NATIONAL COLLEGE FOR DIGITAL SKILLS

England & Wales · Charity number 1158399

Details

Other names	CODE COLLEGE LTD., CODE COLLEGE
Status	Registered
Legal form	Charitable company
Company number	08763964
Registered	2014-08-29
Register	View on the Charity Commission register

Contact

Address	1 Sutherland Street London United Kingdom SW1V 4LD
Phone	02031050125
Email	mark@ada.ac.uk
Website	www.ada.ac.uk

Activities

Objects: TO ADVANCE THE EDUCATION OF THE PUBLIC IN GENERAL ON THE SUBJECT OF COMPUTING AND RELATED DISCIPLINES, INCLUDING BUT NOT EXCLUSIVELY BY ESTABLISHING AND SUPPORTING EDUCATIONAL INSTITUTIONS WHICH TEACH COMPUTING AND RELATED DISCIPLINES.

Activities: The College aims to advance the education of the public on the subject of computing and related disciplines, including establishing and supporting educational institutions which teach computing and related disciplines. Working with industry to design and deliver an institution that provides the education and support needed for its students to progress into highly skilled computing-related roles.

Classification

- **How:** Provides Services, Sponsors Or Undertakes Research, Acts As An Umbrella Or Resource Body
- **What:** Education/training
- **Who:** Children/young People, People With Disabilities, Other Charities Or Voluntary Bodies

Geography

- Throughout London

Finances

Period end	Income	Expenditure	Assets	Employees
2025-07-31	£5,421,229	£5,472,982	£663,872	54
2024-07-31	£5,822,230	£4,410,879	£1,786,458	49
2023-07-31	£2,448,931	£3,266,049	£375,107	36
2022-07-31	£2,452,860	£2,611,065	£1,192,226	31
2021-07-31	£1,891,962	£1,953,939	£1,350,431	24
2020-07-31	£1,670,496	£1,541,963	£1,412,408	21

Trustees

Name	Role	Appointed
Nicholas Wilcock	Chair	2015-04-01
Christopher Cherry		2025-06-25
Gillian Lancaster		2025-06-25
MARK SMITH		2016-08-09

Accounts

NATIONAL COLLEGE FOR DIGITAL SKILLS LIMITED

A company limited by guarantee

Registered charity Number: 1158399

Company Number: 08763964

AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2025

CONTENTS

COMPANY INFORMATION

Reference and Administrative Information

Trustees	N. Wilcock (Chair) C. Cherry M. Smith
Key Management	Mark Smith (Chief Executive Officer) Tom Fogden (Dean)
Charity Registration Number	1158399
Company Number	08763964 (England and Wales)
Registered Office and Principal Address	1 Sutherland Street Pimlico London SW1V 4LD
Bankers	Lloyds TSB Bank 25 Gresham Street London EC2V 7HN
Auditor	Buzzacott Audit LLP 130 Wood Street London EC2V 6DL

The trustees of National College for Digital Skills Limited (the "charity") present the annual report and audited financial statements for the year ended 31 July 2025.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the governing document, the Charities Act 2011, Companies Act 2006 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 UK and Republic of Ireland (FRS 102).

Objectives and Activities

The National College for Digital Skills became a company limited by guarantee in November 2013 followed by its registration as a charity in July 2014. The Memorandum of Association and Articles of Association were amended following the incorporation of Ada, National College for Digital Skills Further Education College ('College') on 8 August 2016. The principal changes to the Articles resulted in National College for Digital Skills Limited becoming a wholly owned subsidiary of the College and changes to the Trustee Board.

The objectives of the College are: 'to advance the education of the public in general on the subject of computing and related disciplines, including but not exclusively by establishing and supporting educational institutions which teach computing and related disciplines.'

As the subsidiary to the College, these objectives are being met through the provision of operational support services to the College. This includes:

- Student support and admissions
- Management Information System provision
- Fundraising
- Finance and administration
- HR support services
- ICT supply and support
- Facilities management and capital project management
- Marketing

Structure, Governance and Management

The trustees have control of the charity, its property and funds and convene annually for a Board Meeting. The trustees are responsible for the compliance with all legal and regulatory requirements, prudent management of assets and ensuring the highest quality of governance. Trustee indemnity insurance is in place to cover the trustees for up to £1million. Day to day management of the charity is assigned to the CEO and Dean.

The trustees during the year were as follows;

- Nicholas Wilcock, Director at Delta Capital Limited, an international business and technology consultancy and managed services provider;
- Tiffany Hall, the Chair of the College Board (resigned both roles 4 April 2025)
- Mark Smith, CEO Ada National College for Digital Skills
- Tom Fogden, Dean Ada National College for Digital Skills (resigned 4 April 2025)
- Chris Cherry, the Chair of the College Board (appointed 25 June 2025)

Structure, Governance and Management (continued)

The College Board is entitled to propose candidates for election to the Trustee Board and to appoint additional trustees. Such additional trustees are then required to seek election and appointment at the next Trustee Board meeting.

New members of the Trustee Board may be recruited by application. Their application must be proposed and seconded by current trustees of the Board. In selecting new trustees, consideration is given to the specific contribution that they can make to the Board and the charity. A regular skills and training audit is undertaken to ensure that appointments to the Board reflect the strategic priorities of the charity.

Staffing

The key management personnel of the charity are the Trustee Board, which for the year ended 31 July 2025 included the CEO and Dean of the College.

The College's salary policy is applied to the charity and is designed to provide a clear and flexible framework to reward employees with a view to attract and retain a competent workforce which is essential to the ongoing success of the organisation. Pay grades within the policy are based upon the Further Education pay grade structure as published by the University and College Union. The CEO's salary is set separately by the College's Remuneration Committee.

Statement of Public Benefit

The Board trustees have referred to the Charity Commission's general guidance on public benefit in reviewing the aims and objectives of the charity, in planning future activities and how planned activities will contribute to those aims and objectives. The trustees of National College for Digital Skills Limited have taken due note of their responsibilities to deliver public benefit and are confident of the impact in the advancement of education – through the development of individual capabilities, competencies, skills and understanding.

Progress in 2024-25 and Future plans

The Members of the College agreed in Autumn 2020 to a revision of the College's mission statement:

'To educate and empower the next generation of diverse digital talent.'

In Autumn 2022 the College refreshed its strategic plan to run through to December 2025 under the theme 'Evolving to Ada 2.0'. Retaining the core mission statement, the purpose of the college was identified as 'Delivering an industry-led learning experience, in an aspirational culture, to larger volumes of diverse learners, which ensures our alumni secure jobs in tech and that Ada is sustainable.'

For the final full year of the strategic plan the focus was on the following 6 priority areas:

1. **Quality of Teaching Learning and Assessment**
   - Sixth Form: All teaching consistently good across all subjects
   - Apps: Module feedback average scores >4/5
   - Qualification Achievement Rates >85%

2. **Apprenticeship Volume Growth**
   - 85 apprentices enrolled over the course of the year - This was below target and is under review

3. **New Programme Development**
   - Foundation programme pilot launched in London

- T-level pilot successfully launched with larger volumes expected in London in Autumn 2025
- T-level pilot scoped in Manchester
- Overhaul of existing L4 apprenticeships underway with increased focus on AI

4. **Digital Transformation**
   - Digital transformation roadmap in place
   - Year 1 priority improvements completed - new CRM in pace, Gemini Pro accounts for all staff and increased network resilience
   - New MIS system procured with a view to roll out in Summer 2026

5. **Improved People Management Function**
   - Salary benchmarking exercise completed
   - HR FTE increased from 0.8 to 2.8 FTE
   - Formalised line manager development programme implemented
   - Employee benefits improved

6. **Student Progression & Alumni**
   - Increase in 6th form progression to Apprenticeships (10% to 17%)
   - Improved understanding of long-term impact through alumni data collection
   - 2 x Alumni events held with 8% of alumni volunteering with Ada through the year

The detail behind this for the coming year is also set out in the College's published Accountability Plan.

The College completed two significant capital projects during the 2023-24 academic year, delivering the new sites in Victoria, London and Ancoats, Manchester. Other than some small remedial work on both sites there has been no capital project activity during 2024-25.

During the year, the Charity continued to support the College with the provision of accommodation, equipment, staff, systems, processes and procedures. Other activities provided in the year covered:

- Strategic and operational budgeting, financial management and reporting for the Group,
- Recruitment and HR support for teaching and non-teaching staff,
- Marketing and Student Recruitment services,
- Management of the REMS Management Information System,
- Development of a new impact function for the college, and
- Development and oversight of key policies, processes and procedures.

Risk Management

The trustees are responsible for the overseeing of the risks faced by the charity. Detailed considerations of risk are delegated to the Senior Management of the charity and the management of the College who are responsible for the day-to-day management of the charity. Risks are identified at a Group level and are assessed and controls established throughout the year. A formal review of the Group's risk management processes is undertaken on an annual basis.

The trustees have identified the following areas as posing a key risk to the charity:

1. Maintaining the financial viability of the College

The College maintains a reasonable unrestricted cash balance at the time of presenting these accounts, with a balance of £694k at year end. It remains financially viable through a cautious approach to cost management during times of unpredictable learner volumes. The move to new premises in London and Manchester removed some constrictions on learner volumes, although the lagged funding from the DfE for Sixth Form learners means the impact of any increase will not be felt immediately. The College continues to monitor costs closely and runs a lean operating model while carefully building capacity to grow learner volumes and make a success of the new premises. There are a number of measures in place to manage this risk including:

- Rigorous budget setting procedures and sensitivity analysis
- Regular in year budget reviews, which are shared with the Board
- Robust financial controls
- Extended fundraising and business development resource
- Further curriculum innovations including new programmes

2. Achieving year on year volume targets for learner volumes

The Board and leadership team have identified the need for significant, incremental year-on-year growth in learner volumes to get the College to 1000+ learners as soon as possible. This will be the main focus of the College's new strategy through to 2030. Not achieving volume targets impacts on income, growth plans and financial sustainability. This risk is mitigated by setting and reporting on KPI targets and rigorous internal accountability. Also, during 2024-25 we have invested in our outreach and business development functions to drive further growth in our apprenticeship volumes. We have also procured a new CRM and launched a new website and bolstered our marketing function.

3. Attracting and retaining high quality staff

The turnover in staff remains higher than we would wish. In spite of it being a very competitive market to find new hires we have been increasingly successful in attracting good talent, largely driven by our investment in the HR function and the new campus locations. We need to make further adjustments, however, to remain competitive, particularly in relation to pay. We have conducted a pay & rewards benchmarking exercise against other Colleges, schools, universities and private training providers, which has highlighted some of the challenges we face in offering competitive remuneration packages.

Steps we have taken to combat these challenges include:

- Increasing annual leave allowances for some staff and providing greater flexibility in working patterns where possible.
- The Board has agreed to a 4% pay increase for eligible staff from September 2025, and a number of additional differentiated pay rises have been awarded to recognise performance or retention issues.

- Improving regular line manager training and support so they can better support their staff and help them feel a strong sense of achievement and purpose in their roles.

4. Maintaining the College's diversified revenue model

The College continues to receive income through three main revenue streams: 16-19 programmes, Apprenticeships and philanthropy. Some additional income is also earnt through short course programmes and building rental. This diversification of revenue streams helps ensure the College's financial sustainability by ensuring that revenue is earned in a number of different ways and if one revenue stream declines, for whatever reason, then other revenue streams are able to potentially compensate and the College's Governors and Executives can alter internal resource allocation accordingly to either bolster growth in a specific revenue stream or allocate additional resource to help a poorly performing revenue stream recover.

Financial Review and Going Concern

The Statement of Financial Activities is shown on page 16. There was net expenditure for the year of (£51,753) (2024 restated: net income of £340,518). The charity generated £2,031,083 of income during the year from corporate donors, high net individuals and through donated services. This includes rent support in kind to the value of £1,240,957 from the Department for Education for the premises in Ancoats, Manchester and Victoria, London.

The charity has accumulated reserves of £663,872 (2024 restated: £715,625) at 31 July 2025, which includes cash and short-term investment balances of £671,631 (2024: £421,099) and fixed assets of £1,514,272 (2024: £1,417,102).

Tangible fixed asset additions during the year amounted to £438,927 including the purchase of new laptops and capitalised software implementation costs.

Trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The future budgeted income and expenditure together with the level of accumulated free reserves is sufficient for the charity to be able to continue as a going concern. The primary purpose of the charity is to support the educational operations of the College, including through the provision of support services which are recharged under a service level agreement. The College Corporation has concluded that its financial situation has improved to the point where there are no remaining material uncertainties that would cast doubt on its ability to continue, and it is appropriate to prepare its financial statements on a going concern basis.

Given the improved financial situation of the college and its continued commitment to support through the service level agreement, the Trustees believe there is no material uncertainty that would cast doubt on the charity's ability to continue and that it is therefore appropriate to also prepare its financial statements on a going concern basis. Our cashflow forecasts, looking ahead for the next two to three years, remain adequate and are regularly stress tested.

Reserves Policy

The trustees wish, in general, to retain enough of the General Fund to fund at least one months' activities. This amounts to approximately £325k on current expenditure levels. We will look to improve this in the coming financial year, by reviewing the Service Level Agreement between the charity and the college along with increasing our fundraising activity.

The balance held as unrestricted funds as at 31 July 2025 was a surplus of £442,580 (2024: £492,160). However, the free reserves element, equated to net current liabilities less release of amounts due to parent undertaking resulted in a surplus of £63,588. NCDS Limited will look to build up this level. The balance held as restricted funds as at 31 July 2025 was £221,293 (2024 restated: £223,456).

Fundraising

Fundraising for the College and the charity is currently undertaken by the Head of Philanthropy and Alumni and CEO. Fundraising is focused on individual giving, corporates, trusts and foundations.

The College and charity have adopted an 'Ethical Fundraising Policy'. This policy is based upon the Institute of Fundraising's Compliance Framework. The policy ensures that vulnerable people and others are adequately protected from unreasonable intrusion on a person's privacy, unreasonably persistent approaches or undue pressure to give, in the course of or in connection with fundraising for the charity.

No complaints were received during the year in relation to fundraising activities.

Statement of trustees' responsibilities

The trustees (who are also directors of National College for Digital Skills Limited for the purposes of company law) are responsible for preparing the trustees' report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees 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 trustees 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 United Kingdom 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 trustees 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 trustee confirms that:

- so far as the trustee is aware, there is no relevant audit information of which the charitable company's auditor is unaware; and
- the trustee has taken all the steps that he/she ought to have taken as a trustee 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 s418 of the Companies Act 2006. The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

This report was approved on 10 December 2025 and signed on behalf of the trustees by

Nicholas Wilcock

Chair of National College for Digital Skills Limited

Independent auditor's report to the trustees of National College for Digital Skills Limited

Opinion

We have audited the financial statements of National College for Digital Skills Limited (the 'charitable company') for the year ended 31 July 2025 which comprise the statement of financial activities, the balance sheet, statement of cash flows, the principal accounting policies and the notes to the financial statements. 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 July 2025 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

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

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

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

Other information

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

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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 trustees' report, which is also the directors' report 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 trustees' report, which is also the directors' report for the purposes of company law, 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 trustees' 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 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 trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 9, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we obtained an understanding of the legal and regulatory frameworks that are applicable to the charitable company and determined that the most significant frameworks which are directly relevant to specific assertions in the financial statements are those that relate to the reporting framework (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), the Companies Act 2006, the Charities Act 2011 and those that relate to employment and data protection (General Data Protection Regulation).
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management and those charged with governance as to their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias;
- used data analytics to identify and investigated the rationale behind any significant or unusual transactions;
- tested authorisation controls on expenditure items, ensuring expenditure was approved in line with the charitable company's financial procedures; and
- challenged assumptions made by management in their significant accounting estimates, in particular those relating to the recognition of project income

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance; and
- enquiring of management and those charged with governance as to actual and potential litigation and claims.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the trustees and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities is available 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 trustees, 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 trustees 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 trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Buzzacott Audit LLP

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

Date: 12 December 2025

NATIONAL COLLEGE FOR DIGITAL SKILLS LIMITED

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 JULY 2025 INCORPORATING THE INCOME AND EXPENDITURE ACCOUNT

		Unrestricted funds £	Restricted income funds £	Total 2025 £	Unrestricted Funds Restated £	Restricted income Funds Restated £	Restricted capital Funds Restated £	Total 2024 Restated* £
Income	Notes							
Donations	2	1,871,083	160,000	**2,031,083**	957,887	202,500	-	**1,160,387**
Income from charitable activities:								
Other income	3	3,390,146	-	**3,390,146**	3,591,009	-	-	**3,591,009**
Total income		**5,261,229**	**160,000**	**5,421,229**	**4,548,896**	**202,500**	-	**4,751,396**
Expenditure Expenditure on Charitable activities	4	5,310,809	162,173	**5,472,982**	4,210,931	63,267	136,680	**4,410,878**
Total Expenditure		**5,310,809**	**162,173**	**5,472,982**	**4,210,931**	**63,267**	**136,680**	**4,410,878**
Net income/(expenditure) and transfers between funds		(49,580)	(2,173)	**(51,753)**	337,965	139,233	(136,680)	**340,518**
Transfers between Funds	11	-	-	-	(6,612)	(9,000)	15,612	-
Net income/(expenditure) after transfers between funds		(49,580)	(2,173)	**(51,753)**	331,353	130,233	(121,068)	**340,518**
Reconciliation of Funds								
Total funds brought forward		492,159	223,466	**715,625**	160,806	93,233	121,068	**375,107**
Total funds carried Forward	11	**442,579**	**221,293**	**663,872**	**492,159**	**223,466**	-	**715,625**

*Other income has been restated following a change in accounting policy as described in Note 16.

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

NATIONAL COLLEGE FOR DIGITAL SKILLS LIMITED

BALANCE SHEET AS AT 31 JULY 2025

	Note	Unrestricted funds £	Restricted income funds £	**Total 2025 £**	Total 2024 Restated £
FIXED ASSETS					
Tangible assets	5	1,514,271	-	**1,514,271**	1,417,102
TOTAL FIXED ASSETS		1,514,271	-	**1,514,271**	1,417,102
CURRENT ASSETS					
Cash at bank and in hand		165,639	505,992	**671,631**	421,099
Debtors	6	234,679	-	**234,679**	461,358
TOTAL CURRENT ASSETS		400,318	505,992	**906,310**	882,457
CREDITORS: Amounts falling due within one year	7	(579,424)	(284,699)	**(864,123)**	(641,198)
NET CURRENT ASSETS/(LIABILITIES)		(179,106)	221,293	**42,187**	241,259
CREDITORS: Amounts falling due after more than one year	8	(892,586)	-	**(892,586)**	(942,738)
NET ASSETS		442,579	221,293	**663,872**	715,625
THE FUNDS OF THE CHARITY:					
Restricted income - Bursaries		-	79,255	**79,255**	56,246
Restricted income other		-	142,038	**142,038**	167,220
Unrestricted funds		442,579	-	**442,579**	492,159
TOTAL CHARITY FUNDS	11	442,579	221,293	**663,872**	715,625

The 2024 creditors and restricted funds have been restated following a change in accounting policy as described in note 16.

