

NFTS Foundation

Report and Financial Statements

Year Ended

31 December 2018

Company number 03290399

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NFTS Foundation

Report and financial statements for the year ended 31 December 2018

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Reference and administrative information

Trustees

Ken Roberts - Chair of Trustees
Judith Chan
Linda James
Stephen Louis
William Tudor-John

Secretary and registered office

Trevor Hall, Beaconsfield Studios, Station Road, Beaconsfield, Buckinghamshire HP9 1LG

Management team

Jon Wardle
Trevor Hall

Company number

03290399

Charity number

1061561

NFTS Foundation

**Annual report and financial statements
for the year ended 31 December 2018 *(continued)***

Reference and administrative information *(continued)*

Auditors

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

Bankers

Lloyds Bank PLC, 25 Gresham Street, London, EC2V 7HN

Solicitors

Mills and Reeve LLP, Monument Place, 24 Monument Place, London, EC3R 8AJ

Investment managers

Investec Wealth & Investment Limited, 30 Gresham Street, London EC2V 7QN

NFTS Foundation

Report of the Trustees for the year ended 31 December 2018

The trustees, who are also directors of the charity for the purposes of the Companies Act, present their annual report together with the audited financial statements for the year ended 31 December 2018. The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in March 2005, preparing the annual report and financial statements in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011. This report includes the directors' report as required by company law.

Trustees

The trustees of the NFTS Foundation during the year were:

Ken Roberts - Chair of Trustees (appointed 5 June 2019)
Judith Chan
Linda James
Stephen Louis
David Potter - Chair of Trustees (resigned 5 June 2019)
William Tudor-John

The NFTS Foundation's trustees have given generously of their time and expertise for which the NFTS Foundation and the National Film and Television School are extremely grateful.

Structure, governance and management

Organisation and decision making structure

NFTS Foundation ("the Foundation") is a charitable company limited by guarantee, which was established on 11 December 1996. It is governed by a Memorandum and Articles of Association.

The principal advisers at the date of this report are listed on the previous page.

Connected charities

The National Film and Television School ("the School") is a charity connected with the Foundation.

By mutual agreement, all costs associated with fundraising activities are borne by the School. The School also accounts for revenue grants, sponsorships, donations and scholarships. The Foundation invests grants, donations and scholarships received for investment. The Foundation donates income and capital from invested funds to the School. The trustees review the Foundation's investment performance and strategy.

Investment policy (including reserves policy)

Grants, donations and other income received from various organisations and individuals are invested in a broad range of securities and equities to provide income for the School in the future. As at 31 December 2018, the reserves of the charity represent funds to help secure the long term funding of the School.

The Foundation trustees take great care to ensure that these investments are effectively managed by the Foundation's investment managers Investec Wealth & Investment Ltd. Representatives of Investec Wealth & Investment Ltd attend the Foundation meetings and provide regular updates on investment performance and strategy.

The Foundation's reserves policy is to hold an investment portfolio of at least £3m, the individual amounts being held in accordance with all donor wishes and obligations. The income generated from this level of reserves enables the Foundation to provide a consistent level of funding to the School each year.

NFTS Foundation

Report of the Trustees for the year ended 31 December 2018 (continued)

Structure, governance and management (continued)

Powers of investment

The powers of investment of the Foundation as stated in its Memorandum of Association include exercising the following powers:

- being able to make grants and loans whether out of income or capital;
- being able to accept any gifts, endowments, legacies or contributions of any other kind of money or property of any kind; and
- to invest the monies of the company not required for its purposes in or upon such investments, securities or property of any other kind as may be thought fit subject nevertheless to such conditions (if any) and such consents (if any) as may for the time being be imposed or required by law.

The board of trustees confirm that all investments are held in accordance with these powers.

Risk management

The trustees examine the major risks that the company faces each financial year, and have developed systems to monitor and control these risks to mitigate any impact that they may have on the company in the future.

Accounting policies

Accounting policies that have been applied during the year are outlined in the notes to the financial statements.

Objectives and activities

The Foundation was established to help in the advancement of the education of the public in film, television and other media, and in particular the advancement of education and research at or supported by the School or any charity or educational establishment connected or associated with the School.

The School is responsible for all fundraising activity for both the School and the Foundation's investment fund.

Financial review

Total income for the Foundation for the year ended 31 December 2018 was £128k (2017 - £130k).

Investment income in the year at £128k was lower than last year (2017 - £130k) due to the prevailing market conditions in 2018. This related to dividends and interest earned during the year and represented an average rate of return of 3.2% on the Foundation's £4,039k investment portfolio at 1 January 2018.

