

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

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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

NATIONAL COLLEGE FOR DIGITAL SKILLS LIMITED

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TRUSTEES REPORT FOR THE YEAR ENDED 31 JULY 2021

#

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

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- 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.

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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

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TRUSTEES REPORT FOR THE YEAR ENDED 31 JULY 2021

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

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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;

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- 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

NATIONAL COLLEGE FOR DIGITAL SKILLS LIMITED

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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.

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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.

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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

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

-
- 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.

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



Shachi Blakemore (Senior Statutory Auditor)

For and on behalf of Buzzacott LLP, Statutory Auditor

130 Wood Street

London

EC2V 6DL

Date: 17 December 2021

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STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 JULY 2021

INCORPORATING THE INCOME AND EXPENDITURE 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
<i>Income from charitable activities:</i>									
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

		Unrestricted	Restricted	Restricted	Total	Total
		funds	income	Capital	2021	2020
	Note	£	£	£	£	£
<u>FIXED ASSETS</u>						
Tangible assets	6	72,555	-	640,385	712,940	852,402
TOTAL FIXED ASSETS		72,555	-	640,385	712,940	852,402
<u>CURRENT ASSETS</u>						
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

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

NATIONAL COLLEGE FOR DIGITAL SKILLS LIMITED

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

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NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 July 2021

#

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.

NATIONAL COLLEGE FOR DIGITAL SKILLS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 July 2021

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

NATIONAL COLLEGE FOR DIGITAL SKILLS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 July 2021

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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

NATIONAL COLLEGE FOR DIGITAL SKILLS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 July 2021

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5. Charitable activities

	Unrestricted	Restricted	Restricted	Total
	funds	income	capital	2021
	£	£	£	£
<i>Support costs</i>				
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
<i>Governance costs</i>				
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

NATIONAL COLLEGE FOR DIGITAL SKILLS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 July 2021

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5. Charitable activities (continued)

	Unrestricted funds	Restricted income funds	Restricted capital funds	Total 2020
	£	£	£	£
<i>Support costs</i>				
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
<i>Governance costs</i>				
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

NATIONAL COLLEGE FOR DIGITAL SKILLS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 July 2021

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

NATIONAL COLLEGE FOR DIGITAL SKILLS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 July 2021

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.

NATIONAL COLLEGE FOR DIGITAL SKILLS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 July 2021

11. Analysis of Funds

	Brought forward	Incoming resources	Resources expended	Transfers	Carried forward
At 31st July 2021	£	£	£	£	£
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
	Brought forward	Incoming resources	Resources expended	Transfers	Carried forward
At 31st July 2020	£	£	£	£	£
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.

NATIONAL COLLEGE FOR DIGITAL SKILLS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 July 2021

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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)