The notes on pages 16 to 27 form part of the financial statements.

The financial statements have been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

The financial statements were approved and authorised for issue and signed on behalf of trustees by:

Nicholas Wilcock

Chair

Date: 10 December 2025

Company number 08763964

NATIONAL COLLEGE FOR DIGITAL SKILLS LIMITED

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 July 2025

	Notes	2025 £	2024 Restated £
Net cash provided by operating activities		685,665	796,861
Cash flows from investing activities:			
Interest		2,161	74
Purchase of tangible fixed assets		(437,294)	(1,424,992)
Net cash flow used in investing activities		(435,133)	(1,424,918)
Change in cash and cash equivalents in the year		250,532	(628,057)
Cash and cash equivalents brought forward		421,099	1,049,156
Cash and cash equivalents carried forward		671,631	421,099

Notes to the statement of cash flows for the year ended 31 July:

A Reconciliation of net movement in funds to net cash flow from operating activities

	2025 £	2024 Restated £
Net (expenditure)/income per statement of financial activities	(51,753)	340,518
Add back depreciation	340,125	204,679
Deduct interest income shown in investing activities	(2,161)	(74)
Decrease/(Increase) in debtors	226,680	(35,418)
(Decrease)/Increase in creditors	172,774	287,156
Net cash provided by operating activities	**685,665**	**796,861**

Net Debt as at 31 July 2025

	1 August 2024 £	Cashflow £	31 August 2025 £
Net Cash			
Cash at Bank	421,099	250,532	671,631
Debt			
Debts falling due within 1 year	42,058	17,711	59,769
Debts falling due after 1 year	54,997	(24,348)	30,649
	97,055	(6,637)	90,418
Net Debt	**324,044**	**257,169**	**581,213**

1. Accounting Policies

1.1 Basis of accounting

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 UK and Republic of Ireland (FRS 102) (Charities SORP FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The financial statements are prepared in sterling and are rounded to the nearest pound.

National College for Digital Skills Limited meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note.

1.2 Income

All donations, revenue grants, investment and deposit income is recognised on a receivable basis when the three criteria of income recognition; entitlement, certainty and measurement have been met.

Historically the College recognised income from capital grants on receipt. It was decided that a change of accounting policy for the treatment of these grants is appropriate and better reflects the substance of the capital grant funding agreements. Income from government capital grants is now deferred and treated under the accruals basis in line with FEHE SORP which is the standard approach adopted in the FE sector.

This change in policy has been applied retrospectively from 2023 and has been reflected in the 2024 comparatives shown in the accounts. The effect of this change in policy has been a reduction in the value of income from capital grants, which had been transferred to NCDS from the College under the SLA, and restricted reserves with a corresponding increase in liabilities. The adjustments in detail are included in note 16.

The funds for this period were both unrestricted and restricted in their use. The charity also benefits from long term lease agreements for its premises in Victoria, London and Ancoats, Manchester for which it pays only notional rent. The estimated annual value of the leasehold interests has been calculated based on comparable market rates adjusted to reflect College's current circumstances and is reflected as a donation in kind with a corresponding expense in the statement of financial activities.

1.3 Expenditure

Liabilities are recognised as resources expended as soon as there is a legal or constructive obligation committing the charity to the expenditure. All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category.

Expenditure shown is inclusive of irrecoverable VAT.

Charitable Activities

Expenditure on charitable activities are resources expended on the College's educational operations.

Governance Costs

Governance costs include those costs incurred in complying with the charity's constitutional and regulatory obligations.

1.4 Pension costs

Pension costs are payable in respect of a defined contribution schemes with Aviva. Contributions in respect of defined contribution schemes are recognised in the statement of financial activities in the year which they are payable to the scheme.

1.5 Tangible fixed assets and depreciation

Tangible fixed assets costing more than £1,000 are capitalised and valued at historic cost.

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Office and IT Equipment	3 Years
Leasehold improvements	Remaining lease term
Software implementation	5 Years

1.6 Reserves

The charity holds reserves for the following purposes:-

- **Unrestricted funds** are monies which may be used towards meeting the charitable objectives of the charity and which may be applied at the discretion of the trustees.
- **Restricted income funds** are monies raised for, and their use restricted to, a specific purpose, or donations subject to donor-imposed conditions as described in note 12.
- **Restricted capital funds** are grants provided by the Department for Education and Greater London Authority for capital costs associated with the premises, IT and equipment.

1.7 Going Concern

Trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The future budgeted income and expenditure together with the level of accumulated free reserves is sufficient for the charity to be able to continue as a going concern. The primary purpose of the charity is to support the educational operations of the College, including through the provision of support services which are recharged under a service level agreement. The College Corporation has concluded that its financial situation has improved to the point where it is appropriate to prepare its financial statements on a going concern basis. The trustees, therefore, believe it is also appropriate for the charity to prepare its financial statements on a going concern basis.

1.8 Prior year restatement

Details of the prior year restatement in relation to government capital funding recognition have been set out in note 16. The impact of restatement has been to decrease capital income recognised in the SOFA by £1,070,834 in 2024 and increasing creditors by the same amount at 31 July 2024. Additionally, to recognise that any capital purchases are for the general use of the College, all previously related restricted capital fund balances have been transferred to the unrestricted fund.

2 Income from donations

	Unrestricted funds	Restricted income funds	Total 2025
	£	£	£
Corporate donations	121,000	-	**121,000**
Rent – donation in kind	1,240,957	-	**1,240,957**
Individual donations	509,126	160,000	**669,126**
2025 Total funds	**1,871,083**	**160,000**	**2,031,083**

	Unrestricted funds	Restricted income funds	Total 2024
	£	£	£
Corporate donations	45,471	-	**45,471**
Rent – donation in kind	568,645	-	**568,645**
Individual donations	343,771	202,500	**546,271**
2024 Total funds	**957,887**	**202,500**	**1,160,387**

3 Other income

	Unrestricted funds	Restricted income funds	Total 2025	Total 2024 Restated
	£	£	£	£
Recharge of support services (note 13)	3,355,118	-	**3,355,118**	3,578,224
Other income	35,028	-	**35,028**	12,785
Total funds	**3,390,146**	-	**3,390,146**	3,591,009

4 Charitable activities

	Unrestricted Funds	Restricted Income funds	Total 2025
Support costs	£	£	£
Depreciation	340,124	-	340,124
Wages and salaries	2,722,803	120,915	2,843,718
Professional and consultancy fees	44,476	-	44,476
Property costs	1,627,555	-	1,627,555
Advertising and marketing	95,068	12,982	108,050
IT support costs	174,703	13,206	187,909
Other staff costs	72,783	6,155	78,938
Education costs	6,447	6,991	13,438
Administration costs	78,888	1,924	80,812
Insurance	51,490	-	51,490
Travel	29,000	-	29,000
Sundry expenses	8,916	-	8,916
Bank charges	96	-	96
Total Support costs	**5,252,349**	**162,173**	**5,414,522**
Governance costs			
Audit costs	41,345	-	41,345
Governance Consultancy	17,115	-	17,115
Total governance costs	**58,460**	-	**58,460**
Total costs	**5,310,809**	**162,173**	**5,472,982**

Charitable activities (continued)

	Unrestricted Funds	Restricted Income funds	Restricted Capital Funds	Total 2024
	£	£	£	£
Support costs				
Depreciation	68,209	-	136,470	204,679
Wages and salaries	2,200,354	27,664	-	2,228,018
Professional and consultancy fees	113,862	-	-	113,862
Property costs	1,279,284	-	-	1,279,284
Advertising and marketing	139,984	23,241	-	163,225
IT support costs	112,823	10,838	-	123,661
Other staff costs	44,916	532	-	45,448
Education costs	14,856	50	-	14,906
Administration costs	125,075	942	-	126,017
Loss on Disposal of fixed assets	-	-	-	-
Insurance	21,560	-	-	21,560
Travel	19,098	-	-	19,098
Sundry expenses	4,121	-	210	4,331
Bank charges	15	-	-	15
Total Support costs	**4,144,157**	**63,267**	**136,680**	**4,344,104**
Governance costs				
Audit costs	44,056	-	-	44,056
Governance Consultancy	22,718	-	-	22,718
Total governance costs	**66,774**	**-**	**-**	**66,774**
2024 Total Cost	**4,210,931**	**63,267**	**136,680**	**4,410,878**

5. Tangible fixed assets

Cost	Leasehold Property Refurbishment £	Office & IT Equipment £	Software £	Furniture & Fittings £	Total £
At 1 August 2024	796,189	1,318,316	-	327,880	2,442,385
Additions	-	206,343	232,584	-	438,927
Disposals	(1,633)	-	-	-	(1,633)
At 31 July 2025	794,556	1,524,659	232,584	327,880	2,879,679
Depreciation					
At 1 August 2024	31,828	721,965	-	271,490	1,025,283
Provided in year	30,758	283,677	-	25,690	340,125
Disposals	-	-	-	-	-
At 31 July 2025	62,586	1,005,642	-	297,180	1,365,408
Net Book Value at 31 July 2025	731,970	519,017	232,584	30,700	1,514,271
Net Book Value at 31 July 2024	764,362	596,351	-	56,390	1,417,102

All fixed assets are used for the direct furtherance of the charity's objectives.

The Office & IT Equipment additions relate to new equipment for both the Ancoats and Victoria campuses.

6. Debtors

	2025 £	2024 £
Trade debtors	73,150	72,633
Amount due from parent undertaking (note 12)	-	256,974
Prepayments & accrued income	161,529	131,751
	234,679	461,358

7. Creditors amounts falling due within one year

	2025 £	2024 Restated £
Trade creditors	189,628	23,168
Amount due to parent undertaking (note 12)	242,694	183,093
Accruals and deferred income	334,758	354,029
Holiday Pay Accruals	26,739	32,133
Social security and other taxes	(800)	(1,346)
Finance Leases	59,769	42,058
Sundry Creditors	11,335	8,063
	864,123	641,198

8. Creditors amounts falling due after one year	2025	2024 Restated
	£	£
Finance Leases	30,649	54,997
Amount due to parent undertaking (note 12)	861,937	887,741
	892,586	942,738

9. Staff Costs	2025	2024
	£	£
Staff wages and salaries	2,383,571	1,876,435
Social security costs	275,696	197,949
Pension costs	184,451	153,634
	2,843,718	2,228,018
Average number of employees (headcount)	54	49

Remuneration of senior staff members

For the salary ranges set out below, the number of senior staff members who received annual emoluments on a full-time equivalent basis excluding pension contributions and employer's national insurance was 10.

	2025	2024
	No. Staff	No. Staff
	FTE	FTE
£60,000 to £70,000	6	4
£70,001 to £80,000	4	1
	10	5

The charity considers its key management personnel comprise the trustees, the Chief Executive Officer and the Dean of the Further Education College. No trustees received any remuneration or benefits in kind in the year. The total employment benefits of the key management personnel paid by the charity were nil (2024: nil) as these costs were incurred by Ada.

10. Taxation

National College for Digital Skills Limited is a registered charity and accordingly is exempt from taxation on its income and gains where they are applied for charitable purposes.

11. Analysis of Funds

At 31 July 2025	Brought forward £	Incoming resources £	Resources expended £	Transfers £	Carried forward £
a) Restricted funds –Bursaries	56,246	30,000	(6,991)	-	79,255
c) Unrestricted funds	492,159	5,261,229	(5,310,809)	-	442,579
d) Restricted funds – other	167,220	130,000	(155,182)	-	142,038
	715,625	**5,421,229**	**(5,472,982)**	-	**663,872**

At 31 July 2024	Brought Forward £	Incoming Resources Restated £	Resources Expended £	Transfers Restated £	Carried Forward Restated £
a) Restricted funds - Bursaries	45,246	20,000	-	(9,000)	56,246
b) Capital grant	121,068	-	(136,680)	15,612	-
c) Unrestricted funds	160,806	4,548,896	(4,210,931)	(6,612)	492,159
d) Restricted funds - other	47,987	182,500	(63,267)	-	167,220
	375,107	**4,751,396**	**(4,410,878)**	-	**715,625**

a) Bursaries – funding provided for student bursaries.

b) Capital Grant - funding from the Department for Education for capital costs associated with the premises, IT and equipment.

c) The unrestricted funds are available to be spent for any of the purposes of the charity.

d) Restricted funds – other than Capital and Student Bursaries

12. Related party transactions

National College for Digital Skills Limited provides operational and marketing support services to Ada National College for Digital Skills under a Service Level Agreement. Costs recharged to Ada National College for Digital Skills for these services amounted to £3,355,118 during the year ended 31 July 2025 (2024 restated: 3,578,224). Personal donations of £2,800 (2024: £4,600) were made by Corporation members of Ada College, along with a donation of £20 (2024: £100) by a member of Key Management Personnel.

13. Ultimate Controlling Party

The ultimate controlling parent is Ada National College for Digital Skills, a Further Education College incorporated under the Further and Higher Education Act 1992.

Copies of the College's financial statements may be obtained from:

1 Sutherland Street
Pimlico
London
SW1V 4LD

14. Operating lease commitments

As at 31 July 2025, the charity has premises in Victoria, London and Ancoats, Manchester on 25-year leases with notional rent (2024: Nil).

As at 31 July 2025, the charity has annual commitments under a non-cancellable operating lease relating to photocopiers.

	2025	2024
Expiring:	£	£
1 Year	5,201	-
2-5 Years	5,201	-
	10,402	-

15. Post balance sheet events

There were no post balance sheet events. (2024: None)

16. Prior Year Restatement

The parent, Ada College, has changed the accounting policy for the treatment of capital grants from recognising the full income on receipt to deferral of all Government capital grants which are now treated on an accruals basis. The change results in a prior year adjustment impacting NCDS Limited also via the recharge between the two entities, thus requiring a retrospective restatement of the comparative amounts for the prior period (financial year 2023/24) by:

- Restating the comparative amounts for the prior period (financial year 2023/24)
- Restating the closing balances for the prior year (2023/24) of liabilities and reserves

*The effect of this change is a reduction in the value of restricted grant income and corresponding restricted reserves and creditors.

**Additionally, to recognise that any capital purchases are for the general use of the College, all previously related restricted capital fund balances have been transferred to the unrestricted fund.

Please see the below table for the effect of the changes on the consolidated statement of financial activities and the balance sheet.

31 July 2024 (comparative period)	Unrestricted funds £	Restricted Income funds £	Restricted Capital funds £	Total £
Net income as previously reported	(129,540)	130,233	1,410,659	1,411,352
Accounting policy change*	-	-	(1,070,834)	(1,070,834)
Transfers between funds**	339,825	-	(339,825)	-
Restated net income 31 July 2024	**210,285**	**130,233**	-	**340,518**
Closing reserves as previously reported	31,267	223,466	1,351,726	1,786,459
Accounting policy change*	-	-	(1,070,834)	(1,070,834)
Transfers between funds**	460,892	-	(460,892)	-
Restated reserves at 31 July 2024	**492,159**	**223,466**	-	**715,625**
Creditors as previously reported				(513,102)
Accounting policy change*				(1,070,834)
Restated Creditors at 31 July 2024				**(1,583,936)**

Accounts

NATIONAL COLLEGE FOR DIGITAL SKILLS LIMITED

A company limited by guarantee

Registered charity Number: 1158399

Company Number: 08763964

AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2024

CONTENTS

COMPANY INFORMATION

Reference and Administrative Information

Trustees	N. Wilcock (Chair) T. Hall M. Smith T. Fogden
Key Management	Mark Smith (Chief Executive Officer) Tom Fogden (Dean)
Charity Registration Number	1158399
Company Number	08763964 (England and Wales)
Registered Office and Principal Address	1 Sutherland Street Pimlico London SW1V 4LD
Bankers	Lloyds TSB Bank 25 Gresham Street London EC2V 7HN
Auditor	Buzzacott LLP 130 Wood Street London EC2V 6DL

The trustees of National College for Digital Skills Limited (the "charity") present the annual report and audited financial statements for the year ended 31 July 2024.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the governing document, the Charities Act 2011, Companies Act 2006 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 UK and Republic of Ireland (FRS 102).

Objectives and Activities

The National College for Digital Skills became a company limited by guarantee in November 2013 followed by its registration as a charity in July 2014. The Memorandum of Association and Articles of Association were amended following the incorporation of Ada, National College for Digital Skills Further Education College ('College') on 8 August 2016. The principal changes to the Articles resulted in National College for Digital Skills Limited becoming a wholly owned subsidiary of the College and changes to the Trustee Board.

The objectives of the College are: 'to advance the education of the public in general on the subject of computing and related disciplines, including but not exclusively by establishing and supporting educational institutions which teach computing and related disciplines.'

As the subsidiary to the College, these objectives are being met through the provision of operational support services to the College. This includes:

- Student support and admissions
- Management Information System provision
- Fundraising
- Finance and administration
- HR support services
- ICT supply and support
- Facilities management and capital project management
- Marketing

Structure, Governance and Management

The trustees have control of the charity, its property and funds and convene annually for a Board Meeting. The trustees are responsible for the compliance with all legal and regulatory requirements, prudent management of assets and ensuring the highest quality of governance. Trustee indemnity insurance is in place to cover the trustees for up to £1million. Day to day management of the charity is assigned to the CEO and Dean.

The trustees during the year were as follows;

- Nicholas Wilcock, Managing Principal at Delta Capital Limited, an international business and technology consultancy and managed services provider;
- Tiffany Hall, the Chair of the College Board
- Mark Smith, CEO Ada National College for Digital Skills
- Tom Fogden, Dean Ada National College for Digital Skills

Structure, Governance and Management (continued)

The College Board is entitled to propose candidates for election to the Trustee Board and to appoint additional members. Such additional members are then required to seek election and appointment at the next Trustee Board meeting.

New members of the Trustee Board may be recruited by application. Their application must be proposed and seconded by current members of the Board. In selecting new members, consideration is given to the specific contribution that they can make to the Board and the charity. A regular skills and training audit is undertaken to ensure that appointments to the Board reflect the strategic priorities of the charity.

Staffing

The key management personnel of the charity are the Trustee Board, which include the CEO and Dean of the College.

The College's salary policy is applied to the charity and is designed to provide a clear and flexible framework to reward employees with a view to attract and retain a competent workforce which is essential to the ongoing success of the organisation. Pay grades within the policy are based upon the Further Education pay grade structure as published by the University and College Union. The CEO and Deans' salary is set separately by the Colleges' Remuneration Committee.

Statement of Public Benefit

The Board members have referred to the Charity Commission's general guidance on public benefit in reviewing the aims and objectives of the charity, in planning future activities and how planned activities will contribute to those aims and objectives. The trustees of National College for Digital Skills Limited have taken due note of their responsibilities to deliver public benefit and are confident of the impact in the advancement of education – through the development of individual capabilities, competencies, skills and understanding.

Progress in 2023-24 and Future plans

The Members of the College agreed in Autumn 2020 to a revision of the College's mission statement:

'To educate and empower the next generation of diverse digital talent.'