Total expenditure in the year was £140k (2017 - £139k). Expenditure represented the annual contribution to the School, this being the £120k donation for scholarships, masterclasses and bursaries, and investment management costs.

Unfavorable market value movements on the investment portfolio generated a net investment loss (realised and unrealised) for the year of £256k, compared to an investment profit of £308k in the previous year. The net movement in funds for the year was a decrease of £268k and represented a 6.6% decrease in the value of the Foundation's investment portfolio.

The NFTS Foundation fund balance at 31 December 2018 was £3,948k (£4,216k at 31 December 2017) and represented an equities/cash and fixed interest investment mix of 76/24, compared to a mix of 82/18 in the previous year.

NFTS Foundation

Report of the Trustees for the year ended 31 December 2018 (*continued*)

Structure, governance and management (*continued*)

The trustees have invested prudently and cautiously during the year. The investment funds raised are held in a broad range of fixed interest securities and equities, which are quoted on a recognised investment exchange.

Future activities

The fundraising activity at the School aims to:

- raise funds in the form of scholarships, chairs, fellowships and legacies, on a revenue basis, and, where practical, on an investment basis;
- raise funds for special projects such as capital equipment and building development; and
- raise funds for regular events and publications, including graduation productions and screenings, the graduation screening brochure and prospectus.

Public benefit

The Foundation meets its public benefits requirement as a charity by distributing grants to the School and scholarships to the School's students. The governors are aware of their responsibilities with regards to the public benefits requirement and are conversant with the Charity Commission guidance.

Statement of Trustees' Responsibilities

The trustees are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law, the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charity for that period.

In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the charity will continue in business.

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

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

NFTS Foundation

Report of the Trustees for the year ended 31 December 2018 (*continued*)

Structure, governance and management (*continued*)

Auditors

All of the current trustees have taken all the steps that they ought to have taken to make themselves aware of any information needed by the company's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The trustees are not aware of any relevant audit information of which the auditors are unaware.

This report has been prepared in accordance with the special provisions of the Companies Act 2006 relating to small companies.

On behalf of the Board

Ken Roberts



Chair of Trustees

Date 25th September 2019

INDEPENDENT AUDITOR'S REPORT TO MEMBERS OF NFTS FOUNDATION

Opinion

We have audited the financial statements of NFTS Foundation ("the Charitable Company") for the year ended 31 December 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 December 2018 and of incoming resources and application of resources 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 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 related 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 Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees 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.

Other information

The other information comprises the information included in the Annual Report, other than the financial statements and our auditor's report thereon. The other information comprises the Report of the Trustees. The Trustees are responsible for the other information.

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.

Independent Auditor's Report (*continued*)

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 Trustees' Report, which includes the Trustees' Report prepared for the purposes of Company Law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report, which are included in the Trustees' 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 Trustee's 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 returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' 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 directors' report and from the requirement to prepare a strategic report.

Responsibilities of Trustees

As explained more fully in the Statement of Trustees' Responsibilities, 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 determines 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 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

We have been appointed as auditor under the Companies Act 2006 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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 aggregate, they could reasonably be expected to influence the economic decisions of users taken based on these financial statements.

Independent Auditor's Report (*continued*)

A further description of our responsibilities for the audit of the financial statements is located at the Financial Reporting Council's ("FRC's") website at:

<https://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.

BDO LLP

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

Date: *30 September 2019*

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

NFTS Foundation

Statement of Financial Activities (including income and expenditure account) for the year ended 31 December 2018

	Note	Unrestricted funds 2018 £	Restricted funds 2018 £	Endowment funds 2018 £	Total Funds 2018 £	Total Funds 2017 £
Income and endowments from:						
Investments	7	5,072	123,345	-	128,417	130,499
Donations		23	-	-	23	-
		<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total income		5,095	123,345	-	128,440	130,499
		<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Expenditure on:						
<i>Raising funds</i>						
Investment management costs	8	783	19,061	-	19,844	19,193
<i>Charitable activities</i>						
Education	9	12,342	107,658	-	120,000	120,000
		<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total expenditure		13,125	126,719	-	139,844	139,193
		<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Net (losses)/gains on investments		(10,128)	(213,399)	(32,886)	(256,413)	307,526
Net (expenditure)/income		(18,158)	(216,773)	(32,886)	(267,817)	298,832
Transfers between funds		(189)	189	-	-	-
		<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Net movement in funds	14	(18,347)	(216,584)	(32,886)	(267,817)	298,832
		<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Reconciliation of funds:						
Total fund balances brought forward at 1 January 2018 (restated)	14	166,535	3,520,846	528,603	4,215,984	3,917,152
		<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total fund balances carried forward at 31 December 2018	14	148,188	3,304,262	495,717	3,948,167	4,215,984
		<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

All amounts relate to continuing activities.

