricted funds £	Restricted funds £	Total funds 2018 £
2018 Total funds: Donations for development project	—	—	—
<i>2017 Total funds: Donations for development project</i>	—	150,000	150,000

2 Income from charitable activities

	Unrestricted funds £	Restricted funds £	Total funds 2018 £
Tuition fees and charges	4,648,599	—	4,648,599
Less: bursaries awarded	(278,446)	—	(278,446)
	4,370,153		4,370,153
Grants	3,000	264,890	267,890
2018 Total funds	4,373,153	264,890	4,638,043

	Unrestricted funds £	Restricted funds £	Total funds 2017 £
<i>Tuition fees and charges</i>	<i>4,092,100</i>	<i>—</i>	<i>4,092,100</i>
<i>Less: bursaries awarded</i>	<i>(407,453)</i>	<i>—</i>	<i>(407,453)</i>
	<i>3,684,647</i>	<i>—</i>	<i>3,684,647</i>
<i>Grants</i>	<i>—</i>	<i>298,210</i>	<i>298,210</i>
<i>2017 Total funds</i>	<i>3,684,647</i>	<i>298,210</i>	<i>3,982,857</i>

During the year ended 31 August 2018, 46 (2017 – 46) students received a bursary to support their tuition fees. The amounts shown above include £63,440 (2017 - £156,730) directly from the School, £145,833 (2017 - £200,629) awarded from funding received from Skillset, and £69,173 (2017 - £50,093) from funding received from the Leverhulme Trust.

3 Investment income

	Unrestricted funds £	Restricted funds £	Total funds 2018 £
2018 Total funds: interest receivable	1,185	85	1,270
<i>2017 Total funds: interest receivable</i>	<i>2,419</i>	<i>164</i>	<i>2,583</i>

Notes to the financial statements 31 August 2018

4 Other income

	Unrestricted funds £	Restricted funds £	Total funds 2018 £
2018 Total funds: miscellaneous income	65,492	—	65,492
<i>2017 Total funds: miscellaneous income</i>	<i>41,996</i>	<i>—</i>	<i>41,996</i>

5 Expenditure on raising funds

	Unrestricted funds £	Restricted funds £	Total funds 2018 £
Staff costs	35,448	1,986	37,434
Fundraising costs	83,128	4,660	87,788
2018 Total funds	118,576	6,646	125,222

	Unrestricted funds £	Restricted funds £	Total funds 2017 £
Staff costs	34,238	2,469	36,707
Fundraising costs	12,572	907	13,479
2017 Total funds	46,810	3,376	50,186

6 Expenditure on charitable activities – provision of education

	Unrestricted funds £	Restricted funds £	2018 £
Direct costs			
. Production allowances and costs	331,173	21,071	352,244
. Repairs and technical maintenance	80,683	4,288	84,971
. Depreciation (note 11)	55,778	3,357	59,135
. Other costs	279,667	21,331	300,998
	747,301	50,047	797,348
Support costs			
. Staff costs	1,593,652	124,009	1,717,661
. Visiting lecturers	340,048	26,461	366,509
. Premises	331,736	32,272	364,008
. Legal and professional	36,236	2,962	39,198
. Other costs	270,052	14,234	284,286
. Governance costs (note 7)	84,593	8,344	92,937
	2,656,317	208,282	2,864,599
2018 Total funds	3,403,618	258,329	3,661,947

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

	<i>Unrestricted funds £</i>	<i>Restricted funds £</i>	<i>2017 £</i>
<i>Direct costs</i>			
. Production allowances and costs	283,072	24,824	307,896
. Repairs and technical maintenance	108,004	7,515	115,519
. Depreciation	63,508	5,125	68,633
. Other costs	210,274	16,752	227,026
	<u>664,858</u>	<u>54,216</u>	<u>719,074</u>
<i>Support costs</i>			
. Staff costs	1,652,898	144,558	1,797,456
. Visiting lecturers	309,905	34,230	344,135
. Premises	336,165	33,344	369,509
. Legal and professional	69,581	5,869	75,450
. Other costs	290,200	19,568	309,768
. Governance costs (note 7)	33,719	3,213	36,932
	<u>2,692,468</u>	<u>240,782</u>	<u>2,933,250</u>
2017 Total funds	<u>3,357,326</u>	<u>294,998</u>	<u>3,652,324</u>