In Autumn 2022 the College refreshed its strategic plan under the theme 'Evolving to Ada 2.0'. Retaining the core mission statement, the purpose of the college was identified as

'Delivering an industry-led learning experience, in an aspirational culture, to larger volumes of diverse learners, which ensures our alumni secure jobs in tech and that Ada is sustainable.'

This was reviewed and reconfirmed by the board in December 2023, resulting in the focus for the remainder of the strategy to be on these 7 key strands with underpinning goals:

Quality of Education

- Qualification Achievement Rates >85% across both programmes
- Cross College attendance average >93%
- Operating at consistently outstanding level based on external review

Learner Volume Growth

- 250 6th formers on roll

- 600 higher level apprentices on roll across London & Manchester
- 75% of Ada recruited apprentices are from our diversity outreach programmes
- New programmes rolled out including Digital T-levels, new apprenticeship standard and Adult Learning pilot

Learner Diversity

- 50% of learners from low-income backgrounds
- 38% of our learners identifying as female
- 50% of learners from ethnic minority backgrounds

People

- Staff retention at 85% for 2024-25
- Formalised Teacher Training & Development programme launched

Alumni

- Alumni programme established and engagement metric defined
- 95% of Alumni in tech jobs 3 years after graduation

Operations and Resources

- >£50k from venue hire across London and Manchester buildings
- Buildings and IT provide an aspirational learning environment, are compliant and operating within budget

Finance & Fundraising

- Raise £1m of unrestricted philanthropy in 24/25
- Minimum of 40 cash days and good financial health in July 2025

The detail behind this for the coming year is also set out in the College's published Accountability Plan.

The College and charity made excellent progress on their capital plans during the year, having moved into their long-term campus at 1, Sutherland Street in Pimlico in central London in August 2023. This building allows the College to increase its range of programmes in London – including T Levels and a new Foundation course from September 2024.

The College also relocated to the new campus in Ancoats, Manchester in February 2024, vacating the temporary leased premises at the Manchester Technology Centre. The building provides a base for the Apprenticeship and Adult short course activity in the area and will provide capacity for further learner growth in years to come. The opportunity to open a small sixth form in the building is currently being assessed.

During the year, the Charity continued to support the College with the provision of accommodation, equipment, staff, systems, processes and procedures. Other activities provided in the year covered:

- Strategic and operational budgeting, financial management and reporting for the Group;
- Recruitment and HR support for teaching and non-teaching staff;
- Marketing and Student Recruitment services;

- Management of the REMS Management Information System;
- Development of a new impact function for the college; and
- Development and oversight of key policies, processes and procedures.

Risk Management

The trustees are responsible for the overseeing of the risks faced by the charity. Detailed considerations of risk are delegated to the Senior Management of the charity. Risks are identified, assessed and controls established throughout the year. A formal review of the charity's risk management processes is undertaken on an annual basis.

Trustees have identified the following areas as posing a key risk to the charity:

1. **Maintaining the financial viability of the College**

   The College maintains a reasonable cash balance at present and remains financially viable through a cautious approach to cost management during times of unpredictable learner volumes. The move to new premises in London and Manchester removed some constrictions on learner volumes, although the lagged funding from the ESFA for Sixth Form learners means the impact of any increase will not be felt immediately. The College continues to monitor costs closely and runs a lean operating model while carefully building capacity to grow learner volumes and make a success of the new premises. There are a number of measures in place to manage this risk including:

   - Rigorous budget setting procedures and sensitivity analysis;
   - Regular in year budget reviews, which are shared with the Board
   - Robust financial controls
   - Extended fundraising and business development resource
   - Further curriculum innovations including new programmes

2. **Achieving year on year volume targets for learner volumes**

   The Board and leadership team have identified the need for significant, incremental year-on-year growth in learner volumes to get the College to 1000+ learners as soon as possible. Not achieving volume targets impacts on income, growth plans and financial sustainability. This risk is mitigated by setting and reporting on KPI targets. Also, during 2023-24 we have invested in our outreach and business development functions to drive further growth in our apprenticeship volumes

3. **Attracting and retaining high quality staff**

   The turnover in staff remains higher than we would wish and has increased slightly in the last year. In spite of it being a very competitive market to find new hires we have been increasingly successful in attracting good talent, largely driven by our investment in the HR function and the new campus locations. We need to make further adjustments, however, to remain competitive, particularly in relation to pay. We have conducted a pay & rewards benchmarking exercise against other Colleges, schools, universities and private training providers, which has highlighted some of the challenges we face in offering competitive remuneration packages. Steps we have taken to combat these challenges include:

- Allowing a more flexible working model for some staff where this is possible.
- The Board has agreed to a 3% pay increase in August 2024 and a number of additional differentiated pay rises have been awarded to recognise performance or retention issues
- Improving regular line manager training and support so they can better support their staff and help them feel a strong sense of achievement and purpose in their roles
- Currently working through a new set of pay scales that will give staff clearer site of progression

4. Ensuring Organisational Capacity to deliver the Ada 2.0 Strategy

The completion of the capital projects has reduced some of the pressure on organisational capacity, but Ada remains a lean organisation. The Finance & Resources Committee is a key mitigation for these pressures, allowing the board to detect early warning signs. The support received from the Impetus Foundation in relation to organisational strategy has also been a key remedy.

Financial Review and Going Concern

The Statement of Financial Activities is shown on page 15. There was net income on the unrestricted and restricted funds of £1,411,351 (2023: net expenditure of £817,118). The charity generated £1,160,387 of income during the year from corporate donors, high net individuals and through donated services. This includes rent support in kind to the value of £568,645 from the Department for Education for the premises in Ancoats and Victoria. It also includes a pro bono donation in the form of a rent-free period for a small training suite in Manchester city centre courtesy of Bruntwood Property Management. This was worth around £45k for 2023-24 and ended on 1 February 2024 with the move to the new campus.

The charity has accumulated reserves of £1,786,457 (2023: £375,106), which includes cash and short-term investment balances of £421,099 (2023: £1,049,156) and fixed assets of £1,417,102 (2023: £196,790).

Tangible fixed asset additions during the year amounted to £1,424,992 including the purchase of new laptops and the building refurbishments.

Trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The future budgeted income and expenditure together with the level of accumulated free reserves is sufficient for the charity to be able to continue as a going concern. The primary purpose of the charity is to support the educational operations of the College, including through the provision of support services which are recharged under a service level agreement. The College Corporation has concluded that its financial situation has improved to the point where there are no remaining material uncertainties that would cast doubt on our ability to continue it is appropriate to prepare its financial statements on a going concern basis.

Given the improved financial situation of the college and its continued commitment to support through the service level agreement, the Trustees believe there is no material uncertainty that would cast doubt on the charity's ability to continue. Our cashflow forecasts, looking ahead for the next two to three years, remain adequate and are regularly stress tested.

Reserves Policy

The trustees wish, in general, to retain enough of the General Fund to fund at least one months' activities. This amounts to approximately £316k on current expenditure levels. In the year, surpluses have been depleted in the charity to the benefit of the college, with the free reserves being in surplus at £31,266 at year end. We will look to improve this slightly in the coming financial year, by reviewing the service level agreement between the charity and the college along with increasing our fundraising activity.

The balance held as unrestricted funds at 31 July 2024 was a surplus of £31,266 (2023: £160,806). The balance held as restricted funds at 31 July 2024 was £1,755,192 (2023: £214,300).

Fundraising

Fundraising for the College and the charity is currently undertaken by the Director of External Relations and CEO. Fundraising is focused on individual giving, corporates, trusts and foundations.

The College and charity have adopted an 'Ethical Fundraising Policy'. This policy is based upon the Institute of Fundraising's Compliance Framework. The policy ensures that vulnerable people and others are adequately protected from unreasonable intrusion on a person's privacy, unreasonably persistent approaches or undue pressure to give, in the course of or in connection with fundraising for the charity.

No complaints were received during the year in relation to fundraising activities.

Statement of trustees' responsibilities

The trustees (who are also directors of National College for Digital Skills Limited for the purposes of company law) are responsible for preparing the trustees' report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees 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 trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in 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 United Kingdom 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 trustees 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 trustee confirms that:

- so far as the trustee is aware, there is no relevant audit information of which the charitable company's auditor is unaware; and
- the trustee has taken all the steps that he/she ought to have taken as a trustee 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 s418 of the Companies Act 2006. The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

This report was approved on 11 December 2024 and signed on behalf of the trustees by

Nicholas Wilcock

Chair

Independent auditor's report to the members of National College for Digital Skills Limited

Opinion

We have audited the financial statements of National College for Digital Skills Limited (the 'charitable company') for the year ended 31 July 2024 which comprise the statement of financial activities, the balance sheet, and statement of cash flows, the principal accounting policies and the notes to the financial statements. 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 July 2024 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

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

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

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

Other information

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

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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 trustees' report, which is also the directors' report 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 trustees' report, which is also the directors' report for the purposes of company law, 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 trustees' 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 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 trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 9, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below: Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;

- we obtained an understanding of the legal and regulatory frameworks that are applicable to the charitable company and determined that the most significant frameworks which are directly relevant to specific assertions in the financial statements are those that relate to the reporting framework (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), the Companies Act 2006, the Charities Act 2011 and those that relate to employment and data protection (General Data Protection Regulation).

- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management and those charged with governance as to their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias;
- used data analytics to identify and investigated the rationale behind any significant or unusual transactions;
- tested authorisation controls on expenditure items, ensuring expenditure was approved in line with the charitable company's financial procedures; and
- challenged assumptions made by management in their significant accounting estimates, in particular those relating to the recognition of project income

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance; and
- enquiring of management and those charged with governance as to actual and potential litigation and claims

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the trustees and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities is available 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.

Buzzacott LLP

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

Date: 17 December 2024

NATIONAL COLLEGE FOR DIGITAL SKILLS LIMITED

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 JULY 2024 INCORPORATING THE INCOME AND EXPEDITURE ACCOUNT

	Notes	Unrestricted funds £	Restricted income funds £	Restricted capital funds £	**Total 2024 £**	Unrestricted funds £	Restricted income funds £	Restricted capital funds £	**Total 2023 £**
Income									
Donations	2	957,887	202,500	–	**1,160,387**	530,236	85,000	–	**615,236**
Income from charitable activities: Funding for the College's Educational Activities	3	–	–	–	**–**	33,072	–	–	**33,072**
Other income	4	4,661,843	–	–	**4,661,843**	1,800,623	–	–	**1,800,623**
Total income		**5,619,730**	**202,500**	**–**	**5,822,230**	**2,363,931**	**85,000**	**–**	**2,448,931**
Expenditure Expenditure on Charitable activities	5	4,210,931	63,267	136,681	**4,410,879**	2,908,708	37,013	320,328	**3,266,049**
Total expenditure		**4,210,931**	**63,267**	**136,681**	**4,410,879**	**2,908,708**	**37,013**	**320,328**	**3,266,049**
Net income/(expenditure) and transfers between funds		1,408,799	139,233	(136,681)	**1,411,351**	(544,777)	47,987	(320,328)	**(817,1188)**
Transfers between funds	12	(1,538,339)	(9,000)	1,547,339	–	(137,972)	–	137,972	–
Net income/(expenditure) after transfers between funds		(129,540)	130,233	1,410,658	**1,411,351**	(682,749)	47,987	(182,356)	**(817,118)**
Reconciliation of funds									
Total funds brought forward		160,806	93,233	121,067	**375,106**	843,555	45,246	303,423	**1,192,224**
Total funds carried forward	12	**31,266**	**223,466**	**1,531,725**	**1,786,457**	**160,806**	**93,233**	**121,067**	**375,106**

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

NATIONAL COLLEGE FOR DIGITAL SKILLS LIMITED

BALANCE SHEET AS AT 31 JULY 2024

	Note	Unrestricted funds £	Restricted income funds £	Restricted Capital funds £	**Total 2024 £**	Total 2023 £
FIXED ASSETS						
Tangible assets	6	-	-	1,417,102	**1,417,102**	196,790
TOTAL FIXED ASSETS		-	-	1,417,102	**1,417,102**	196,790
CURRENT ASSETS						
Cash at bank and in hand		(131,799)	380,037	172,861	**421,099**	1,049,155
Debtors	7	401,357	60,000	-	**461,358**	425,940
TOTAL CURRENT ASSETS		**269,558**	**440,037**	**172,861**	**882,457**	1,475,095
CREDITORS: Amounts falling due within one year	8	(222,120)	(216,572)	(19,413)	**(458,105)**	(1,296,779)
NET CURRENT ASSETS		47,438	223,466	153,449	**424,353**	178,316
CREDITORS: Amounts falling due after more than one year	9	(16,172)	-	(38,825)	**(54,997)**	-
NET ASSETS		**31,266**	**223,466**	**1,531,726**	**1,786,458**	375,107
THE FUNDS OF THE CHARITY:						
Restricted capital funds		-	-	1,531,726	**1,531,726**	121,066
Restricted income funds		-	56,246	-	**56,246**	45,245
Restricted income other		-	167,220	-	**167,221**	47,987
Unrestricted funds		31,266			**31,266**	160,809
TOTAL CHARITY FUNDS	12	**31,266**	**223,466**	**1,531,726**	**1,786,458**	375,107

The notes on pages 18 to 24 form part of the financial statements.

The financial statements have been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

The financial statements were approved and authorised for issue and signed on behalf of trustees by:

Nicholas Wilcock

Chair

Date: 11 December 2024

Company Number: 08763964

NATIONAL COLLEGE FOR DIGITAL SKILLS LIMITED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 July 2024

	Notes	2024 £	2023 £
Net cash provided by operating activities		**(621,853)**	**720,776**
Cash flows from investing activities:			
Interest		74	45
Capital Grants received		1,418,713	
Purchase of tangible fixed assets		(1,424,992)	(159,451)
Net cash flow used in investing activities		(6,205)	(159,406)
Change in cash and cash equivalents in the year		(628,057)	561,369
Cash and cash equivalents brought forward		**1,049,155**	**487,786**
Cash and cash equivalents carried forward		**421,099**	**1,049,155**

The charity does not have any borrowings but has finance lease obligations of £54,997 relating to IT purchases for the new buildings.

Notes to the statement of cash flows for the year ended 31 July:

A Reconciliation of net movement in funds to net cash flow from operating activities

	2024 £	2023 £
Net income per statement of financial activities	1,411,351	(817,118)
Add back depreciation	204,679	402,528
Deduct interest income shown in investing activities	(74)	(45)
(Increase) in debtors	(1,228,060)	(74,923)
Increase in creditors	408,963	1,210,334
Net cash provided by operating activities	**(621,853)**	**720,776**

1. Accounting Policies

1.1 Basis of accounting

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 UK and Republic of Ireland (FRS 102) (Charities SORP FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The financial statements are prepared in sterling and are rounded to the nearest pound.

National College for Digital Skills Limited meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note.

1.2 Income

All donations, grant, investment and deposit income is recognised on a receivable basis when the three criteria of income recognition; entitlement, certainty and measurement have been met. The funds for this period were both unrestricted and restricted in their use.

1.3 Expenditure

Liabilities are recognised as resources expended as soon as there is a legal or constructive obligation committing the charity to the expenditure. All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category.

Expenditure shown is inclusive of irrecoverable VAT.

Charitable Activities

Expenditure on charitable activities are resources expended on the College's educational operations.

Governance Costs

Governance costs include those costs incurred in complying with the charity's constitutional and regulatory obligations.

1.4 Pension costs

Pension costs are payable in respect of a defined contribution schemes with Aviva. Contributions in respect of defined contribution schemes are recognised in the statement of financial activities in the year which they are payable to the scheme.

1.5 Tangible fixed assets and depreciation

Tangible fixed assets costing more than £1,000 are capitalised and valued at historic cost.

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Office and IT Equipment	3 Years
Leasehold improvements	Remaining lease term

1.6 Reserves

The charity holds reserves for the following purposes:-

- **Unrestricted funds** are monies which may be used towards meeting the charitable objectives of the charity and which may be applied at the discretion of the trustees.
- **Restricted income funds** are monies raised for, and their use restricted to, a specific purpose, or donations subject to donor-imposed conditions as described in note 12.

- **Restricted capital funds** are grants provided by the Department for Education and Greater London Authority for capital costs associated with the premises, IT and equipment.

1.7 Going Concern

Trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The future budgeted income and expenditure together with the level of accumulated free reserves is sufficient for the charity to be able to continue as a going concern. The primary purpose of the charity is to support the educational operations of the College, including through the provision of support services which are recharged under a service level agreement. The College Corporation has concluded that its financial situation has improved to the point where it is appropriate to prepare its financial statements on a going concern basis. The trustees, therefore, believe its also appropriate for the charity to prepare its financial statements on a going concern basis.

2 Income from donations

	Unrestricted funds	Restricted income funds	Restricted capital funds	**Total 2024**
	£	£	£	**£**
Corporate donations	45,471	-	-	**45,471**
Rent – donation in kind - DfE	568,645	-	-	**568,645**
Private donations	343,771	202,500	-	**546,271**
2024 Total funds	**957,887**	**202,500**	**-**	**1,160,387**

	Unrestricted funds	Restricted income funds	Restricted capital funds	**Total 2023**
	£	£	£	**£**
Corporate donations	180,200	-	-	**180,200**
Rent – donation in kind - DfE	-	-	-	**-**
Private donations	350,036	85,000	-	**435,036**
2023 Total funds	**530,236**	**85,000**	**-**	**615,236**

3 Income from charitable activities

	Unrestricted funds	Restricted income funds	Restricted capital funds	**Total 2024**
	£	£	£	**£**
Grants receivable	-	-	-	-
2024 Total funds	-	-	-	-

	Unrestricted funds	Restricted income funds	Restricted capital funds	**Total 2023**
	£	£	£	**£**
Grants receivable	33,072	-	-	**33,072**
2023 Total funds	**33,072**	-	-	**33,072**

4 Other income

	Unrestricted funds £	Restricted income funds £	Restricted capital funds £	**Total 2024** £	**Total 2023** £
Recharge of support services (note 13)	4,649,058	-	-	**4,649,058**	**1,760,415**
Other income	12,785	-	-	**12,785**	**40,207**
2024 Total funds	**4,661,843**	-	-	**4,661,843**	**1,800,623**

5 Charitable activities

	Unrestricted Funds	**Restricted Income funds**	**Restricted Capital Funds**	**Total 2024**
Support costs	**£**	**£**	**£**	**£**
Depreciation	68,209	-	136,470	204,679
Wages and salaries	2,200,354	27,664	-	2,228,018
Professional and consultancy fees	113,862	-	-	113,862
Property costs	1,279,284	-	-	1,279,284
Advertising and marketing	139,984	23,241	-	163,225
IT support costs	112,823	10,838	-	123,661
Other staff costs	44,916	532	-	45,448
Education costs	14,856	50	-	14,906
Administration costs	125,075	942	-	126,017
Loss on Disposal of fixed assets	-	-	-	-
Insurance	21,560	-	-	21,560
Travel	19,098	-	-	19,098
Sundry expenses	4,121	-	210	4,331
Bank charges	15	-	-	15
Total Support costs	**4,144,157**	**63,267**	**136,680**	**4,344,104**
Governance costs				
Audit costs	44,056	-	-	44,056
Governance Consultancy	22,718	-	-	22,718
Total governance costs	**66,774**	**-**	**-**	**66,774**
Total costs	**4,210,931**	**63,267**	**136,680**	**4,410,878**

Charitable activities (continued)

	Unrestricted Funds	Restricted Income Other funds	Restricted Capital Funds	Total 2023
Support costs				
Depreciation	82,200	–	320,328	402,528
Wages and salaries	1,556,194	30,792	–	1,586,986
Professional and consultancy fees	163,824	–	–	163,824
Property costs	609,241	–	–	609,241
Advertising and marketing	85,502	–	–	85,502
IT support costs	99,930	–	–	99,930
Other staff costs	62,157	–	–	62,157
Education costs	9,192	–	–	9,192
Administration costs	188,988	6,221	–	195,209
Loss on Disposal of fixed assets	–	–	–	–
Insurance	21,165	–	–	21,165
Travel	9,053	–	–	9,053
Sundry expenses	8,984	–	–	8,984
Bank charges	38	–	–	38
Total Support costs	**2,896,468**	**37,013**	**320,328**	**3,253,809**
Governance costs				
Audit costs	12,240	–	–	12,240
Total governance costs	**12,240**	**–**	**–**	**12,240**
2023 Total Cost	**2,908,708**	**37,013**	**320,328**	**3,266,049**

6. Tangible fixed assets

	Leasehold Property Refurbishment	Office & IT Equipment / software	Furniture & Fittings	Total
Cost				
At 1 August 2023	3,367,857	907,395	330,446	4,605,698
Additions	796,189	610,077	18,726	1,424,992
Disposals	(3,367,857)	(199,156)	(21,292)	(3,588,305)
At 31 July 2024	**796,189**	**1,318,316**	**327,880**	**2,442,385**
Depreciation				
At 1 August 2023	3,367,857	770,909	270,142	4,408,908
Provided in year	31,827	150,212	22,640	204,679
Disposals	(3,367,857)	(199,156)	(21,292)	(3,588,305)
At 31 July 2024	**31,827**	**721,965**	**271,490**	**1,025,283**
Net Book Value at 31 July 2024	**764,362**	**596,351**	**56,390**	**1,417,102**
Net Book Value at 31 July 2023	**-**	**136,486**	**60,304**	**196,790**

All fixed assets are used for the direct furtherance of the charity's objectives.