All gains and losses recognised in the year are included in the statement of financial activities.

The notes on pages 10 to 16 form part of these financial statements

NFTS Foundation

Balance Sheet at 31 December 2018

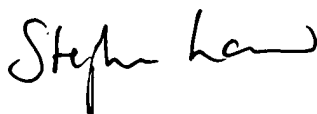
	Note	2018 £	Restated 2017 £
Fixed assets			
Investments	12	3,547,218	4,038,905
Current assets			
Cash at bank and in hand		400,949	177,079
Net assets		<u>3,948,167</u>	<u>4,215,984</u>
Funds of the charity:			
Endowment funds	14	495,717	528,603
Restricted funds	14	3,304,262	3,520,846
Unrestricted funds	14	148,188	166,535
Total charity funds		<u>3,948,167</u>	<u>4,215,984</u>

Approved by the trustees and authorised for issue on 28th September 2019 and signed on their behalf by:

Ken Roberts
Chair of Trustees



Stephen Louis
Trustee



The notes on pages 10 to 16 form part of these financial statements

NFTS Foundation

Notes to the Financial Statements for the year ended 31 December 2018

1 Status of the company

The Foundation is a company limited by guarantee and is a registered charity incorporated in England and Wales. Each member's liability is limited, upon winding up, to an amount not exceeding ten pounds.

2 Accounting policies

(a) Basis of preparation and assessment of going concern

The financial statements of the Foundation have been prepared under the historic cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant notes to these accounts. The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Companies Act 2006.

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

The trustees consider that there are no material uncertainties about the Foundation's ability to continue as a going concern based on a review of cash flow forecasts and expected investment performance.

(b) Funds structure

Unrestricted funds are funds which are available for use at the discretion of the trustees in furtherance of the general objectives of the Foundation and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Foundation for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Endowment funds are funds where a principal sum is held and only the income generated can be used. The donor instructs the principal sum to be held and the income generated is used in accordance with specific restrictions imposed by the donor.

Transfers between endowment funds and restricted funds are made to ensure the principal sum invested is always recognised in the endowment funds with income and investment costs transferred to restricted funds.

Investment income and losses are allocated to the appropriate fund.

An analysis of the charitable funds has been disclosed in note 14.

(c) Income recognition

All income is recognised once the Foundation has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably. Donations, are recognised when the Foundation has been notified in writing of both the amount and settlement date.

In the event that a donation is subject to conditions that require a level of performance before the Foundation 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 Foundation and it is probable that those conditions will be fulfilled in the reporting period.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Foundation; this is normally upon notification of the interest paid or payable by the bank. Dividends are recognised once the dividend has been declared and notification has been received of the dividend due. This is normally upon notification by our investment advisor of the dividend yield of the investment portfolio.

NFTS Foundation

Notes to the Financial Statements for the year ended 31 December 2018 (*continued*)

2 Principal accounting policies (*continued*)

(d) Expenditure

All costs, except investment management costs, associated with the Foundation and fundraising activities are borne by the School.

(e) Cash and cash equivalents

Cash and cash equivalents consists of cash at bank, deposits and short term investments with an original maturity of three months or less.

(f) Taxation

The Foundation is an exempt charity within the meaning of Part 3 of the Charities Act 2011. It is therefore a charity within the meaning of Para 1 of schedule 6 to the Finance Act 2010 and accordingly, the Foundation is potentially exempt from taxation in respect of income or capital gains received within categories covered by sections 478-488 of the Corporation Tax Act 2010 (CTA 2010) or Section 256 of the Taxation of Chargeable gains Act 1992, to the extent that such income or gains are applied to exclusively charitable purposes.

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

(g) Fixed asset investments

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. The statement of financial activities includes the net gains and losses arising on revaluation and disposals throughout the year.

The Foundation does not acquire put options, derivatives or other complex financial instruments. The main form of financial risk faced by the Foundation is that of volatility in equity markets and investment markets due to wider economic conditions, the attitude of investors to investment risk, and changes in sentiment concerning equities and within particular sectors or sub sectors.

(h) Realised gains and losses

All gains and losses are taken to the Statement of Financial Activities as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and their opening carrying value or their purchase value if acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value. Realised and unrealised investment gains and losses are combined in the Statement of Financial Activities.

