

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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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

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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

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TRUSTEES REPORT FOR THE YEAR ENDED 31 JULY 2022

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

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TRUSTEES REPORT FOR THE YEAR ENDED 31 JULY 2022

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:

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TRUSTEES REPORT FOR THE YEAR ENDED 31 JULY 2022

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 College 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

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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 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 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;

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- 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).

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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 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.

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TRUSTEES REPORT FOR THE YEAR ENDED 31 JULY 2022

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

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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.

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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.

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

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:

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

-
- 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.

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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.



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 EXPENDITURE 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
<i>Income from charitable activities:</i>									
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.

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BALANCE SHEET AS AT 31 JULY 2022

		Unrestricted	Restricted	Restricted	Total	Total
	Note	funds	income	Capital	2022	2021
		£	£	£	£	£
<u>FIXED ASSETS</u>						
Tangible assets	6	141,001	-	298,867	439,868	712,940
TOTAL FIXED ASSETS		141,001	-	298,867	439,868	712,940
<u>CURRENT ASSETS</u>						
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)

NATIONAL COLLEGE FOR DIGITAL SKILLS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 July 2022

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

NATIONAL COLLEGE FOR DIGITAL SKILLS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 July 2022

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

NATIONAL COLLEGE FOR DIGITAL SKILLS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 July 2022

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

NATIONAL COLLEGE FOR DIGITAL SKILLS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 July 2022

5. Charitable activities

	Unrestricted funds	Restricted income funds	Restricted capital funds	Total 2022
	£	£	£	£
<i>Support costs</i>				
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
<i>Governance costs</i>				
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

NATIONAL COLLEGE FOR DIGITAL SKILLS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 July 2022

5. Charitable activities (continued)

	Unrestricted funds	Restricted income funds	Restricted capital funds	Total 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 2022

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	<u>3,367,857</u>	<u>758,762</u>	<u>330,446</u>	<u>4,457,066</u>
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	<u>3,078,530</u>	<u>695,187</u>	<u>243,480</u>	<u>4,017,197</u>
Net Book Value at 31 July 2022	<u>289,327</u>	<u>63,574</u>	<u>86,966</u>	<u>439,868</u>
Net Book Value at 31 July 2021	<u>494,359</u>	<u>95,661</u>	<u>122,920</u>	<u>712,940</u>

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
	<u>351,016</u>	<u>541,070</u>

NATIONAL COLLEGE FOR DIGITAL SKILLS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 July 2022

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.

NATIONAL COLLEGE FOR DIGITAL SKILLS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 July 2022

11. Analysis of Funds

	Brought forward	Incoming resources	Resources expended	Transfers	Carried forward
At 31st July 2022	£	£	£		£
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
	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

- 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).

NATIONAL COLLEGE FOR DIGITAL SKILLS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 July 2022

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)