Leasehold property refurbishments relate to improvements made to the Ancoats, Manchester campus during the year. Bothe the Office & IT Equipment and Furniture & Fittings additions relate to new equipment for both the Ancoats and Victoria new campuses.

Office & IT equipment of the value of £220,448 was disposed of. It was fully depreciated. The refurbishment costs of the previous London premises, which had already been fully depreciated, were also noted as disposed.

7. Debtors

	2024	2023
Trade debtors	72,633	101,896
Amount due from parent undertaking (note 14)	256,974	324,043
Prepayments & accrued income	131,751	-
	461,358	**425,939**

8. Creditors amounts falling due within one year

	2024	2023
Trade creditors	23,168	11,030
Amount due to parent undertaking (note 14)	-	1,142,224
Accruals and deferred income	354,029	99,693
Holiday Pay Accruals	32,233	
Social security and other taxes	(1,346)	36,851
Sundry Creditors	50,121	6,980
	458,105	**1,296,778**

9. Creditors amounts falling due after one year

	2024	2023
Finance Leases	54,997	-
	54,997	**-**

10. Staff Costs	2024	2023
Staff wages and salaries	1,876,435	1,329,383
Social security costs	197,949	141,748
Pension costs	153,634	115,856
	2,228,018	**1,586,987**
Average number of employees (headcount)	**49**	**36**

Four staff members received emoluments between £60,000-70,000 in the year on a full-time equivalent (FTE) basis, of which two members of staff worked full time, one member of staff works 0.8 FTE and one 0.6 FTE (2023: Two staff members received emoluments between £60,000-70,000 in the year on a full-time equivalent (FTE) basis, of which one member of staff works 0.8 FTE and one 0.6 FTE). One member of staff received emoluments between £70,000-80,000 on an FTE basis and worked 0.7 FTE (2023: One member of staff received emoluments between £70,000-80,000 on an FTE basis and worked 0.6 FTE).

The charity considers its key management personnel comprise the trustees, the Chief Executive Officer and the Dean of the Further Education College. No trustees received any remuneration or benefits in kind in the year. The total employment benefits of the key management personnel paid by the charity were nil (2023: nil).

11. Taxation

National College for Digital Skills Limited is a registered charity and accordingly is exempt from taxation on its income and gains where they are applied for charitable purposes.

12. Analysis of Funds

At 31 July 2024	Brought forward	Incoming resources	Resources expended	Transfers	Carried forward
a) Restricted funds –Bursaries	45,246	20,000	-	(9,000)	56,246
b) Capital grant	121,067	-	(136,681)	1,547,339	1,531,725
c) Unrestricted funds	160,807	5,619,730	(4,210,931)	(1,538,339)	31,266
d) Restricted funds – other	47,987	182,500	(63,267)	-	167,220
	375,107	**5,822,230**	**(4,410,879)**	**-**	**1,786,457**

At 31 July 2023	Brought forward	Incoming resources	Resources expended	Transfers	Carried forward
a) Restricted funds - Bursaries	45,245	-	-	-	45,246
b) Capital grant	303,423	-	(320,328)	137,972	121,067
c) Unrestricted funds	843,557	2,363,931	(2,908,708)	(137,972)	160,807
d) Restricted funds - other	-	85,000	(37,013)	-	47,987
	1,192,225	**2,448,931**	**(3,266,049)**	**-**	**375,107**

a) Bursaries – funding provided for student bursaries.

b) Capital Grant - funding from the Department for Education for capital costs associated with the premises, IT and equipment.

c) The unrestricted funds are available to be spent for any of the purposes of the charity.

d) Restricted funds – other, currently comprises a restricted grant from PA Foundation to support people from disadvantaged backgrounds into apprenticeship roles.

13. Related party transactions

National College for Digital Skills Limited provides operational and marketing support services to Ada National College for Digital Skills under a Service Level Agreement. Costs recharged to Ada National College for Digital Skills for these services amounted to £4,649,058 during the year ended 31 July 2024 (2023: 1,760,415). Personal donations of £4,600 (2023: £2,000) were made by Corporation members, along with a donation of £100 (2023: Nil) by a member of Key Management Personnel.

14. Ultimate controlling party

The ultimate controlling parent is Ada National College for Digital Skills, a Further Education College incorporated under the Further and Higher Education Act 1992.

Copies of the College's financial statements may be obtained from:

1 Sutherland Street
Pimlico
London
SW1V 4LD

15. Operating lease commitments

As at 31 July 2024, the charity has premises in Victoria, London and Ancoats, Manchester on 25 year leases with notional rent (2023: Nil).

16. Post balance sheet events

There were no post balance sheet events. (2023 None)

Accounts

NATIONAL COLLEGE FOR DIGITAL SKILLS LIMITED

A company limited by guarantee

Registered charity Number: 1158399

Company Number: 08763964

AUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2023

CONTENTS

NATIONAL COLLEGE FOR DIGITAL SKILLS LIMITED

A company limited by guarantee

COMPANY INFORMATION

Reference and Administrative Information

Trustees	N. Wilcock (Chair) T. Hall M. Smith T. Fogden
Key Management	Mark Smith (Chief Executive Officer) Tom Fogden (Dean)
Charity Registration Number	1158399
Company Number	08763964 (England and Wales)
Registered Office and Principal Address	1 Sutherland Street Pimlico London SW1V 4LD
Bankers	Lloyds TSB Bank 25 Gresham Street London EC2V 7HN
Auditor	Buzzacott LLP 130 Wood Street London EC2V 6DL

The trustees of National College for Digital Skills Limited (the "charity") present the annual report and audited financial statements for the year ended 31 July 2023.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the governing document, the Charities Act 2011, Companies Act 2006 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 UK and Republic of Ireland (FRS 102).

Objectives and Activities

The National College for Digital Skills became a company limited by guarantee in November 2013 followed by its registration as a charity in July 2014. The Memorandum of Association and Articles of Association were amended following the incorporation of Ada, National College for Digital Skills Further Education College ('College') on 8 August 2016. The principal changes to the Articles resulted in National College for Digital Skills Limited becoming a wholly owned subsidiary of the College and changes to the Trustee Board.

The objectives of the College are: 'to advance the education of the public in general on the subject of computing and related disciplines, including but not exclusively by establishing and supporting educational institutions which teach computing and related disciplines.'

As the subsidiary to the College, these objectives are being met through the provision of operational support services to the College. This includes:

- Student support and admissions
- Management Information System provision
- Fundraising
- Finance and administration
- HR support services
- ICT supply and support
- Facilities management and capital project management
- Marketing

Structure, Governance and Management

The trustees have control of the charity, its property and funds and convene annually for a Board Meeting. The trustees are responsible for the compliance with all legal and regulatory requirements, prudent management of assets and ensuring the highest quality of governance. During the year, trustee indemnity insurance was obtained to cover the trustees for up to £1million. Day to day management of the charity is assigned to the CEO and Dean.

The trustees during the year were as follows;

- Nicholas Wilcock, managing principal at Delta Capital Limited, an international business and technology consultancy and managed services provider;
- Tiffany Hall, the Chair of the College Board
- Mark Smith, CEO Ada National College for Digital Skills
- Tom Fogden, Dean Ada National College for Digital Skills

Structure, Governance and Management (continued)

The College Board is entitled to propose candidates for election to the Trustee Board and to appoint additional members. Such additional members are then required to seek election and appointment at the next Trustee Board meeting.

New members of the Trustee Board may be recruited by application. Their application must be proposed and seconded by current members of the Board. In selecting new members, consideration is given to the specific contribution that they can make to the Board and the charity. A regular skills and training audit is undertaken to ensure that appointments to the Board reflect the strategic priorities of the charity.

Staffing

The key management personnel of the charity are the Trustee Board, which include the CEO and Dean of the College.

The College's salary policy is applied to the charity and is designed to provide a clear and flexible framework to reward employees with a view to attract and retain a competent workforce which is essential to the ongoing success of the organisation. Pay grades within the policy are based upon the Further Education pay grade structure as published by the University and College Union. The CEO and Deans' salary is set separately by the Colleges' Remuneration Committee.

Statement of Public Benefit

The Board members have referred to the Charity Commission's general guidance on public benefit in reviewing the aims and objectives of the charity, in planning future activities and, in particular, how planned activities will contribute to those aims and objectives. The trustees of National College for Digital Skills Limited have taken due note of their responsibilities to deliver public benefit and are confident of the impact in the advancement of education – through the development of individual capabilities, competencies, skills and understanding.

Progress in 2022-23 and Future plans

The Members of the College agreed in Autumn 2020 to a revision of the College's mission statement:

'To educate and empower the next generation of diverse digital talent.'

In Autumn 2022 the College refreshed its strategic plan under the theme 'Evolving to Ada 2.0'. Retaining the core mission statement, the purpose of the college was identified as

'Delivering an industry-led learning experience, in an aspirational culture, to larger volumes of diverse learners, which ensures our alumni secure jobs in tech and that Ada is sustainable.'

The 7 key strands with underpinning goals are:

Quality of Education

- Qualification Achievement Rates >85%
- Cross College attendance average >90%
- 95% of Ada Alumni in tech jobs 3 years after graduation

Learner Volume Growth

- 300 6th formers on roll
- 500 higher level apprentices on roll across London & Manchester
- 150+ learners on new programmes e.g. T-levels / new apprenticeships

Learner Diversity

- 50% of learners from low-income backgrounds
- 38% of our learners are women

People

- Staff retention at 85% for 2024-25
- Improved Teacher Training & Development

Fundraising

- Raise > £1.5m core fundraising

Buildings

- Deliver & operate 2 new buildings on budget
- Generate >£100k from venue hire

Finance & Compliance

- 100% compliance
- Reserves of 3 months of operating expenditure

The College and charity are delighted to have moved into their long-term campus at 1, Sutherland Street in Pimlico in central London from August 2023. The building is a former University Technical College (UTC) that closed down. The DfE and GLA combined supported the College with a light refurbishment to make it fit for purpose for occupation and use from September 2023.

During the 2022-23 academic year, the College continued to operate in Tottenham Hale premises on Broad Lane as it had done since 2016. In addition, the college continued to pay a significantly below market rate lease cost for its Vallance Road building, as well as minimal service costs, to allow it to deliver in-person teaching and learning for its apprenticeship provision. This lease ended in July 23 and the building was handed back to the landlord at that point.

The college also has an ongoing lease agreement with Bruntwood Property Management for a small training space in Manchester Technology Centre to act as its temporary campus in the North West. This runs until the end of January 2024 and is rent free. The college has now secured a long-term campus in the Ancoats area of Manchester to meet the growing demand from employers for our training, particularly as the focus on diversity recruitment continues to grow; the building is a former studio school and is undergoing a light touch refurbishment to open in January 2024.

The building will provide a base for the Apprenticeship and Adult short course activity in the area and will provide capacity for further learner growth in years to come. The strong demand for courses in Manchester is highlighted by the commitment from PwC to train 65 apprentices in the North West with Ada in Autumn 2022, with a further 70 planned in Autumn 2023.

During the year, the Charity continued to support the College with the provision of accommodation, equipment, staff, systems, processes and procedures. Other activities provided in the year covered:

- Strategic and operational budgeting, financial management and reporting for the Group;
- Recruitment and HR support for teaching and non-teaching staff;
- Marketing and Student Recruitment services;
- Management of the REMS Management Information System; and

- Development and oversight of key policies, processes and procedures.

Risk Management

The trustees are responsible for the overseeing of the risks faced by the charity. Detailed considerations of risk are delegated to the Senior Management of the charity. Risks are identified, assessed and controls established throughout the year. A formal review of the charity's risk management processes is undertaken on an annual basis.

Trustees have identified the following areas as posing a key risk to the charity:

1. Maintaining the financial viability of the College

The College maintains a reasonable cash balance at present and remains financially viable through a cautious approach to cost management during times of unpredictable learner volumes. The move to new premises in London (and later in Manchester) will remove some constrictions on learner volumes, although the lagged funding from the ESFA for Sixth Form learners means the impact of any increase will not be felt immediately. The College continues to monitor costs closely and runs a lean operating model while carefully building capacity to grow learner volumes and make a success of the new premises. There are a number of measures in place to manage this risk including:

- Rigorous budget setting procedures and sensitivity analysis;
- Regular in year budget reviews, which are shared with the Board
- Robust financial controls
- Extended fundraising and business development resource
- Further curriculum design efficiencies

2. Achieving year on year volume targets for learner volumes

The Board and leadership team have identified the need for significant, incremental year-on-year growth in learner volumes to get the College to 1000+ learners as soon as possible. Not achieving volume targets impacts on income, growth plans and financial sustainability. This risk is mitigated by setting and reporting on KPI targets. Also, during 2022-23 we have invested in our outreach and business development functions to drive further growth in our apprenticeship volumes

3. Attracting and retaining high quality staff

Although the turnover in staff is reduced from the previous year, the increased cost of living and implementing the relocation to Victoria from Tottenham Hale and Whitechapel in London has continued to make retention and recruitment of staff challenging. We have conducted a pay & rewards benchmarking exercise against other Colleges, schools, universities and private training providers, which has highlighted some of the challenges we face in offering competitive remuneration packages.

Steps we have taken to combat these challenges include:

- Allowing a more flexible working model for some staff where this is possible.
- The Board has agreed to a 3% pay increase in August 2023 and a number of additional differentiated pay rises have been awarded to recognise performance or retention issues

- Improving regular line manager training and support so they can better support their staff and help them feel a strong sense of achievement and purpose in their roles

4. Ensuring Organisational Capacity to deliver the Ada 2.0 Strategy

The ability to continue 'normal' operations while completing two capital projects in quick succession has inevitably put significant strain on organisational leadership and key operational areas. The new board Finance & Resources Committee is a key mitigation for these pressures, allowing the board to detect early warning signs. The support now being received from the Impetus Foundation in relation to organisational strategy has also been a key remedy.

Financial Review

The Statement of Financial Activities is shown on page 15. There was net expenditure on the unrestricted and restricted funds of £817,118 (2022: net expenditure of £158,205). The charity generated £615,236 of fundraising income during the year from corporate donors and high net individuals. This includes a pro bono donation in the form of a rent-free period for a small training suite in Manchester city centre courtesy of Bruntwood Property Management. This is worth around £90,000 for 2022-23.

The charity has accumulated reserves of £375,106 (2022: £1,192,226), which includes cash and short-term investment balances of £1,049,156 (2022: £487,786) offset by an amount owed of £818,201 (2022: nil) to the College.

Tangible fixed asset additions during the year amounted to £159,451 including the purchase of new laptops for students and staff.

Trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The future budgeted income and expenditure together with the level of accumulated free reserves is sufficient for the charity to be able to continue as a going concern. However, the primary purpose of the charity is to support the educational operations of the College, including through the provision of support services which are recharged under a service level agreement. The College Corporation has concluded that, whilst it is appropriate to prepare its financial statements on a going concern basis, there are material uncertainties that may affect its ability of the Group to continue as a going concern as set out below:

- Corporation reserves are being depleted and this will continue to be the case until we begin to achieve our growth ambitions;
- The fundraising environment remains unpredictable;
- A recession could impact negatively on apprenticeship numbers meaning income targets are not met;
- Uncertainty around the costs associated with taking on a new and bigger building in Victoria due to inflation and significant increases in utilities costs.

The Corporation will keep under continuous review ways to mitigate the uncertainties identified, including:

- Seeking further fundraising opportunities and developing its fundraising pipeline;
- Closely monitoring costs to identify and make efficiency savings where appropriate;
- Increasing student and apprentice learner volumes through targeted recruitment campaigns.

Reserves Policy

The trustees wish, in general, to retain enough of the General Fund to fund at least one months' activities. This amounts to approximately £268k on current expenditure levels. In the year, surpluses have been depleted in the charity to the benefit of the college, with the free reserves being £160,809 at year end. We will look to redress this slightly in the coming financial year, by reviewing the service level agreement between the charity and the college along with increasing our fundraising activity.

The balance held as unrestricted funds at 31 July 2023 was £160,806 (2022: £843,558). The balance held as restricted funds at 31 July 2023 was £214,300 (2022: £348,669).

Fundraising

Fundraising for the College and the charity is currently undertaken by the Director of External Relations and CEO. Fundraising is focused on individual giving, corporates, trusts and foundations.

The College and charity have adopted an 'Ethical Fundraising Policy'. This policy is based upon the Institute of Fundraising's Compliance Framework. The policy ensures that vulnerable people and others are adequately protected from unreasonable intrusion on a person's privacy, unreasonably persistent approaches or undue pressure to give, in the course of or in connection with fundraising for the charity.

No complaints were received during the year in relation to fundraising activities.