3 Judgements in applying accounting policies and key sources of estimation uncertainty

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

- investment income, investment management costs and net gains on investments are apportioned across the charitable funds based on the total of each fund at 1 January 2018; and
- with respect to the next reporting period, the most significant areas of uncertainty that affect the carrying value of assets held by the Foundation are the level of investment return and the performance of investment markets.

NFTS Foundation

Notes to the Financial Statements for the year ended 31 December 2018 (continued)

4 Prior year adjustment

The opening valuation of the endowed funds has been restated to recognise the realised and unrealised gains and losses that should have been attributed to the endowed funds since their inception, in accordance with paragraph 2.25 of the Charity SORP 2015. The effect of this has been to increase endowment funds by £160,717 and reduce the restricted and unrestricted funds by £332,738 and £95,796 respectively.

The total valuation of Funds held as at 1 January 2018 was unchanged.

5 Related party transactions and trustees' expenses and remuneration

During the course of the year, the Foundation and the School entered into a number of related party transactions. The transactions represented fundraising initiatives undertaken to support the scholarship programme, donations towards bursaries, and donations towards the running cost of the curriculum. At 31 December 2018 an amount of £Nil (2017 - £Nil) was owed by the School to the Foundation. During the year the Foundation made total donations to the School of £120,000 (2017 - £120,000) (see note 9).

Key management personnel are considered to be the trustees. The trustees all give freely their time and expertise without any form of remuneration or other benefit in cash or kind (2017 - £Nil). During the year, none of the trustees received any reimbursement for meeting expenses (2017 - £Nil).

During the year, insurance costing £1,000 (2017 - £1,000) was purchased to indemnify the trustees against default on their part. The School paid this during the year on behalf of the Foundation.

There were no transactions with trustees and connected persons during the year.

6 Connected charities

The Foundation was incorporated to help in the advancement of the education of the public in film, television and other media and in particular the advancement of education and research at or supported by the School or any charity or educational establishment connected or associated with the School.

7 Investment income

	Unrestricted funds £	Restricted funds £	Restricted endowment funds £	Total 2018 £	Total 2017 £
Listed investments	5,072	123,345	-	128,417	130,494
Cash held on deposits	23	-	-	23	5
	<u>5,095</u>	<u>123,345</u>	<u>-</u>	<u>128,440</u>	<u>130,499</u>

Investment income is apportioned across the funds based on the fund balance held at the start of the year.

8 Investment management costs

	2018 £	2017 £
Investment management fees	<u>19,844</u>	<u>19,193</u>

NFTS Foundation

Notes to the Financial Statements for the year ended 31 December 2018 (continued)

9 Analysis of charitable expenditure

During the year, donations of £120,000 (2017 - £120,000) were made to the School. These donations represent £40,000 towards scholarships and £80,000 towards the curriculum (masterclasses and bursaries).

All other costs associated with the Foundation's fundraising activities are borne by the School because there is an integrated fundraising programme for the School and for the Foundation.

10 Employee emoluments

No staff are employed by the Foundation (2017 - nil).

11 Auditors' remuneration

The audit fee of £3,540 (2017 - £3,444) was borne by the School.

12 Fixed asset investments

	2018 £	2017 £
<i>Movement in quoted investments:</i>		
Market value brought forward as at 1 January	4,038,905	3,764,293
Additions to investments at cost	233,006	330,767
Disposals at carrying value	(396,499)	(239,744)
Gain on revaluation	(328,194)	183,589
	<hr/>	<hr/>
Market value as at 31 December	3,547,218	4,038,905
	<hr/>	<hr/>

	Cost 2018 £	Market value at 31 December 2018 £	Cost 2017 £	Market value at 31 December 2017 £
These investments are represented by:				
<i>Quoted investments:</i>				
UK fixed interest	520,068	525,342	521,832	546,164
UK equities	1,571,078	2,039,307	1,592,411	2,264,039
Overseas fixed interest	30,215	28,128	30,215	29,895
Overseas equities	547,390	954,441	688,667	1,198,807
	<hr/>	<hr/>	<hr/>	<hr/>
	2,668,751	3,547,218	2,833,125	4,038,905
	<hr/>	<hr/>	<hr/>	<hr/>

NFTS Foundation

Notes to the Financial Statements for the year ended 31 December 2018 (continued)

The following investments represented more than 5% of the value of the portfolio as at 31 December 2018:

	Number of units	Market Value £	% of portfolio
Ishares S & P 500 Ucit Etf USD	11,700	228,691	5.8

Investments are retained by the Foundation for the long term to generate income for the School and to ensure that the objectives of the charity are fulfilled.