7 Governance costs

	<i>Unrestricted funds £</i>	<i>Restricted funds £</i>	<i>Total funds 2018 £</i>
Audit and advisory fees	20,261	1,999	22,260
Other professional costs	64,332	6,345	70,677
2018 Total funds	<u>84,593</u>	<u>8,344</u>	<u>92,937</u>
	<i>Unrestricted funds £</i>	<i>Restricted funds £</i>	<i>Total funds 2017 £</i>
Audit and advisory fees	24,624	2,346	26,970
Other professional costs	9,095	867	9,962
2017 Total funds	<u>33,719</u>	<u>3,213</u>	<u>36,932</u>

8 Net movement in funds

This is stated after charging:	2018 £	2017 £
Depreciation - Owned assets	57,355	66,853
Depreciation - Leased assets	1,780	1,780
Operating lease rentals - Land and buildings	259,800	259,800
Operating lease rentals - Equipment hire	50,699	27,822
Interest charges on finance leases	941	1,521
Auditor's remuneration (including VAT)		
. Statutory audit	17,880	18,360
. Other services	4,380	8,610
Staff costs (note 9)	<u>2,121,604</u>	<u>2,178,298</u>

9 Staff costs

	2018 £	2017 £
Wages and salaries	1,583,726	1,664,708
Social security costs	156,827	159,931
Pension costs	14,542	9,524
	1,755,095	1,834,163

In addition to the staff costs disclosed above, the amount paid to visiting lecturers used by the School in year was £366,509 (2017 - £344,135).

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

	2018 Number	2017 Number
Provision of education		
. Academic staff	28	30
. Project co-ordination staff	1	1
. Support staff	15	16
	44	47

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:

	2018 Number	2017 Number
£60,001 - £70,000	3	2
£80,001 - £90,000	1	—
£130,001 - £140,000	—	1
	4	3

During the year there were no payments for redundancy/loss of office (2017 - £55,000).

The key management personnel of the charity in charge of directing and controlling, running and operating the charity comprise the governors and the Management Team. The total remuneration (including taxable benefits and employer's pension contributions) of the key management personnel for the year was £400,399 (2017 - £570,516).

During the year, staff governors received remuneration only in relation to their roles as staff members. No member of the governing body received any remuneration in respect of their services as governors during the year (2017 - £nil).

Expenses amounting to £1,788 were reimbursed to two governing body members during the year for travel costs (2017 - £nil).

10 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

11 Tangible fixed assets

	Leasehold premises in course of construction £	Cinema equipment £	Fixtures, fittings, and computer equipment £	Total £
Cost				
At 1 September 2017	559,305	218,749	124,937	902,991
Additions	46,522	32,776	6,203	85,501
Disposals	—	(5,615)	(47,712)	(53,327)
At 31 August 2018	605,827	245,910	83,428	935,165
Depreciation				
At 1 September 2017	—	156,906	56,885	213,791
Charge for the year	—	32,502	26,633	59,135
Disposals	—	(5,615)	(47,712)	(53,327)
At 31 August 2018	—	183,793	35,806	219,599
Net book values				
At 31 August 2018	605,827	62,117	47,622	715,566
At 31 August 2017	559,305	61,843	68,052	689,200

The net book value of fixtures, fittings and computer equipment includes £2,375 (2017 - £4,155) in respect to assets held under finance leases. The depreciation charge in respect of such assets amounted to £1,780 for the year (2017 - £1,780).

Leasehold premises in course of construction relates to expenditure arising during the post-feasibility phase of the School's relocation to its new building on London City Island. Expenditure comprises legal and professional fees amounting to £599,755 plus staff costs of £6,072 (2017 - £553,233 plus staff costs of £6,072). The expected completion date of the building is academic year 2019/20.

12 Debtors

	2018 £	2017 £
Trade debtors	28,752	63,065
Other debtors	66,270	64,645
Prepayments and accrued income	495,296	638,707
	590,318	766,417

13 Creditors: amounts falling due within one year

	2018 £	2017 £
Deferred income at 1 September	754,717	775,993
Released during the year	(732,642)	(755,368)
Resources deferred in the year	781,251	734,092
Deferred income at 31 August	<u>803,326</u>	<u>754,717</u>
	2018 £	2017 £
Trade creditors	166,773	100,531
Taxation and social security creditor	39,750	47,500
Accruals and deferred income	959,530	872,129
Finance lease creditor (note 15)	2,770	2,191
Sundry creditors	52,811	55,308
	<u>1,221,634</u>	<u>1,077,659</u>

Deferred income consists principally of fee income received in advance and grants towards bursaries which will be released in the coming year.