Statement of trustees' responsibilities

The trustees (who are also directors of National College for Digital Skills Limited for the purposes of company law) are responsible for preparing the trustees' report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees 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 trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in 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 United Kingdom 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 trustees 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 trustee confirms that:

- so far as the trustee is aware, there is no relevant audit information of which the charitable

company's auditor is unaware; and
- the trustee has taken all the steps that he/she ought to have taken as a trustee 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 s418 of the Companies Act 2006. The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

This report was approved on 13 December 2023 and signed on behalf of the trustees by

Nicholas Wilcock

Chair

NATIONAL COLLEGE FOR DIGITAL SKILLS LIMITED

A company limited by guarantee

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NATIONAL COLLEGE FOR DIGITAL SKILLS LIMITED

Opinion

We have audited the financial statements of National College for Digital Skills Limited (the 'charitable company') for the year ended 31 July 2023 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 July 2023 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.

Material uncertainty related to going concern

We draw your attention to the accounting policy on page 19 of the financial statements regarding going concern. This policy sets out the material uncertainties related to going concern that have arisen and are impacting the charity.

Our opinion is not modified in respect of this matter.

Other information

The trustees 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 trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

Responsibilities of trustees

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we obtained an understanding of the legal and regulatory frameworks that are applicable to the charitable company and determined that the most significant frameworks which are directly relevant to specific assertions in the financial statements are those that relate to the reporting framework (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), the Companies Act 2006, the Charities Act 2011 and those that relate to employment and data protection (General Data Protection Regulation).
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management and those charged with governance as to their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias;
- used data analytics to identify and investigated the rationale behind any significant or unusual transactions;
- tested authorisation controls on expenditure items, ensuring expenditure was approved in line with the charitable company's financial procedures; and
- challenged assumptions made by management in their significant accounting estimates, in particular those relating to the recognition of project income

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance; and
- enquiring of management and those charged with governance as to actual and potential litigation and claims

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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 this report

This report is made solely to the charitable company's member 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 member 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 member for our audit work, for this report, or for the opinions we have formed.

Buzzacott LLP

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

Date: 21 December 2023

NATIONAL COLLEGE FOR DIGITAL SKILLS LIMITED

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 JULY 2023

INCORPORATING THE INCOME AND EXPEDITURE ACCOUNT

		Unrestricted funds	Restricted income funds	Restricted capital funds	**Total 2023**	Unrestricted funds	Restricted income funds	Restricted capital funds	Total 2022
		£	£	£	**£**	£	£	£	£
Income	Notes								
Donations	2	530,236	85,000	-	**615,236**	324,923	33,000	-	**357,923**
Income from charitable activities: Funding for the College's Educational Activities	3	33,072	-	-	**33,072**	15,600	-	-	**15,600**
Other income	4	1,800,623	-	-	**1,800,623**	2,079,336	-	-	**2,079,336**
Total income		**2,363,931**	**85,000**	**-**	**2,448,931**	**2,419,860**	**33,000**	**-**	**2,452,860**
Expenditure									
Expenditure on charitable activities	5	2,908,708	37,013	320,328	**3,266,049**	2,229,435	25,218	356,412	**2,611,065**
Total expenditure		**2,908,708**	**37,013**	**320,328**	**3,266,049**	**2,229,435**	**25,218**	**356,412**	**2,611,065**
Net income/(expenditure) and transfers between funds		(544,777)	47,987	(320,328)	**(817,118)**	190,425	7,782	(356,412)	**(158,205)**
Transfers between funds		(137,972)	-	137,972	-	(2,000)	2,000	**-**	-
Net income/(expenditure) after transfers between funds		(682,749)	47,987	(182,356)	**(817,118)**	188,425	9,782	(356,412)	**(158,205)**
Reconciliation of funds									
Total funds brought forward		843,555	45,246	303,423	**1,192,224**	655,131	35,464	659,835	**1,350,430**
Total funds carried forward	11	160,806	93,233	121,067	**375,106**	843,556	45,246	303,423	**1,192,226**

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

NATIONAL COLLEGE FOR DIGITAL SKILLS LIMITED

BALANCE SHEET AS AT 31 JULY 2023

	Note	Unrestricted funds £	Restricted income funds £	Restricted Capital funds £	**Total 2023 £**	Total 2022 £
FIXED ASSETS						
Tangible assets	6	84,660	-	112,130	**196,790**	439,868
TOTAL FIXED ASSETS		84,660	-	112,130	**196,790**	439,868
CURRENT ASSETS						
Cash at bank and in hand		478,946	93,209	477,001	**1,049,155**	487,786
Debtors	7	425,939	-	-	**425,940**	351,016
TOTAL CURRENT ASSETS		904,885	93,209	477,001	**1,475,095**	838,802
CREDITORS: Amounts falling due within one year	8	(828,737)	23	(468,065)	**(1,296,779)**	(86,444))
NET CURRENT ASSETS		76,148	93,232	8,936	**178,316**	752,359
NET ASSETS		160,809	93,232	121,066	**375,107**	1,192,226
THE FUNDS OF THE CHARITY:						
Restricted capital funds		-	-	121,066	**121,066**	303,422
Restricted income funds		-	45,245	-	**45,245**	45,246
Restricted income other		-	47,987	-	**47,987**	-
Unrestricted funds		160,809	-	-	**160,809**	843,559
TOTAL CHARITY FUNDS	11	160,809	93,232	121,066	**375,107**	1,192,226

The notes on pages 18 to 26 form part of the financial statements.

The financial statements have been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

The financial statements were approved and authorised for issue and signed on behalf of trustees by:

Nicholas Wilcock

Chair

Date: 13 December 2023

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 July 2023

	Note	2023	2022
		£	£
Net cash provided by operating activities	A	**720,776**	**346,707**
Cash flows from investing activities:			
Interest		45	(46)
Purchase of tangible fixed assets		(159,451)	(111,970)
Net cash flow used in investing activities		(159,406)	(112,016)
Change in cash and cash equivalents in the year		561,369	234,691
Cash and cash equivalents brought forward		**487,786**	**253,095**
Cash and cash equivalents carried forward		**1,049,155**	**487,786**

The charity does not have any borrowings or finance lease obligations. There is therefore no difference between the movement in cash and cash equivalents and movement in net debt.

Notes to the statement of cash flows for the year ended 31 July:

A Reconciliation of net movement in funds to net cash flow from operating activities

	2023	2022
	£	£
Net expenditure per statement of financial activities	(817,118)	(158,204)
Add back depreciation	402,528	331,655
Add back loss on disposal of fixed assets	-	53,386
Deduct interest income shown in investing activities	(45)	46
(Increase)/decrease in debtors	(74,923)	190,400
Increase/(decrease) in creditors	1,210,334	(70,576)
Net cash provided by operating activities	**720,776**	**346,707**

1. Accounting Policies

1.1 Basis of accounting

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 UK and Republic of Ireland (FRS 102) (Charities SORP FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The financial statements are prepared in sterling and are rounded to the nearest pound.

National College for Digital Skills Limited meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note.

1.2 Income

All donations, grant, investment and deposit income is recognised on a receivable basis when the three criteria of income recognition; entitlement, certainty and measurement have been met. The funds for this period were both unrestricted and restricted in their use.

1.3 Expenditure

Liabilities are recognised as resources expended as soon as there is a legal or constructive obligation committing the charity to the expenditure. All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category.

Expenditure shown is inclusive of irrecoverable VAT.

Charitable Activities

Expenditure on charitable activities are resources expended on the College's educational operations.

Governance Costs

Governance costs include those costs incurred in complying with the charity's constitutional and regulatory obligations.

1.4 Pension costs

Pension costs are payable in respect of a defined contribution schemes with Aviva. Contributions in respect of defined contribution schemes are recognised in the statement of financial activities in the year which they are payable to the scheme.

1.5 Tangible fixed assets and depreciation

Tangible fixed assets costing more than £500 are capitalised and valued at historic cost.

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Office and IT Equipment	3 Years
Leasehold improvements	Remaining lease term

1.6 Reserves

The charity holds reserves for the following purposes:-

- **Unrestricted funds** are monies which may be used towards meeting the charitable objectives of the charity and which may be applied at the discretion of the trustees.
- **Restricted income funds** are monies raised for, and their use restricted to, a specific purpose, or donations subject to donor-imposed conditions as described in note 11.
- **Restricted capital funds** are grants provided by the Department for Education and Greater London Authority for capital costs associated with the premises, IT and equipment.

1.7 Going Concern

The trustees have assessed whether the use of the going concern assumption is appropriate in preparing these accounts. The trustees have made this assessment in respect to a period of one year from the date of approval of these accounts. In making their assessment, the trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements.

The trustees have concluded that it is appropriate to prepare these financial statements on a going concern basis but there are material uncertainties related to events or conditions that may cast doubt on the ability of the charity to continue as a going concern. The charity's primary purpose is to support the educational activities of the College, its parent undertaking, which includes the provision of services which are charged to the College under the service level agreement between the two entities. Because the College's Corporation has recognised that there are material uncertainties, albeit improved from the previous year, that may affect the ability of the College to continue as a going concern, the trustees of the Charity consider that this assessment gives rise to a material uncertainty for the charity as the College is a key provider of working capital. Further details of the uncertainties affecting the Group are set out in the Financial Review section of the Trustees' report.

2. Income from donations

	Unrestricted funds	Restricted income funds	Restricted capital funds	**Total 2023**
	£	£	£	**£**
Corporate donations	180,200	-	-	**180,200**
Private donations	350,036	85,000	-	**435,036**
2023 Total funds	**530,236**	**85,000**	**-**	**615,236**

	Unrestricted funds	Restricted income funds	Restricted capital funds	**Total 2022**
	£	£	£	**£**
Corporate donations	248,200	-	-	**248,200**
Private donations	76,723	33,000	-	**109,723**
2022 Total funds	**324,923**	**33,000**	**-**	**357,923**

3. Income from charitable activities

	Unrestricted funds £	Restricted income funds £	Restricted capital funds £	**Total 2023 £**
Grants receivable	33,072	-	-	33,072
2023 Total funds	**33,072**	**-**	**-**	**33,072**

	Unrestricted funds £	Restricted income funds £	Restricted capital funds £	Total 2022 £
Grants receivable	15,600	-	-	15,600
2022 Total funds	**15,600**	**-**		**15,600**

4. Other Income

	Unrestricted funds £	Restricted income funds £	Restricted capital funds £	**Total 2023 £**	Total 2022 £
Recharge of support services (note 12)	1,760,415	-	-	**1,760,415**	1,980,365
Other income	40,207	-	-	**40,207**	98,971
2023 Total funds	**1,800,623**	**-**	**-**	**1,800,623**	2,079,336

5. Charitable activities

	Unrestricted funds	Restricted income funds	Restricted capital funds	**Total 2023**
Support costs	£	£	£	**£**
Depreciation	82,200	-	320,328	**402,527**
Wages and salaries	1,556,194	30,792	-	**1,586,986**
Professional and consultancy fees	163,824	-	-	**163,824**
Property costs	609,241	-	-	**609,241**
Advertising and marketing	85,502	-	-	**85,502**
IT support costs	99,930	-	-	**99,930**
Other staff costs	62,157	-	-	**62,157**
Education costs	9,192	-	-	**9,192**
Administration costs	188,988	6,221	-	**195,209**
Loss on Disposal of fixed assets	-	-	-	**-**
Insurance	21,165	-	-	**21,165**
Travel	9,053	-	-	**9,053**
Sundry expenses	8,984	-	-	**8,984**
Bank charges	38	-	-	**38**
Total support costs	2,896,468	37,013	320,328	**3,253,809**
Governance costs				
Audit	12,240	-	-	**12,240**
Total governance costs	12,240	-	-	**12,240**
2023 Total cost	**2,908,708**	**37,013**	**320,328**	**3,266,049**

Charitable activities (continued)

	Unrestricted funds	Restricted income funds	Restricted capital funds	**Total 2022**
Support costs	£	£	£	**£**
Depreciation	21,451	-	310,204	**331,655**
Wages and salaries	1,268,180	-	-	**1,268,180**
Professional and consultancy fees	97,921	-	-	**97,921**
Property costs	461,580	-	-	**461,580**
Advertising and marketing	42,704	-	-	**42,704**
IT support costs	137,580	-	-	**137,580**
Other staff costs	40,501	-	-	**40,501**
Education costs	426	25,218	-	**25,643**
Administration costs	104,455	-	12	**104,467**
Loss on Disposal of fixed assets	7,191	-	46,195	**53,386**
Insurance	25,000	-	-	**25,000**
Travel	2,230	-	-	**2,230**
Sundry expenses	12,067	-	-	**12,067**
Bank charges	59	-	-	**59**
Total support costs	2,221,324	25,218	356,412	**2,602,973**
Governance costs				
Audit	8,088	-	-	**8,088**
Total governance costs	8,088	-	-	**8,088**
2022 Total cost	**2,229,435**	**25,218**	**356,412**	**2,611,065**

6. Tangible fixed assets

	Leasehold Property Refurbishment	Office & IT Equipment / software	Furniture & Fittings	Total
Cost	£	£	£	£
At 1 August 2022	3,367,857	758,762	330,446	4,457,065
Additions	-	159,451	-	159,451
Disposals	-	(10,818)	-	(10,818)
At 31 July 2023	3,367,857	907,395	330,446	4,605,698
Depreciation				
At 1 August 2022	3,078,530	695,187	243,480	4,017,197
Provided in the year	289,327	86,540	26,662	402,529
Disposals	-	(10,818)	-	(10,818)
At 31 July 2023	**3,367,857**	**770,909**	**270,142**	**4,408,908**
Net Book Value at 31 July 2023	**-**	**136,486**	**60,304**	**196,790**
Net Book Value at 31 July 2022	**289,327**	**63,574**	**86,966**	**439,867**

All fixed assets are used for the direct furtherance of the charity's objectives.

Leasehold property refurbishments related to improvements made to the Broad Lane and Whitechapel sites. These were vacated by 31 July 2023 as the College moved into its permanent London campus in August 2023. Improvements to these permanent sites were therefore fully depreciated, despite Broad Lane lease ending in December 2023.

Office & IT equipment of the value of £10,818 was disposed of. It was fully depreciated.

7. Debtors

	2023	2022
	£	£
Trade debtors	101,896	(604)
Amount due from parent undertaking (note 12)	324,043	239,680
Prepayments & accrued income	-	111,940
	425,939	**351,016**

8.	**Creditors: Amounts falling due within one year**	**2023**	**2022**
		£	£
	Trade creditors	11,030	30,036
	Amount due to parent undertaking (note 12)	1,142,224	-
	Accruals and deferred income	99,693	25,777
	Social security and other taxes	36,851	28,926
	Sundry Creditors	6,980	1,705
		1,296,779	**86,444**

9.	**Staff Costs**	**2023**	**2022**
		£	£
	Staff wages and salaries	1,329,383	1,064,000
	Social security costs	141,748	114,101
	Pension costs	115,856	90,079
		1,586,986	**1,268,180**
	Average number of employees (headcount)	36	31

Two staff members received emoluments between £60,000-£70,000 in the year on a full-time equivalent (FTE) basis, of which one member of staff works 0.8 FTE and one 0.6 FTE (2022: 2 members worked 0.6 FTE). One member of staff received emoluments between £70,000-£80,000 on an FTE basis and worked 0.6 FTE (2022: none).

The charity considers its key management personnel comprise the trustees, the Chief Executive Officer and the Dean of the Further Education College. No trustees received any remuneration or benefits in kind in the year. The total employment benefits of the key management personnel paid by the charity were £nil (2022: £nil).

10. Taxation

National College for Digital Skills Limited is a registered charity and accordingly is exempt from taxation on its income and gains where they are applied for charitable purposes.

11. Analysis of Funds

At 31st July 2023	Brought forward	Incoming resources	Resources expended	Transfers	Carried forward
	£	£	£		£
a) Restricted funds –Bursaries	45,245	-	-	-	45,245
b) Capital grant	303,423	-	(320,328)	137,972	121,067
c) Unrestricted funds	843,557	2,363,931	(2,908,708)	(137,972)	160,808
d) Restricted funds – other	-	85,000	(37,013)	-	47,987
	1,192,225	**2,448,931**	**(3,266,049)**	**-**	**375,107**

At 31st July 2022	Brought forward	Incoming resources	Resources expended	Transfers	Carried forward
	£	£	£		£
a) Restricted funds –Bursaries	35,464	33,000	(25,218)	2,000	45,246
b) Capital grant	659,835	-	(356,411)	-	303,424
c) Unrestricted funds	655,132	2,419,860	(2,229,435)	(2,000)	843,557
	1,350,431	**2,452,860**	**(2,611,064)**	**-**	**1,192,227**

a) Bursaries – funding provided for student bursaries.

b) Capital Grant - funding from the Department for Education, Greater London Authority and IBM for capital costs associated with the premises, IT and equipment.

c) The unrestricted funds are available to be spent for any of the purposes of the charity.

d) Restricted funds – other, currently comprises a restricted grant from PA Foundation to support people from disadvantaged backgrounds into apprenticeship roles.

12. Related party transactions

National College for Digital Skills Limited provides operational and marketing support services to Ada National College for Digital Skills under a Service Level Agreement. Costs recharged to Ada National College for Digital Skills for these services amounted to £1,760,415 during the year ended 31 July 2023 (2022: £1,980,365). A personal donation of £2,000 (2022: nil) was made by one Corporation member, Zarine Kharas.

13. Ultimate controlling party

The ultimate controlling parent is Ada National College for Digital Skills, a Further Education College incorporated under the Further and Higher Education Act 1992.

Copies of the College's financial statements may be obtained from:

1 Sutherland Street
Pimlico
London SW1V 4LD

14. Capital commitments

There were no capital commitments at the year end. (2022 Nil)

15. Operating lease commitments

As at 31 July 2023, the charity had annual commitments under non-cancellable operating leases relating to land and buildings as set out below.

	2023	2022
Expiring:	£	£
1 year	-	275,000
2 – 5 years	-	139,583
	-	**414,583**

£358,000 has been charged to expenditure for the year in relation to amounts incurred under operating leases. (2022: £275,000). This amount includes the remaining amounts payable under the lease up to 31 December 2023 as the Broad Lane property was vacated early,

16. Post balance sheet events

There were no post balance sheet events. (2022 None)

Accounts

NATIONAL COLLEGE FOR DIGITAL SKILLS LIMITED

A company limited by guarantee

Registered charity Number: 1158399

Company Number: 08763964

AUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2022

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NATIONAL COLLEGE FOR DIGITAL SKILLS LIMITED

A company limited by guarantee

COMPANY INFORMATION

Reference and Administrative Information

Trustees	N. Wilcock (Chair) T. Hall M. Smith T. Fogden
Key Management	Mark Smith (Chief Executive Officer) Tom Fogden (Dean)
Charity Registration Number	1158399
Company Number	08763964 (England and Wales)
Registered Office and Principal Address	Unit 5, Fountayne Business Centre Broad Lane Tottenham Hale London
Bankers	Lloyds TSB Bank 25 Gresham Street London EC2V 7HN
Auditor	Buzzacott LLP 130 Wood Street London EC2V 6DL

NATIONAL COLLEGE FOR DIGITAL SKILLS LIMITED

A company limited by guarantee

TRUSTEES REPORT FOR THE YEAR ENDED 31 JULY 2022

The trustees of National College for Digital Skills Limited (the "charity") present the annual report and audited financial statements for the year ended 31 July 2022.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the governing document, the Charities Act 2011, Companies Act 2006 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 UK and Republic of Ireland (FRS 102).