Investment in equities and fixed interest securities are all traded in quoted public markets. The basis of fair value for quoted investments is equivalent to the market value, using bid price.

13 Financial instruments

Financial assets measured at fair value through profit or loss comprise fixed asset investments in a trading portfolio of listed company shares. Details of these can be found in note 12.

Financial assets measured at amortised cost comprise cash and amounts owed by connected parties.

The significance of financial instruments to the ongoing financial sustainability of the Foundation is considered in the financial review and investment policy and performance sections of the Trustees' Annual Report.

The main risk to the Foundation from financial instruments lies in the combination of uncertain investment markets and volatility of yield. Due to market sentiment favouring lower risk investments, the yield on bonds has been abnormally low giving rise to a significant downside risk of a fall in capital values when interest rates return to normal levels.

The Foundation's investments are mainly traded in markets with good liquidity and high trading volumes, therefore liquidity risk is assessed as low. The Foundation has no material investment holdings in markets subject to exchange controls or trading restrictions.

The Foundation manages these investment risks by retaining expert advisors and operating an investment policy that provides for a high degree of diversification of holdings within investment asset classes that are quoted on recognised stock exchanges. The Foundation does not make use of any derivatives or complex financial instruments.

NFTS Foundation

Notes to the Financial Statements for the year ended 31 December 2018 (continued)

14 Analysis of charitable funds

Analysis of fund movements	Fund balances as previously reported	Reallocation of gains and losses	Restated fund balances brought forward	Income and transfers	Expenditure and transfers	Fund balances carried forward
	£	£	£	£	£	£
Endowment funds:						
The Louis Malle Scholarship	75,000	37,459	112,459	-	(7,013)	105,446
Post Office Scholarship	190,000	93,870	283,870	-	(17,265)	266,605
Kodak Scholarship	70,000	62,274	132,274	-	(8,608)	123,666
Total endowment funds	335,000	193,603	528,603	-	(32,886)	495,717
Restricted funds:						
Lew Grade Chair	1,991,571	(101,574)	1,889,997	57,569	(163,845)	1,783,721
Cubby Broccoli Chair	870,452	81,966	952,418	29,010	(92,409)	889,019
Richard Dunn Scholarship	450,863	43,461	494,324	15,057	(39,392)	469,989
Human Rights - Documentary Award	71,158	4,445	75,603	2,303	(4,954)	72,952
Michael Samuelson Scholarship	966	353	1,319	40	(1,018)	341
Freddie Young Scholarship	3,364	3,546	6,910	210	(3,453)	3,667
Freddie Francis Scholarship	7,338	3,505	10,843	330	(3,710)	7,463
The Stanley Kubrick Fellowship	11,118	19,693	30,811	939	(12,745)	19,005
The Colin Young Scholarship	3,438	453	3,891	119	(255)	3,755
The Trevor Jones Scholarship	1,776	3,358	5,134	156	(336)	4,954
Sir John Terry Memorial Scholarship	34,352	3,129	37,481	1,142	(2,456)	36,167
The Louis Malle Scholarship	50,132	(47,286)	2,846	3,512	(2,543)	3,815
Post Office Scholarship	106,264	(106,264)	-	8,647	(8,647)	-
Kodak Scholarship	34,208	(24,939)	9,269	4,311	(4,166)	9,414
Total restricted funds	3,637,000	(116,154)	3,520,846	123,345	(339,929)	3,304,262
Unrestricted funds:						
General reserves	243,984	(77,449)	166,535	5,095	(23,442)	148,188
Total unrestricted funds	243,984	(77,449)	166,535	5,095	(23,442)	148,188
Total funds	4,215,984	-	4,215,984	128,440	(396,257)	3,948,167

NFTS Foundation

Notes to the Financial Statements for the year ended 31 December 2018 *(continued)*

14 Analysis of charitable funds *(continued)*

The restricted funds of £3,304,262 include £558,570 to provide scholarships (Richard Dunn, Freddie Young, Freddie Francis, Sir John Terry, Colin Young, Trevor Jones), £2,672,740 for Chairs (Lew Grade, Cubby Broccoli), and £72,952 from Human Rights for documentary awards.

The restricted endowment funds of £495,717 are permanent endowments to provide scholarships (Louis Malle, Post Office and Kodak).

The interest and dividends earned on the funds during the year of £128,440, the realised profit of £71,781, the unrealised losses of £328,194 and the investment management costs of £19,844 have been allocated across the funds based on the bought forward fund balances at 1 January 2018.

Sufficient resources are held in an appropriate form to enable each restricted fund to be applied in accordance with the restrictions.