

NATIONAL COLLEGE FOR DIGITAL SKILLS LIMITED

A company limited by guarantee

Registered charity Number: 1158399

Company Number: 08763964

AUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2023

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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

1 Sutherland Street

Pimlico

London SW1V 4LD

Bankers

Lloyds TSB Bank

25 Gresham Street

London

EC2V 7HN

Auditor

Buzzacott LLP

130 Wood Street

London

EC2V 6DL

NATIONAL COLLEGE FOR DIGITAL SKILLS LIMITED

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TRUSTEES REPORT FOR THE YEAR ENDED 31 JULY 2023

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

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the governing document, the Charities Act 2011, Companies Act 2006 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

Objectives and Activities

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

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

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

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

Structure, Governance and Management

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

The trustees during the year were as follows;

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

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TRUSTEES REPORT FOR THE YEAR ENDED 31 JULY 2023

Structure, Governance and Management (continued)

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

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

Staffing

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

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

Statement of Public Benefit

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

Progress in 2022-23 and Future plans

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

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

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

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

The 7 key strands with underpinning goals are:

Quality of Education

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

Learner Volume Growth

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

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Learner Diversity

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

People

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

Fundraising

- Raise > £1.5m core fundraising

Buildings

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

Finance & Compliance

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

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

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

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

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

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

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

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

Risk Management

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

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

1. Maintaining the financial viability of the College

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

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

2. Achieving year on year volume targets for learner volumes

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

3. Attracting and retaining high quality staff

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

Steps we have taken to combat these challenges include:

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

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

4. Ensuring Organisational Capacity to deliver the Ada 2.0 Strategy

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

Financial Review

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

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

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

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

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

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

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

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Reserves Policy

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

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

Fundraising

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

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

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

Statement of trustees' responsibilities

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in 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

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company's auditor is unaware; and

- the trustee has taken all the steps that he/she ought to have taken as a trustee in order to make himself/herself aware of any relevant audit information and to establish that the charitable company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006. The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

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



Nicholas Wilcock

Chair

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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 2023 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 July 2023 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

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

Our opinion is not modified in respect of this matter.

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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: 21 December 2023

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STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 JULY 2023

INCORPORATING THE INCOME AND EXPENDITURE ACCOUNT

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

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

All income and expenditure derive from continuing activities.

NATIONAL COLLEGE FOR DIGITAL SKILLS LIMITED

BALANCE SHEET AS AT 31 JULY 2023

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

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

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

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



Nicholas Wilcock

Chair

Date: 13 December 2023

NATIONAL COLLEGE FOR DIGITAL SKILLS LIMITED

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 July 2023

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

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

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

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

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

NATIONAL COLLEGE FOR DIGITAL SKILLS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 July 2023

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 2023

1.6 Reserves

The charity holds reserves for the following purposes:-

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

1.7 Going Concern

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

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

2. Income from donations

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

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

NATIONAL COLLEGE FOR DIGITAL SKILLS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 July 2023

3 Income from charitable activities

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

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

4. Other Income

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

NATIONAL COLLEGE FOR DIGITAL SKILLS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 July 2023

5. Charitable activities

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

NATIONAL COLLEGE FOR DIGITAL SKILLS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 July 2023

Charitable activities (continued)

	Unrestricted	Restricted	Restricted	Total
	funds	income	capital	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 2023

6. Tangible fixed assets

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

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

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

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

7. Debtors

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

NATIONAL COLLEGE FOR DIGITAL SKILLS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 July 2023

8. Creditors: Amounts falling due within one year	2023	2022
	£	£
Trade creditors	11,030	30,036
Amount due to parent undertaking (note 12)	1,142,224	-
Accruals and deferred income	99,693	25,777
Social security and other taxes	36,851	28,926
Sundry Creditors	6,980	1,705
	1,296,779	86,444
9. Staff Costs	2023	2022
	£	£
Staff wages and salaries	1,329,383	1,064,000
Social security costs	141,748	114,101
Pension costs	115,856	90,079
	1,586,986	1,268,180
Average number of employees (headcount)	36	31

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

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

10. Taxation

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 July 2023

11. Analysis of Funds

	Brought forward	Incoming resources	Resources expended	Transfers	Carried forward
At 31st July 2023	£	£	£		£
a) Restricted funds –Bursaries	45,245	-	-	-	45,245
b) Capital grant	303,423	-	(320,328)	137,972	121,067
c) Unrestricted funds	843,557	2,363,931	(2,908,708)	(137,972)	160,808
d) Restricted funds – other	-	85,000	(37,013)	-	47,987
	1,192,225	2,448,931	(3,266,049)	-	375,107
	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	45,246
b) Capital grant	659,835	-	(356,411)	-	303,424
c) Unrestricted funds	655,132	2,419,860	(2,229,435)	(2,000)	843,557
	1,350,431	2,452,860	(2,611,064)	-	1,192,227

- a) Bursaries – funding provided for student bursaries.
- b) Capital Grant - funding from the Department for Education, Greater London Authority and IBM for capital costs associated with the premises, IT and equipment.
- c) The unrestricted funds are available to be spent for any of the purposes of the charity.
- d) Restricted funds – other, currently comprises a restricted grant from PA Foundation to support people from disadvantaged backgrounds into apprenticeship roles.

12. Related party transactions

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

NATIONAL COLLEGE FOR DIGITAL SKILLS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 July 2023

13. Ultimate controlling party

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

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

1 Sutherland Street
Pimlico
London SW1V 4LD

14. Capital commitments

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

15. Operating lease commitments

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

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

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

16. Post balance sheet events

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