Objectives and Activities

The National College for Digital Skills became a company limited by guarantee in November 2013 followed by its registration as a charity in July 2014. The Memorandum of Association and Articles of Association were amended following the incorporation of Ada, National College for Digital Skills Further Education College ('College') on 8 August 2016. The principal changes to the Articles resulted in National College for Digital Skills Limited becoming a wholly owned subsidiary of the College and changes to the Trustee Board.

The objectives of the College are: 'to advance the education of the public in general on the subject of computing and related disciplines, including but not exclusively by establishing and supporting educational institutions which teach computing and related disciplines.'

As the subsidiary to the College, these objectives are being met through the provision of operational support services to the College. This includes:

- Student support and admissions
- Management Information System provision
- Fundraising
- Finance and administration
- HR support services
- ICT supply and support
- Facilities management and capital project management
- Marketing

Structure, Governance and Management

The trustees have control of the charity, its property and funds and convene annually for a Board Meeting. The trustees are responsible for the compliance with all legal and regulatory requirements, prudent management of assets and ensuring the highest quality of governance. During the year, trustee indemnity insurance was obtained to cover the trustees for up to £1million. Day to day management of the charity is assigned to the CEO and Dean.

The trustees during the year were as follows;

- Nicholas Wilcock, managing principal at Delta Capital Limited, an international business and technology consultancy and managed services provider;
- Tiffany Hall, the Chair of the College Board
- Mark Smith, CEO Ada National College for Digital Skills
- Tom Fogden, Dean Ada National College for Digital Skills

Structure, Governance and Management (continued)

The College Board is entitled to propose candidates for election to the Trustee Board and to appoint additional members. Such additional members are then required to seek election and appointment at the next Trustee Board meeting.

New members of the Trustee Board may be recruited by application. Their application must be proposed and seconded by current members of the Board. In selecting new members, consideration is given to the specific contribution that they can make to the Board and the charity. A regular skills and training audit is undertaken to ensure that appointments to the Board reflect the strategic priorities of the charity.

Staffing

The key management personnel of the charity are the Trustee Board, which include the CEO and Dean of the College.

The College's salary policy is applied to the charity and is designed to provide a clear and flexible framework to reward employees with a view to attract and retain a competent workforce which is essential to the ongoing success of the organisation. Pay grades within the policy are based upon the Further Education pay grade structure as published by the University and College Union. The CEO and Deans' salary is set separately by the Colleges' Remuneration Committee.

Statement of Public Benefit

The Board members have referred to the Charity Commission's general guidance on public benefit in reviewing the aims and objectives of the charity, in planning future activities and, in particular, how planned activities will contribute to those aims and objectives. The trustees of National College for Digital Skills Limited have taken due note of their responsibilities to deliver public benefit and are confident of the impact in the advancement of education – through the development of individual capabilities, competencies, skills and understanding.

Progress in 2021-22 and Future plans

The mission of the College is to educate and empower the next generation of diverse digital talent.

The College seeks to be:

- A centre of excellence for higher level digital skills;
- Offer a high quality, aspirational alternative to university; and
- Be a beacon of best practice.

The focus of the College is:

- Sixth form education consisting of A-levels, B-Tec's and Extended B-Tec's
- Post – 19 and the flagship Higher-Level and Degree Apprenticeships qualifications; and
- Short course provision to upskill and reskill young people with technical skill sets.

The College and the Charity initially set up at Broad Lane campus in Tottenham Hale, London and opened to 60 full time Year 12 students in September 2016. In August 2022, the total number of students in the Sixth form was 153

At September 2022, 310 apprentices were enrolled with college from more than 25 employers. The college has educated over 700 learners to date through its various programmes and continues to benefit many more through its outreach sessions and short course provision.

Teaching and learning for our apprentices has moved to a hybrid delivery model following an evaluation of apprentice and employer feedback during the enforced period of fully virtual learning due to the pandemic. Apprentice feedback has average 3.9/5 across all modules for the year. Our goal is 4.0 so sustained improvement is needed but with attendance at 95%, we believe this hybrid delivery model is the right way forward for our post-18 apprentices, though we continue to experiment with different blends of in-person and remote delivery.

The College launched a small Apprenticeship cohort in Manchester in Autumn 2021. We now have a dedicated training space in Manchester provided courtesy of significant pro bono support from Bruntwood Property Management group and Autumn 2022 saw us enrol 35 apprentices in our Greater Manchester training space.

In London, the College currently operates from leased accommodation on two campuses. Broad Lane in Tottenham for Sixth Form and Whitechapel for the Apprenticeship provision. The College's strategy is to house both Sixth Form provision and the Apprenticeship Programme in one building and is delighted to have finally agreed on a proposed long-term hub campus at 1, Sutherland Street in Pimlico in central London. The building is a former University Technical College (UTC) that is closing down. The DfE and GLA combined have committed to supporting the College with a light refurbishment to make it fit for purpose for occupation and use from September 2023. Ada's operations and capital projects team continue to work with the DfE's capital project management team to work through the contractor procurement processes and hope to appointment a contractor and have them on site in early 2023.

During the year, the Charity continued to support the College with the provision of accommodation, equipment, staff, systems, processes and procedures. Other activities provided in the year covered:

- Strategic and operational budgeting, financial management and reporting for the Group;
- Recruitment and HR support for teaching and non-teaching staff;
- Marketing and Student Recruitment services;
- Management of the REMS Management Information System; and
- Development and oversight of key policies, processes and procedures.

Risk Management

The trustees are responsible for the overseeing of the risks faced by the charity. Detailed considerations of risk are delegated to the Senior Management of the charity. Risks are identified, assessed and controls established throughout the year. A formal review of the charity's risk management processes is undertaken on an annual basis.

Trustees have identified the following areas as posing a key risk to the charity:

1. Finding a suitable alternative permanent home for the College

In London, the college currently operates from leased accommodation. The Broad Lane lease expires in December 2023. The Whitechapel building used for Apprenticeship provision has a five-year lease running to April 2024. The College's long-term strategy for London is to house both the Sixth form provision and the Apprenticeship programme in one building to support growth, minimise costs and maximise cross programme working.

The College, working with the DfE has identified a proposed building in Pimlico and is in the advanced stages of finalising a contractor to refurbish the building to suit the College's requirements. However, until the Department for Education enters into a contract with the contractor to complete the works, we cannot be sure that the Ada will definitely be able to take on the building so the risk remains significant, especially given the wider macro-economic turmoil at present.

2. Maintaining the financial viability of the College

The College maintains a reasonable cash balance at present and remains financially viable through a cautious approach to cost management due to the uncertain economic climate that the Board and leadership team identified might impact significantly on our apprenticeship learner volumes. However, the pandemic has impacted learner volumes and, while the College looks set to rebound with stronger learner volumes in 2022/23 the lagged funding from the ESFA means the impact of reduced learner volumes in 20/21 & 21/22 will be felt for the next two financial years. The College continues to monitor costs closely and runs a lean operating model but needs to build capacity so that it can grow learner volumes and make a success of the move to our new hub campus in London and continue to grow its programmes in the North West. There are a number of measures in place to manage this risk including:

- Rigorous budget setting procedures and sensitivity analysis;
- Regular in year budget monitoring which is now shared with the Board
- Robust financial controls
- Seeking to employ additional fundraising and business development resource
- Exploring ongoing procurement efficiencies

3. Achieving year on year volume targets for learner volumes

The Board and leadership team have identified the need for significant, incremental year-on-year growth in learner volumes to get the College to 900+ learners as soon as possible. Not achieving volume targets impacts on income, growth plans and financial sustainability. This risk is mitigated by setting and reporting on KPI targets. Also, in December 2021 we hired a new, experienced Head of Business Development to work with the CEO and our apprenticeship relationship managers and North West Regional Director to drive further growth in our apprenticeship volumes

4. **Attracting and retaining high quality staff**

   As a consequence of the pandemic, the increased cost of living and informing staff of our proposed relocation to Victoria from Tottenham Hale and Whitechapel in London, we have seen an increase in staff turnover. At the same time, we have conducted a pay & rewards benchmarking exercise against other Colleges, schools, universities and private training providers, which has highlighted some of the challenges we face in offering competitive renumeration packages.

   Steps we have taken to combat these challenges include:

- Allowing a more flexible working model for some staff where this is possible. The Board has agreed to a 3% pay increase in August 2022, our highest ever
- ELT have agreed to implement a number of small rewards - e.g. staff referral reward
- Improving regular line manager training and support so they can better support their staff and help them feel a strong sense of achievement and purpose in their roles

Financial Review

The Statement of Financial Activities is shown on page 15. There was net expenditure on the unrestricted and restricted funds of £158,205 (2021: net expenditure of £61,977). The change in performance from the prior year is largely due to continuing to pay lease costs on Broad Lane. The charity generated £357,923 of fundraising income during the year from corporate donors and high net individuals. This includes a pro bono donation in the form of a rent-free period for a small training suite in Manchester city centre courtesy of Bruntwood Property Management. This is worth around £90k for 2021-22.

The charity has accumulated reserves of £1,192,226 (2021: £1,350,431), which includes cash and short-term investment balances of £487,786 (2021: £253,095).

Tangible fixed asset additions during the year amounted to £111,970 including the purchase of new laptops for students and staff.

Trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The future budgeted income and expenditure together with the level of accumulated free reserves is sufficient for the charity to be able to continue as a going concern. However, the primary purpose of the charity is to support the educational operations of the College, including through the provision of support services which are recharged under a service level agreement. The College Corporation has concluded that, whilst it is appropriate to prepare its financial statements on a going concern basis, there are material uncertainties that may affect its ability of the Group to continue as a going concern as set out below:

- Corporation reserves are being depleted and this will continue to be the case until we begin to achieve our growth ambitions;
- The fundraising environment remains unpredictable;
- A recession could impact negatively on apprenticeship numbers meaning income targets are not met;

- Uncertainty around the costs associated with taking on a new and bigger building in Victoria due to inflation and significant increases in utilities costs.

The Corporation will keep under continuous review ways to mitigate the uncertainties identified, including:

- Seeking further fundraising opportunities and developing its fundraising pipeline;
- Closely monitoring costs to identify and make efficiency savings where appropriate;
- Increasing student and apprentice learner volumes through targeted recruitment campaigns.

Reserves Policy

The trustees wish, in general, to retain enough of the General Fund to fund at least one months' activities. This amounts to approximately £180,000 on current expenditure levels. In the year, surpluses have been accumulated in the charity at the expense of the college and the free reserves were £702,558. We will look to redress this in the coming financial year.

The balance held as unrestricted funds at 31 July 2022 was £843,558 (2021: £655,131). The balance held as restricted funds at 31 July 2022 was £348,669 (2021: £695,299).

Fundraising

Fundraising for the College and the charity is currently undertaken by the Director of External Relations and CEO. Fundraising is focused on individual giving, corporates, trusts and foundations.

The College and charity have adopted an 'Ethical Fundraising Policy'. This policy is based upon the Institute of Fundraising's Compliance Framework. The policy ensures that vulnerable people and others are adequately protected from unreasonable intrusion on a person's privacy, unreasonably persistent approaches or undue pressure to give, in the course of or in connection with fundraising for the charity.

No complaints were received during the year in relation to fundraising activities.

Statement of trustees' responsibilities

The trustees (who are also directors of National College for Digital Skills Limited for the purposes of company law) are responsible for preparing the trustees' report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees 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 trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in 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 United Kingdom 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 trustees 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 trustee confirms that:

- so far as the trustee is aware, there is no relevant audit information of which the charitable company's auditor is unaware; and
- the trustee has taken all the steps that he/she ought to have taken as a trustee 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 s418 of the Companies Act 2006. The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

This report was approved on 13 December 2022 and signed on behalf of the trustees by

Nicholas Wilcock

Chair

NATIONAL COLLEGE FOR DIGITAL SKILLS LIMITED

A company limited by guarantee

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NATIONAL COLLEGE FOR DIGITAL SKILLS LIMITED

Opinion

We have audited the financial statements of National College for Digital Skills Limited (the 'charitable company') for the year ended 31 July 2022 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 July 2022 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.

Material uncertainty related to going concern

We draw your attention to the accounting policy on page 19 of the financial statements regarding going concern. This policy sets out the material uncertainties related to going concern that have arisen and are impacting the charity.

Our opinion is not modified in respect of this matter.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NATIONAL COLLEGE FOR DIGITAL SKILLS LIMITED

Other information

The trustees 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 trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

Responsibilities of trustees

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we obtained an understanding of the legal and regulatory frameworks that are applicable to the charitable company and determined that the most significant frameworks which are directly relevant to specific assertions in the financial statements are those that relate to the reporting framework (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), the Companies Act 2006, the Charities Act 2011 and those that relate to employment and data protection (General Data Protection Regulation).
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management and those charged with governance as to their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias;
- used data analytics to identify and investigated the rationale behind any significant or unusual transactions;
- tested authorisation controls on expenditure items, ensuring expenditure was approved in line with the charitable company's financial procedures; and
- challenged assumptions made by management in their significant accounting estimates, in particular those relating to the recognition of project income

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance; and
- enquiring of management and those charged with governance as to actual and potential litigation and claims

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NATIONAL COLLEGE FOR DIGITAL SKILLS LIMITED

Use of this report

This report is made solely to the charitable company's member 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 member 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 member for our audit work, for this report, or for the opinions we have formed.

Buzzacott LLP

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

Date: 15 December 2022

NATIONAL COLLEGE FOR DIGITAL SKILLS LIMITED

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 JULY 2022

INCORPORATING THE INCOME AND EXPEDITURE ACCOUNT

		Unrestricted funds £	Restricted income funds £	Restricted capital funds £	**Total 2022 £**	Unrestricted funds £	Restricted income funds £	Restricted capital funds £	Total 2021 £
Income	Notes								
Donations	2	324,923	33,000	-	**357,923**	327,276	12,500	10,000	349,776
Income from charitable activities: Funding for the College's Educational Activities	3	15,600	-	-	**15,600**	62,077	-	-	62,077
Other income	4	2,079,336	-	-	**2,079,336**	1,479,809	300	-	1,480,109
Total income		**2,419,860**	**33,000**	**-**	**2,452,860**	1,869,162	12,800	10,000	1,891,962
Expenditure									
Expenditure on charitable activities	5	2,229,435	25,218	356,412	**2,611,065**	1,637,760	23,285	292,894	1,953,939
Total expenditure		**2,229,435**	**25,218**	**356,412**	**2,611,065**	**1,637,760**	**23,285**	**292,894**	**1,953,939**
Net income/(expenditure) and transfers between funds		190,425	7,782	(356,412)	**(158,205)**	231,401	(10,485)	(282,894)	(61,977)
Transfers between funds		(2,000)	2,000	-	**-**	100,000		(100,000)	-
Net income/(expenditure) after transfers between funds		188,425	9,782	(356,412)	**(158,205)**	331,401	(10,485)	(382,894)	(61,977)
Reconciliation of funds									
Total funds brought forward		655,131	35,464	659,835	**1,350,430**	323,730	45,949	1,042,729	1,412,408
Total funds carried forward	11	843,556	45,246	303,423	**1,192,226**	655,131	35,464	659,835	1,350,431

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

NATIONAL COLLEGE FOR DIGITAL SKILLS LIMITED

BALANCE SHEET AS AT 31 JULY 2022

	Note	Unrestricted funds £	Restricted income funds £	Restricted Capital funds £	**Total 2022 £**	Total 2021 £
FIXED ASSETS						
Tangible assets	6	141,001	-	298,867	**439,868**	712,940
TOTAL FIXED ASSETS		141,001	-	298,867	**439,868**	712,940
CURRENT ASSETS						
Cash at bank and in hand		438,246	45,672	3,868	**487,786**	253,095
Debtors	7	350,201	128	687	**351,016**	541,070
TOTAL CURRENT ASSETS		788,447	45,800	4,555	**838,802**	794,165
CREDITORS: Amounts falling due within one year	8	(85,889)	(554)	-	**(86,444)**	(156,674)
NET CURRENT ASSETS		702,558	45,246	4,555	**752,359**	637,491
NET ASSETS		843,559	45,246	303,422	**1,192,226**	1,350,431
THE FUNDS OF THE CHARITY:						
Restricted capital funds		-	-	303,422	**303,422**	659,834
Restricted income funds		-	45,246	-	**45,246**	35,464
Unrestricted funds		843,559	-	-	**843,559**	655,133
TOTAL CHARITY FUNDS	11	843,559	45,246	303,422	**1,192,226**	1,350,431

The notes on page 18 to 26 form part of the financial statements.

The financial statements have been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

The financial statements were approved and authorised for issue and signed on behalf of trustees by:

Nicholas Wilcock

Chair

Date: 13 December 2022

NATIONAL COLLEGE FOR DIGITAL SKILLS LIMITED

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 JULY 2022

	Note	**2022**	2021
		£	£
Net cash provided by (used in) operating activities	A	**346,707**	(319,506)
Cash flows from investing activities:			
Interest		(46)	(45)
Purchase of tangible fixed assets		(111,970)	(153,432)
Net cash flow used in investing activities		(112,016)	(153,477)
Change in cash and cash equivalents in the year		234,691	(472,984)
Cash and cash equivalents brought forward		**253,095**	**726,078**
Cash and cash equivalents carried forward		**487,786**	**253,095**

The charity does not have any borrowings or finance lease obligations. There is therefore no difference between the movement in cash and cash equivalents and movement in net debt.

Notes to the statement of cash flows for the year ended 31 July:

A Reconciliation of net movement in funds to net cash flow from operating activities

	2022	2021
	£	£
Net (expenditure) income per statement of financial activities	(158,204)	(61,977)
Add back depreciation	331,655	292,894
Add back loss on disposal of fixed assets	53,386	-
Deduct interest income shown in investing activities	46	45
(Increase)/decrease in debtors	190,400	(320,336)
Increase/(decrease) in creditors	(70,576)	(230,132)
Net cash provided by (used in) operating activities	**346,707**	**(319,506)**

1. Accounting Policies

1.1 Basis of accounting

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 UK and Republic of Ireland (FRS 102) (Charities SORP FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The financial statements are prepared in sterling and are rounded to the nearest pound.

National College for Digital Skills Limited meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note.

1.2 Income

All donations, grant, investment and deposit income is recognised on a receivable basis when the three criteria of income recognition; entitlement, certainty and measurement have been met. The funds for this period were both unrestricted and restricted in their use.

1.3 Expenditure

Liabilities are recognised as resources expended as soon as there is a legal or constructive obligation committing the charity to the expenditure. All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category.

Expenditure shown is inclusive of irrecoverable VAT.

Charitable Activities

Expenditure on charitable activities are resources expended on the College's educational operations.