14 Creditors: amounts falling due after one year

	2018 £	2017 £
Finance lease creditor (note 15)	<u>784</u>	<u>3,554</u>

15 Finance lease commitments

The future finance lease obligations to which the School is committed are as follows:

	2018 £	2017 £
Within one year	2,770	2,191
Between one and two years	784	2,770
Between two and five years	—	784
	<u>3,554</u>	<u>5,745</u>
Summary:		
Amounts repayable within one year (note 13)	2,770	2,191
Amounts repayable in more than one year (note 14)	784	3,554
	<u>3,554</u>	<u>5,745</u>

16 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 2017 £	Income £	Expenditure £	Transfer between funds £	At 31 August 2018 £
Skillset Academy fund	—	195,802	(195,802)	—	—
Building and Development fund	18,543	—	—	—	18,543
Adam Sedgwick Award	5,010	—	—	—	5,010
Leverhulme fund	—	69,173	(69,173)	—	—
	<u>23,553</u>	<u>264,975</u>	<u>(264,975)</u>	<u>—</u>	<u>23,553</u>

	At 1 September 2016 £	Income £	Expenditure £	Transfer between funds £	At 31 August 2017 £
Skillset Academy fund	—	248,281	(248,281)	—	—
Building and Development fund	18,543	150,000	—	(150,000)	18,543
Adam Sedgwick Award	5,010	—	—	—	5,010
Leverhulme fund	—	50,093	(50,093)	—	—
	<u>23,553</u>	<u>448,374</u>	<u>(298,374)</u>	<u>(150,000)</u>	<u>23,553</u>

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.

Building and Development fund

This fund represents monies raised specifically to fund the new building relocation project.

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.

17 Tangible fixed assets fund

	2018 £	2017 £
At 1 September	689,200	141,409
Net movements in year	26,366	547,791
At 31 August	715,566	689,200

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.

18 Designated funds

The income funds of the School include the following designated funds which have been set aside by the governors for specific purposes:

	At 1 September 2017 £	New designations £	Utilised £	At 31 August 2018 £
Relocation fund	—	600,000	—	600,000
	—	600,000	—	600,000

- ◆ The relocation fund consists of monies set aside by the governors towards the cost of relocating the School to London City Island.

19 Analysis of net assets between funds

	General fund £	Tangible fixed assets fund (note 17) £	Other designated funds (note 18) £	Restricted funds £	Total 2018 £
Fund balances at 31 August 2018 are represented by:					
Tangible fixed assets	—	715,566	—	—	715,566
Current assets	1,777,439	—	600,000	23,553	2,400,992
Creditors: amounts falling due within one year	(1,221,634)	—	—	—	(1,221,634)
Creditors: amounts falling due after one year	(784)	—	—	—	(784)
	554,921	715,666	600,000	23,553	1,894,140

19 Analysis of net assets between funds (continued)

	General fund £	Tangible fixed assets fund (note 17) £	Other designated funds (note 18) £	Restricted funds £	Total 2017 £
<i>Fund balances at 31 August 2017 are represented by:</i>					
Tangible fixed assets	—	689,200	—	—	689,200
Current assets	1,344,964	—	—	23,553	1,368,517
Creditors: amounts falling due within one year	(1,077,659)	—	—	—	(1,077,659)
Creditors: amounts falling due after one year	(3,554)	—	—	—	(3,554)
	<u>263,751</u>	<u>689,200</u>	<u>—</u>	<u>23,553</u>	<u>976,504</u>

20 Operating lease commitments

At 31 August 2018 the School had the following future minimum commitments under non-cancellable operating leases:

	Equipment		Land and buildings	
	2018 £	2017 £	2018 £	2017 £
Operating lease payable:				
· Within one year	—	2,872	89,400	149,285
· Between one and two years	—	—	—	142,547
	<u>—</u>	<u>2,872</u>	<u>89,400</u>	<u>291,832</u>

21 Related and connected parties disclosure

At 31 August 2018 the School was owed £7,643 (2017 - £7,450) by the London Film Society Limited, charity registration number 1146656, company number 07886379. During the year ended 31 August 2018 the school paid expenses totalling £193 on behalf of the London Film society, and there were no other transactions between the School and the Society during the year (2017 – none). One governor of the School and two members of the School's Management Team served as the trustees of the London Film Society Limited during the year.

The School has taken exemption from preparing consolidated financial statements on the grounds that the London Film Society Limited is not material for the purpose of giving a true and fair view.

During the year, the School had a wholly owned subsidiary company, the London International Film School Limited (formerly the London Film School Limited), company registration number 0102086. The London International Film School Limited was dissolved on 17 October 2017.