Governance Costs

Governance costs include those costs incurred in complying with the charity's constitutional and regulatory obligations.

1.4 Pension costs

Pension costs are payable in respect of a defined contribution schemes with Aviva. Contributions in respect of defined contribution schemes are recognised in the statement of financial activities in the year which they are payable to the scheme.

1.5 Tangible fixed assets and depreciation

Tangible fixed assets costing more than £500 are capitalised and valued at historic cost.

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Office and IT Equipment	3 Years
Leasehold improvements	Remaining lease term

1.6 Reserves

The charity holds reserves for the following purposes:-

- **Unrestricted funds** are monies which may be used towards meeting the charitable objectives of the charity and which may be applied at the discretion of the trustees.
- **Restricted income funds** are monies raised for, and their use restricted to, a specific purpose, or donations subject to donor-imposed conditions as described in note 11.
- **Restricted capital funds** are grants provided the Department for Education and Greater London Authority for capital costs associated with the premises, IT and equipment.

1.7 Going Concern

The trustees have assessed whether the use of the going concern assumption is appropriate in preparing these accounts. The trustees have made this assessment in respect to a period of one year from the date of approval of these accounts. In making their assessment, the trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements.

The trustees have concluded that it is appropriate to prepare these financial statements on a going concern basis but there are material uncertainties related to events or conditions that may cast doubt on the ability of the charity to continue as a going concern. The charity's primary purpose is to support the educational activities of the College, its parent undertaking, which includes the provision of services which are charged to the College under the service level agreement between the two entities. Because the College's Corporation has recognised that there are material uncertainties that may affect the ability of the College to continue as a going concern, the trustees of the Charity consider that this assessment gives rise to a material uncertainty for the charity as the College is a key provider of working capital. Further details of the uncertainties affecting the Group are set out in the Financial Review section of the Trustees' report.

2. Income from donations

	Unrestricted funds £	Restricted income funds £	Restricted capital funds £	**Total 2022 £**
Corporate donations	248,200	-	-	**248,200**
Private donations	76,723	33,000	-	**109,723**
2022 Total funds	**324,924**	**33,000**	**-**	**357,923**

	Unrestricted funds £	Restricted income funds £	Restricted capital funds £	**Total 2021 £**
Corporate donations	145,120	-	10,000	**155,120**
Private donations	182,156	12,500	-	**194,656**
2021 Total funds	**327,276**	**12,500**	**10,000**	**349,776**

3. Income from charitable activities

	Unrestricted funds £	Restricted income funds £	Restricted capital funds £	**Total 2022 £**
Grants receivable	15,600	-	-	**15,600**
2022 Total funds	**15,600**	**-**	**-**	**15,600**

	Unrestricted funds £	Restricted income funds £	Restricted capital funds £	Total 2021 £
Grants receivable	62,077	-	-	62,077
2021 Total funds	**62,077**	**-**		**62,077**

4. Other Income

	Unrestricted funds £	Restricted income funds £	Restricted capital funds £	**Total 2022 £**	Total 2021 £
Recharge of support services (note 12)	1,980,365	-	-	**1,980,365**	1,430,163
Other income	98,971	-	-	**98,971**	49,945
2022 Total funds	**2,079,336**	**-**	**-**	**2,079,336**	1,480,109

5. Charitable activities

	Unrestricted funds	Restricted income funds	Restricted capital funds	**Total 2022**
Support costs	£	£	£	**£**
Depreciation	21,451	-	310,204	**331,655**
Wages and salaries	1,268,180	-	-	**1,268,180**
Professional and consultancy fees	97,921	-	-	**97,921**
Property costs	461,580	-	-	**461,580**
Advertising and marketing	42,704	-	-	**42,704**
IT support costs	137,580	-	-	**137,580**
Other staff costs	40,501	-	-	**40,501**
Education costs	426	25,218	-	**25,643**
Administration costs	104,455	-	12	**104,467**
Loss on Disposal of fixed assets	7,191	-	46,195	**53,386**
Insurance	25,000	-	-	**25,000**
Travel	2,230	-	-	**2,230**
Sundry expenses	12,067	-	-	**12,067**
Bank charges	59	-	-	**59**
Total support costs	2,221,324	25,218	356,412	**2,602,973**
Governance costs				
Audit	8,088	-	-	**8,088**
Total governance costs	8,088	-	-	**8,088**
2022 Total cost	**2,229,435**	**25,218**	**356,412**	**2,611,065**

5. Charitable activities (continued)

	Unrestricted funds	Restricted income funds	Restricted capital funds	Total 2021
Support costs	£	£	£	£
Depreciation	-	-	292,894	292,894
Wages and salaries	923,864	-		923,864
Professional and consultancy fees	107,704	-		107,704
Property costs	285,867	-	-	285,867
Advertising and marketing	13,987	-	-	13,987
IT support costs	88,845	-	-	88,845
Other staff costs	48,573	-	-	48,573
Education costs	340	23,285	-	23,625
Administration costs	116,420	-	-	116,420
Insurance	39,810	-	-	39,810
Travel	1,669		-	1,669
Sundry expenses	3,049	-	-	3,049
Bank charges	-	-	-	-
Total support costs	1,630,128	23,285	292,894	1,946,307
Governance costs				
Audit	7,632	-	-	7,632
Total governance costs	7,632	-	-	7,632
2021 Total cost	**1,637,760**	**23,285**	**292,894**	**1,953,939**

6. Tangible fixed assets

	Leasehold Property Refurbishment	Office & IT Equipment / software	Furniture & Fittings	Total
Cost	£	£	£	£
At 1 August 2021	3,367,857	735,147	311,453	4,414,457
Additions	-	92,976	18,994	111,970
Disposals	-	(69,361)	-	(69,361)
At 31 July 2022	3,367,857	758,762	330,446	4,457,066
Depreciation				
At 1 August 2021	2,873,498	639,486	188,534	3,701,518
Provided in the year	205,032	71,675	54,946	331,654
Disposals	-	(15,974)	-	(15,974)
At 31 July 2022	**3,078,530**	**695,187**	**243,480**	**4,017,197**
Net Book Value at 31 July 2022	**289,327**	**63,574**	**86,966**	**439,868**
Net Book Value at 31 July 2021	**494,359**	**95,661**	**122,920**	**712,940**

All fixed assets are used for the direct furtherance of the charity's objectives.

Costs associated with the refurbishment of Broad Lane were originally being depreciated from September 2016 until December 2020. As the lease has been extended to December 2023, the net book value has been depreciated over the extended period.

7. Debtors

	2022	**2021**
	£	£
Trade debtors	(604)	20,300
Amount due from parent undertaking (note 12)	239,680	510,085
Prepayments & accrued income	111,940	10,685
	351,016	**541,070**

8. Creditors: Amounts falling due within one year	2022	2021
	£	£
Trade creditors	30,036	41,507
Amount due to parent undertaking (note 12)	-	-
Accruals and deferred income	25,777	85,391
Social security and other taxes	28,926	22,087
Sundry Creditors	1,705	7,689
	86,444	**156,674**

9. Staff Costs	2022	2021
	£	£
Staff wages and salaries	1,064,000	777,445
Social security costs	114,101	78,733
Pension costs	90,079	67,686
	1,268,180	**923,864**
Average number of employees (headcount)	31	24

Two staff members received emoluments between £60,000-£70,000 in the year on the full-time equivalent basis. Both members of staff work 0.6 FTE (2021: none).

The charity considers its key management personnel comprise the trustees, the Chief Executive Officer and the Dean of the Further Education College. No trustees received any remuneration or benefits in kind in the year. The total employment benefits of the key management personnel paid by the charity were £nil (2021: £nil).

10. Taxation

National College for Digital Skills Limited is a registered charity and accordingly is exempt from taxation on its income and gains where they are applied for charitable purposes.

11. Analysis of Funds

At 31st July 2022	Brought forward	Incoming resources	Resources expended	Transfers	Carried forward
	£	£	£		£
a) Restricted funds –Bursaries	35,464	33,000	(25,218)	2,000	45,245
b) Capital grant	659,835	-	(356,411)	-	303,423
c) Unrestricted funds	655,132	2,419,860	(2,229,435)	(2,000)	843,557
	1,350,431	**2,452,860**	**(2,611,064)**	**-**	**1,192,227**

At 31st July 2021	Brought forward	Incoming resources	Resources expended	Transfers	Carried forward
	£	£	£		£
a) Restricted funds –Bursaries	45,948	12,800	(23,285)	-	35,464
b) Capital grant	1,042,729	10,000	(292,894)	(100,000)	659,835
c) Unrestricted funds	323,730	1,869,162	(1,637,760)	100,000	655,132
	1,412,408	**1,891,962**	**(1,953,939)**	**-**	**1,350,431**

a) Bursaries – funding provided for student bursaries.

b) Capital Grant - funding from the Department for Education, Greater London Authority and IBM for capital costs associated with the premises, IT and equipment.

c) The unrestricted funds are available to be spent for any of the purposes of the charity.

12. Related party transactions

National College for Digital Skills Limited provides operational and marketing support services to Ada National College for Digital Skills under a Service Level Agreement. Costs recharged to Ada National College for Digital Skills for these services amounted to £1,980,365 during the year ended 31 July 2022 (2021: £1,430,163).

13. Ultimate controlling party

The ultimate controlling parent is Ada National College for Digital Skills, a Further Education College incorporated under the Further and Higher Education Act 1992.

Copies of the College's financial statements may be obtained from:

Broad Lane

Tottenham Hale

London

14. Capital commitments

There were no capital commitments at the year end. (2021 Nil)

15. Operating lease commitments

As at 31 July 2022, the charity had annual commitments under non-cancellable operating leases relating to land and buildings as set out below.

	2022	2021
Expiring:	£	£
1 year	275,000	275,000
2 – 5 years	139,583	339,583
	414,583	**614,583**

£275,000 has been charged to expenditure for the year in relation to amounts incurred under operating leases. (2021 £214,113)

16. Post balance sheet events

There were no post balance sheet events. (2021 None)

NATIONAL COLLEGE FOR DIGITAL SKILLS

England & Wales - Charity number 1158399

Accounts

NATIONAL COLLEGE FOR DIGITAL SKILLS LIMITED

A company limited by guarantee

Registered charity Number: 1158399

Company Number: 08763964

AUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2021

CONTENTS

NATIONAL COLLEGE FOR DIGITAL SKILLS LIMITED

A company limited by guarantee

COMPANY INFORMATION

Reference and Administrative Information

Trustees	N. Wilcock (Chair) T. Hall M. Smith T. Fogden
Key Management	Mark Smith (Chief Executive Officer) Tom Fogden (Dean)
Charity Registration Number	1158399
Company Number	08763964 (England and Wales)
Registered Office and Principal Address	Broad Lane Tottenham Hale London
Bankers	Lloyds TSB Bank 25 Gresham Street London EC2V 7HN
Auditor	Buzzacott LLP 130 Wood Street London EC2V 6DL

The trustees of National College for Digital Skills Limited (the "charity") present the annual report and audited financial statements for the year ended 31 July 2021.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the governing document, the Charities Act 2011, Companies Act 2006 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 UK and Republic of Ireland (FRS 102).

Objectives and Activities

The National College for Digital Skills became a company limited by guarantee in November 2013 followed by its registration as a charity in July 2014. The Memorandum of Association and Articles of Association were amended following the incorporation of Ada, National College for Digital Skills Further Education College ('College') on 8 August 2016. The principal changes to the Articles resulted in National College for Digital Skills Limited becoming a wholly owned subsidiary of the College and changes to the Trustee Board.

The objectives of the College are: 'to advance the education of the public in general on the subject of computing and related disciplines, including but not exclusively by establishing and supporting educational institutions which teach computing and related disciplines.'

As the subsidiary to the College, these objectives are being met through the provision of operational support services to the College. This includes:

- Student support and admissions
- Management Information System provision
- Fundraising
- Finance and administration
- HR support services
- ICT supply and support
- Facilities management and capital project management
- Marketing

Structure, Governance and Management

The trustees have control of the charity, its property and funds and convene annually for a Board Meeting. The trustees are responsible for the compliance with all legal and regulatory requirements, prudent management of assets and ensuring the highest quality of governance. During the year, trustee indemnity insurance was obtained to cover the trustees for up to £1million. Day to day management of the charity is assigned to the CEO and Dean.

The trustees during the year were as follows;

- Nicholas Wilcock, managing principal at Delta Capital Limited, an international business and technology consultancy and managed services provider;
- Tiffany Hall, the Chair of the College Board
- Mark Smith, CEO Ada National College for Digital Skills

- Tom Fogden, Dean Ada National College for Digital Skills

Structure, Governance and Management (continued)

The College Board is entitled to propose candidates for election to the Trustee Board and to appoint additional members. Such additional members are then required to seek election and appointment at the next Trustee Board meeting.

New members of the Trustee Board may be recruited by application. Their application must be proposed and seconded by current members of the Board. In selecting new members, consideration is given to the specific contribution that they can make to the Board and the charity. A regular skills and training audit is undertaken to ensure that appointments to the Board reflect the strategic priorities of the charity.

Staffing

The key management personnel of the charity are the Trustee Board, which include the CEO and Dean of the College.

The College's salary policy is applied to the charity and is designed to provide a clear and flexible framework to reward employees with a view to attract and retain a competent workforce which is essential to the ongoing success of the organisation. Pay grades within the policy are based upon the Further Education pay grade structure as published by the University and College Union. The CEO and Deans' salary is set separately by the Colleges' Remuneration Committee.

Statement of Public Benefit

The Board members have referred to the Charity Commission's general guidance on public benefit in reviewing the aims and objectives of the charity, in planning future activities and, in particular, how planned activities will contribute to those aims and objectives. The trustees of National College for Digital Skills Limited have taken due note of their responsibilities to deliver public benefit and are confident of the impact in the advancement of education – through the development of individual capabilities, competencies, skills and understanding.

Progress in 2020/21 and Future Plans

The mission of the College is to educate and empower the next generation of diverse digital talent.

The College seeks to: be a centre of excellence for higher level digital skills, offer a high quality, aspirational alternative to university and be a beacon of best practice.

The College's focus is:-

- Sixth form education consisting of A-levels, B-Tec's and Extended B-Tec's;
- Post-19 and the flagship Higher-Level and Degree Apprenticeships qualifications; and
- Short course provision to upskill and reskill young people with technical skill sets

The College and the Charity initially sited at the Broad Lane campus in Tottenham Hale, London and opened to 60 full time Year 12 students in September 2016. In August 2021, a further 62 students enrolled bringing the total number of students in the sixth form to 157.

The College's first Level 4 Software Development Apprenticeship launched in May 2018 with 12 apprentices. The launch of a Level 4 Data Analytics Apprenticeship October 2018 and a Level 6 Tech Consulting Apprenticeship has enabled the programme to go from strength to strength. At 31 September 2021, 202 apprentices were enrolled with the College from more than 25 employers.

The College has educated over 625 learners to date through its various programmes and continues to benefit many more through its outreach sessions and short course provision.

The College launched a small Apprenticeship cohort of just 7 apprentices in February 2021 following 11 months of work by our North West Regional Manager. The cohort start date was postponed from Autumn 2021 due to the pandemic. Upfront seed funding for this expansion of provision to the North West of England has been provided by both local authorities and philanthropic support. A further 34 apprentices are due to enrol in October 2021.

The college currently operates from leased accommodation. The Broad Lane lease which was due to expire in December 2020 has been extended by 3 years. The Whitechapel building used to house apprentices has a five-year lease running to April 2024. The College now has a peppercorn lease for a small training suite in Manchester city centre courtesy of a pro bono donation from Bruntwood Property Management.

The College's long-term strategy is to house both the Sixth form provision and the Apprenticeship programme in one building to support growth, minimise costs and maximise cross programme working. The College has made significant progress in identifying a site that would achieve these objectives and is now awaiting the outcome of a Dept. for Education Ministerial Decision to see if capital funding will be provided to secure and refurbish this site. The Capital funding request is expected to be in the region of £8-£10m with 50% provided by the Greater London Authority (GLA) should the DfE capital funding be secured.

During the year, the charity continued to support the College with the provision of accommodation, equipment, staff, systems, processes and procedures.

Other activities for the charity during 2020/21 include:

- Strategic and operational budgeting, financial management and reporting for the Group;
- Recruitment and HR support for teaching and non-teaching staff;
- Marketing and student recruitment services;
- Management of the REMS Management Information Systems; and
- Development of key operation controls, processes, procedures and manuals.

Covid-19 has presented specific challenges within the year with our Apprenticeship delivery remaining fully remote throughout. Our 16-19 provision, based on Government guidance, was remote for a number of months but since Spring 2020 we have managed to be back in the building with only one brief closure due to a positive test result for a student. Overall, the Board has praised the College's leadership team with its adaptation to the challenging circumstances presented by Covid. Learner attendance has remained remarkably high across all provision and results and progression data has continued to be strong. The College utilised the Workplace platform and Google Enterprise Suite for Education to good effect to maintain effective staff collaboration as well as remote delivery using Google Meet, Google Drive and Google Classroom.

Risk Management

The trustees are responsible for the overseeing of the risks faced by the charity. Detailed considerations of risk are delegated to the Senior Management of the charity. Risks are identified, assessed and controls established throughout the year. A formal review of the charity's risk management processes is undertaken on an annual basis.

Trustees have identified the following areas as posing a key risk to the charity:

1. **Failure to find a suitable alternative permanent home for the College**

   The college currently operates from leased accommodation. The Broad Lane lease which was due to expire in December 2020 has been extended by 3 years to December 2023. The Whitechapel building used to house apprentices has a five-year lease running to April 2024. The College's long-term strategy is to house both the Sixth form provision and the Apprenticeship programme in one building to support growth, minimise costs and maximise cross programme working.

   While significant progress has been made in identifying a building, until we have a positive Ministerial decision we currently do not have a long-term sustainable solution. Failure to identify a suitable permanent home will result in limited growth, poor experience for students and staff and higher running costs for interim premises and reputational damage. This risk is mitigated by a site having been identified that is part of the Department for Education's existing estate. A detailed feasibility study, commissioned by the Department for Education, is underway. A decision is expected on the capital funding business case in December 2021.

2. **Failure to maintain the financial viability of the College**

   The College maintains a healthy cash balance and remains financially viable through a cautious approach to cost management during the pandemic due to the uncertain economic climate that the Board and leadership team identified might impact significantly on our apprenticeship learner volumes. The continuing challenge to the College's financial position remains the pressure on growing Sixth Form and Apprenticeship student numbers, increasing revenue, generating fundraising and ensuring that our operating costs remain efficient and effective in relation to the number of learners enrolled and staff employed. There are a number of measures in place to manage this risk including:

   - Rigorous budget setting procedures and sensitivity analysis;
   - Regular in year budget monitoring
   - Robust financial controls
   - Seeking to employ additional fundraising and business development resource
   - Exploring ongoing procurement efficiencies

Financial Review

The Statement of Financial Activities is shown on page 13. There was net expenditure on the unrestricted and restricted funds of (£61,977) £ (2020: net income of £128,533). The change in performance from the prior year is largely due to a decrease in philanthropic support on the previous very successful year and having to pay lease costs on Broad Lane. The charity generated £349,776 of fundraising income during the year from corporate donors and high net individuals. Funding was also received from the Department for Culture, Media and Sport to support the College's pilot programme in Manchester. We also received a pro bono donation in the form of a rent free period for a small training suite in Manchester city centre courtesy of Bruntwood Property Management. This is worth just over £32k for 2020-21.

The charity has accumulated reserves of £1,350,431 (2020: £1,412,408), which includes cash and short-term investment balances of £253,095 (2020: £726,078).

Tangible fixed asset additions during the year amounted to £153,432 including the purchase of new laptops for students and staff.

Trustees have considered the level of funds held, the expected level of income and expenditure for 12 months from authorising these financial statements and the impact of COVID on the charities ability to operate and remain sustainable. The future budgeted income and expenditure together with the level of accumulated free reserves is sufficient for the charity to be able to continue as a going concern.

The trustees confirm that the College's assets are available and adequate to fulfil its financial obligations.

Reserves Policy

The trustees wish, in general, to retain enough of the General Fund to fund at least one months' activities as the majority of reserves will be held in the College. This amounts to approximately £100,000.

The balance held as unrestricted funds at 31 July 2021 was £655,131 (2020: £323,731). The balance held as restricted funds at 31 July 2021 was £695,299 (2020: £1,088,677).

Fundraising

Fundraising for the College and the charity is currently undertaken by the Director of External Relations and CEO. Fundraising is currently focused on individual giving, corporates, trusts and foundations.

The College and charity have adopted an 'Ethical Fundraising Policy'. This policy is based upon the Institute of Fundraising's Compliance Framework. The policy ensures that vulnerable people and others are adequately protected from unreasonable intrusion on a person's privacy, unreasonably persistent approaches or undue pressure to give, in the course of or in connection with fundraising for the charity.

No complaints were received during the year in relation to fundraising activities.

Statement of trustees' responsibilities

The trustees (who are also directors of National College for Digital Skills Limited for the purposes of company law) are responsible for preparing the trustees' report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Statement of trustees' responsibilities

Company law requires the trustees 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 trustees are required to:

- select suitable accounting policies and then apply them consistently;

- observe the methods and principles in 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 United Kingdom 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 trustees 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 trustee confirms that:

- so far as the trustee is aware, there is no relevant audit information of which the charitable company's auditor is unaware; and
- the trustee has taken all the steps that he/she ought to have taken as a trustee 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 s418 of the Companies Act 2006.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

This report was approved on 13 December 2021 and signed on behalf of the trustees by

Nicholas Wilcock

Chair

INDEPENDENT AUDITOR’S REPORT TO THE MEMBERS OF NATIONAL COLLEGE FOR DIGITAL SKILLS LIMIT

#

Opinion

We have audited the financial statements of National College for Digital Skills Limited (the ‘charitable company’) for the year ended 31 July 2021 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 July 2021 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

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

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

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the 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 trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

Responsibilities of trustees

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we obtained an understanding of the legal and regulatory frameworks that are applicable to the charitable company and determined that the most significant frameworks which are directly relevant to specific assertions in the financial statements are those that relate to the reporting framework (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), the Companies Act 2006, the Charities Act 2011 and those that relate to employment and data protection (General Data Protection Regulation).
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management and those charged with governance as to their knowledge of actual, suspected and alleged fraud; and

- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias;
- used data analytics to identify and investigated the rationale behind any significant or unusual transactions;
- tested authorisation controls on expenditure items, ensuring expenditure was approved in line with the charitable company's financial procedures; and
- challenged assumptions made by management in their significant accounting estimates, in particular those relating to the recognition of project income

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance; and
- enquiring of management and those charged with governance as to actual and potential litigation and claims

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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 this report

This report is made solely to the charitable company's member 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 member 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 member for our audit work, for this report, or for the opinions we have formed.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NATIONAL COLLEGE FOR DIGITAL SKILLS LIMITED

Buzzacott LLP

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

Date: 17 December 2021

NATIONAL COLLEGE FOR DIGITAL SKILLS LIMITED

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 JULY 2021

INCORPORATING THE INCOME AND EXPEDITURE ACCOUNT

		Unrestricted funds	Restricted income funds	Restricted capital funds	**Total 2021**	Unrestricted funds	Restricted income funds	Restricted capital funds	Total 2020
		£	£	£	**£**	£	£	£	£
Income	Notes								
Donations	2	327,276	12,500	10,000	**349,776**	778,606	11,000	100,000	889,606
Income from charitable activities: Funding for the College's Educational Activities	3	62,077	-	-	**62,077**	89,884	-	98,348	188,232
Other income	4	1,479,809	300	-	**1,480,109**	592,258	400	-	592,658
Total income		**1,869,162**	**12,800**	**10,000**	**1,891,962**	1,460,748	11,400	198,348	1,670,496
Expenditure									
Expenditure on charitable activities	5	1,637,760	23,285	292,894	**1,953,939**	1,159,710	8,631	373,622	1,541,963
Total expenditure		1,637,760	23,285	292,894	**1,953,939**	1,159,710	8,631	373,622	1,541,963
Net income/(expenditure) and transfers between funds		231,401	(10,485)	(282,894)	**(61,977)**	301,038	2,769	(175,274)	128,533
Transfers between funds	11	100,000	-	(100,000)	**-**	-	-	-	-
Net income/(expenditure) after transfers between funds		331,401	(10,485)	(382,894)	**(61,977)**	301,038	2,769	(175,274)	128,533
Reconciliation of funds									
Total funds brought forward		323,730	45,949	1,042,729	**1,412,408**	22,693	43,179	1,218,003	1,283,875
Total funds carried forward	11	655,131	35,464	659,835	**1,350,431**	323,731	45,948	1,042,729	1,412,408

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

NATIONAL COLLEGE FOR DIGITAL SKILLS LIMITED

BALANCE SHEET AS AT 31 JULY 2021

	Note	Unrestricted funds £	Restricted income funds £	Restricted Capital funds £	**Total 2021 £**	Total 2020 £
FIXED ASSETS						
Tangible assets	6	72,555	-	640,385	712,940	852,402
TOTAL FIXED ASSETS		72,555	-	640,385	**712,940**	852,402
CURRENT ASSETS						
Cash at bank and in hand		198,548	35,785	18,762	**253,095**	726,078
Debtors	7	540,254	128	687	**541,070**	215,933
TOTAL CURRENT ASSETS		738,802	35,914	19,449	**794,165**	942,011
CREDITORS: Amounts falling due within one year	8	(156,224)	(450)	-	**(156,674)**	(382,005)
NET CURRENT ASSETS		582,578	35,464	19,449	**637,491**	560,006
NET ASSETS		655,133	35,464	659,834	**1,350,431**	1,412,408
THE FUNDS OF THE CHARITY:						
Restricted capital funds		-	-	659,834	**659,834**	1,042,729
Restricted income funds		-	35,464	-	**35,464**	45,948
Unrestricted funds		655,133	-	-	**655,133**	323,731
TOTAL CHARITY FUNDS	11	655,133	35,464	659,834	**1,350,431**	1,412,408

The notes on page 16 to 24 form part of the financial statements.

The financial statements have been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

The financial statements were approved and authorised for issue and signed on behalf of trustees by:

Nicholas Wilcock

Chair

Date: 13 December 2021

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 JULY 2021

	Note	2021	2020
		£	£
Net cash (used in) provided by operating activities	A	**(319,506)**	532,613
Cash flows from investing activities:			
Interest		(45)	218
Purchase of tangible fixed assets		(153,432)	(42,800)
Net cash flow used in investing activities		(153,477)	(42,582)
Change in cash and cash equivalents in the year		(472,984)	490,031
Cash and cash equivalents brought forward		**726,078**	**236,047**
Cash and cash equivalents carried forward		**253,095**	**726,078**

The charity does not have any borrowings or finance lease obligations. There is therefore no difference between the movement in cash and cash equivalents and movement in net debt.

Notes to the statement of cash flows for the year ended 31 July:

A Reconciliation of net movement in funds to net cash flow from operating activities

	2021	2020
	£	£
Net (expenditure) income per statement of financial activities	(61,977)	128,533
Add back depreciation	292,894	323,031
Add back loss on disposal of fixed assets	-	-
Deduct interest income shown in investing activities	45	(218)
Increase in debtors	(320,336)	(186,545)
Increase/(decrease) in creditors	(230,132)	267,812
Net cash (used in) provided by operating activities	**(319,506)**	**532,613**

1. Accounting Policies

1.1 Basis of accounting

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 UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The financial statements are prepared in sterling and are rounded to the nearest pound.

National College for Digital Skills Limited meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note.

1.2 Income

All donations, grant, investment and deposit income is recognised on a receivable basis when the three criteria of income recognition; entitlement, certainty and measurement have been met. The funds for this period were both unrestricted and restricted in their use.

1.3 Expenditure

Liabilities are recognised as resources expended as soon as there is a legal or constructive obligation committing the charity to the expenditure. All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category.

Expenditure shown is inclusive of irrecoverable VAT.

Charitable Activities

Expenditure on charitable activities are resources expended on the College's educational operations.

Governance Costs

Governance costs include those costs incurred in complying with the charity's constitutional and regulatory obligations.

1.4 Pension costs

Pension costs are payable in respect of a defined contribution schemes with Aviva. Contributions in respect of defined contribution schemes are recognised in the statement of financial activities in the year which they are payable to the scheme.

1.5 Tangible fixed assets and depreciation

Tangible fixed assets costing more than £500 are capitalised and valued at historic cost.

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Office and IT Equipment	3 Years
Leasehold improvements	Remaining lease term

1.6 Creditors

Creditors are recognised at their settlement amount.

1.7 Reserves

The charity holds reserves for the following purposes:-

- **Unrestricted funds** are monies which may be used towards meeting the charitable objectives of the charity and which may be applied at the discretion of the trustees.
- **Restricted income funds** are monies raised for, and their use restricted to, a specific purpose, or donations subject to donor-imposed conditions as described in note 11.
- **Restricted capital funds** are monies from funders which are to be applied to specific capital purposes, including premises, IT and equipment, as imposed by the funder. The fund balance represents the value of assets acquired using these funds as well as the balance of funds still to be applied .

1.8 Going Concern

The trustees have assessed whether the use of the going concern assumption is appropriate in preparing these accounts. The trustees have made this assessment in respect to a period of one year from the date of approval of these accounts. The trustees have concluded that there are no material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern. The financial statements have therefore been prepared on a going concern basis.

In making their assessment, the trustees have considered the level of funds held, the expected level of income and expenditure for 12 months from authorising these financial statements and the impact of the COVID-19 pandemic on the charity's ability to operate and remain sustainable. They have concluded that the future budgeted income and expenditure together with the level of accumulated free reserves is sufficient for the charity to be able to continue as a going concern.

2. Income from donations

	Unrestricted funds £	Restricted income funds £	Restricted capital funds £	**Total 2021 £**
Corporate donations	145,120	-	10,000	**155,120**
Private donations	182,156	12,500	-	**194,656**
2021 Total funds	**327,276**	**12,500**	**10,000**	**349,776**

	Unrestricted funds £	Restricted income funds £	Restricted capital funds £	**Total 2020 £**
Corporate donations	3,657	-	100,000	**103,657**
Private donations	774,949	11,000	-	**785,949**
2020 Total funds	**778,606**	**11,000**	**100,000**	**889,606**

3. Income from charitable activities

	Unrestricted funds £	Restricted income funds £	Restricted capital funds £	**Total 2021 £**
Grants receivable – capital	-	-	-	**-**
Grants receivable - other	62,077	-	-	**62,077**
2021 Total funds	**62,077**	**-**	**-**	**62,077**

	Unrestricted funds £	Restricted income funds £	Restricted capital funds £	Total 2020 £
Grants receivable – capital	-	-	98,348	98,348
Grants receivable - other	89,884	-	-	89,884
2020 Total funds	**89,884**	**-**	**98,348**	**188,232**

4. Other Income

	Unrestricted funds £	Restricted income funds £	Restricted capital funds £	**Total 2021 £**	Total 2020 £
Recharge of support services (note 12)	1,430,163	-	-	**1,430,163**	538,460
Other income	49,645	300	-	**49,945**	54,198
2021 Total funds	**1,479,809**	**300**	**-**	**1,480,109**	592,658

5. Charitable activities

	Unrestricted funds	Restricted income funds	Restricted capital funds	**Total 2021**
Support costs	£	£	£	**£**
Depreciation	-	-	292,894	**292,894**
Wages and salaries	923,864	-	-	**923,864**
Professional and consultancy fees	107,704	-	-	**107,704**
Property costs	285,867	-	-	**285,867**
Advertising and marketing	13,987	-	-	**13,987**
IT support costs	88,845	-	-	**88,845**
Other staff costs	48,573	-	-	**48,573**
Education costs	340	23,285	-	**23,625**
Administration costs	116,420	-	-	**116,420**
Insurance	39,810	-	-	**39,810**
Travel	1,669	-	-	**1,669**
Sundry expenses	3,049	-	-	**3,049**
Bank charges	-	-	-	**-**
Total support costs	1,630,128	23,285	292,894	**1,946,307**
Governance costs				
Audit	7,632	-	-	**7,632**
Total governance costs	7,632	-	-	**7,632**
2021 Total cost	**1,637,760**	**23,285**	**292,894**	**1,953,939**

5. Charitable activities (continued)

	Unrestricted funds	Restricted income funds	Restricted capital funds	Total 2020
Support costs	£	£	£	£
Depreciation		-	323,030	323,030
Wages and salaries	742,626	-	22,141	764,767
Professional and consultancy fees	92,406	-	28,451	120,857
Property costs	172,870	-	-	172,870
Advertising and marketing	24,725	-	-	24,725
IT support costs	49,614	-	-	49,614
Other staff costs	13,799	-	-	13,799
Education costs	417	8,435	-	8,852
Administration costs	25,524	-	-	25,524
Insurance	22,449	-	-	22,449
Travel	7,103	196	-	7,299
Sundry expenses	1,848	-	-	1,848
Bank charges	(421)	-	-	(421)
Total support costs	1,152,510	8,631	373,622	1,534,763
Governance costs				
Audit	7,200	-	-	7,200
Total governance costs	7,200	-	-	7,200
2020 Total cost	**1,159,710**	**8,631**	**373,622**	**1,541,963**

6. Tangible fixed assets

	Leasehold Property Refurbishment	Office & IT Equipment / software	Furniture & Fittings	Total
Cost	£	£	£	£
At 1 August 2020	3,367,857	628,983	264,185	4,261,025
Additions		106,164	47,268	153,432
At 31 July 2021	3,367,857	735,147	311,453	4,414,457
Depreciation				
At 1 August 2020	2,668,465	597,341	142,817	3,408,623
Provided in the year	205,033	42,145	45,716	292,894
At 31 July 2020	2,873,498	639,486	188,533	3,701,517
Net Book Value at 31 July 2021	**494,359**	**95,661**	**122,920**	**712,940**
Net Book Value at 31 July 2020	**699,392**	**31,641**	**121,369**	**852,402**

All fixed assets are used for the direct furtherance of the charity's objectives.

Costs associated with the refurbishment of Broad Lane were originally being depreciated from September 2016 until December 2020. As the lease has been extended to December 2023, the net book value has been depreciated over the extended period.

7. Debtors

	2021	**2020**
	£	£
Trade debtors	20,300	27,786
Other debtors	-	-
Amount due from parent undertaking (note 12)	510,085	171,987
Prepayments & accrued income	10,685	16,160
	541,070	**215,933**

8. Creditors: Amounts falling due within one year	2021	2020
	£	£
Trade creditors	41,507	111,728
Amount due to parent undertaking (note 12)	-	-
Accruals and deferred income	85,391	14,889
Social security and other taxes	22,087	18,239
Capital funding owed to Department for Education	-	222,006
Sundry Creditors	7,689	15,143
	156,674	**382,005**

9. Staff Costs	2021	2020
	£	£
Staff wages and salaries	777,445	657,205
Social security costs	78,733	60,536
Pension costs	67,686	47,026
	923,864	**764,767**
Average number of employees (headcount)	24	21

No staff member received emoluments of over £60,000 in the year (2020: none).

The charity considers its key management personnel comprise the trustees, the Chief Executive Officer and the Dean of the Further Education College. No trustees received any remuneration or benefits in kind in the year. The total employment benefits of the key management personnel paid by the charity were £nil (2020: £nil).

10. Taxation

National College for Digital Skills Limited is a registered charity and accordingly is exempt from taxation on its income and gains where they are applied for charitable purposes.

11. Analysis of Funds

At 31st July 2021	Brought forward	Incoming resources	Resources expended	Transfers	Carried forward
	£	£	£	£	£
a) Restricted funds –Bursaries	45,948	12,800	(23,285)	-	35,464
b) Capital grant	1,042,729	10,000	(292,894)	(100,000)	659,835
c) Unrestricted funds	323,730	1,869,162	(1,637,760)	100,000	655,132
	1,412,408	**1,891,962**	**(1,953,939)**	**-**	**1,350,431**

At 31st July 2020	Brought forward	Incoming resources	Resources expended	Transfers	Carried forward
	£	£	£	£	£
a) Restricted funds –Bursaries	43,179	11,400	(8,631)	-	45,948
b) Capital grant	1,218,003	198,348	(373,622)	-	1,042,729
c) Unrestricted funds	22,693	1,460,748	(1,159,710)		323,731
	1,283,875	**1,670,496**	**(1,541,963)**	**-**	**1,412,408**

a) Bursaries – funding provided for student bursaries.

b) Capital Grant - funding from the Department for Education, Greater London Authority and IBM or other funders which are to be applied to specific capital purposes, including premises, IT and equipment, as imposed by the funder. The fund balance represents the value of assets acquired using these funds as well as the balance of funds still to be applied.

Transfers between the capital grant fund and unrestricted funds represents eligible costs which were not charged against this fund when incurred.

c) The unrestricted funds are available to be spent for any of the purposes of the charity.

12. Related party transactions

National College for Digital Skills Limited provides operational and marketing support services to Ada National College for Digital Skills under a Service Level Agreement. Costs recharged to Ada National College for Digital Skills for these services amounted to £1,430,163 during the year ended 31 July 2021 (2020: £538,460). The increase income in 2020-21 reflects that more costs of NCDS were recharged to Ada National College for Digital Skills to more accurately reflect the actual position and costs incurred.

13. Ultimate controlling party

The ultimate controlling parent is Ada National College for Digital Skills, a Further Education College incorporated under the Further and Higher Education Act 1992.

Copies of the College's financial statements may be obtained from:

Broad Lane

Tottenham Hale

London

14. Capital commitments

There were no capital commitments at the year end. (2020 Nil)

15. Operating lease commitments

As at 31 July 2021, the charity had annual commitments under non-cancellable operating leases relating to land and buildings as set out below.

	2021	2020
Expiring:	£	£
1 year	275,000	214,113
2 – 5 years	339,583	610,887
	614,583	**825,000**

£214,113 has been charged to expenditure for the year. (2020 £75,000)