

NATIONAL COLLEGE FOR DIGITAL SKILLS LIMITED

A company limited by guarantee

Registered charity Number: 1158399

Company Number: 08763964

**AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2024**

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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 2024

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

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

Objectives and Activities

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

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

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

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

Structure, Governance and Management

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

The trustees during the year were as follows;

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

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TRUSTEES' REPORT FOR THE YEAR ENDED 31 JULY 2024

Structure, Governance and Management (continued)

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

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

Staffing

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

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

Statement of Public Benefit

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

Progress in 2023-24 and Future plans

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

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

In Autumn 2022 the College refreshed its strategic plan under the theme 'Evolving to Ada 2.0'.

Retaining the core mission statement, the purpose of the college was identified as

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

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

Quality of Education

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

Learner Volume Growth

- 250 6th formers on roll

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

Learner Diversity

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

People

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

Alumni

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

Operations and Resources

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

Finance & Fundraising

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

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

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

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

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

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

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TRUSTEES' REPORT FOR THE YEAR ENDED 31 JULY 2024

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

Risk Management

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

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

1. Maintaining the financial viability of the College

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

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

2. Achieving year on year volume targets for learner volumes

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

3. Attracting and retaining high quality staff

The turnover in staff remains higher than we would wish and has increased slightly in the last year. In spite of it being a very competitive market to find new hires we have been increasingly successful in attracting good talent, largely driven by our investment in the HR function and the new campus locations. We need to make further adjustments, however, to remain competitive,

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particularly in relation to pay. We have conducted a pay & rewards benchmarking exercise against other Colleges, schools, universities and private training providers, which has highlighted some of the challenges we face in offering competitive remuneration packages. Steps we have taken to combat these challenges include:

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

4. Ensuring Organisational Capacity to deliver the Ada 2.0 Strategy

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

Financial Review and Going Concern

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

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

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

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

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

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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 £316k on current expenditure levels. In the year, surpluses have been depleted in the charity to the benefit of the college, with the free reserves being in surplus at £31,266 at year end. We will look to improve this slightly in the coming financial year, by reviewing the service level agreement between the charity and the college along with increasing our fundraising activity.

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

Fundraising

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

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

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

Statement of trustees' responsibilities

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in in Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Each trustee confirms that:

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- so far as the trustee is aware, there is no relevant audit information of which the charitable company's auditor is unaware; and
- the trustee has taken all the steps that he/she ought to have taken as a trustee in order to make himself/herself aware of any relevant audit information and to establish that the charitable company's auditor is aware of that information.

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

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



Nicholas Wilcock

Chair

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

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

Opinion

We have audited the financial statements of National College for Digital Skills Limited (the 'charitable company') for the year ended 31 July 2024 which comprise the statement of financial activities, the balance sheet, and statement of cash flows, the principal accounting policies and the notes to the financial statements. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- ◆ give a true and fair view of the state of the charitable company's affairs as at 31 July 2024 and of its income and expenditure for the year then ended;
- ◆ have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- ◆ have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

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

Other information

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

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- ◆ the information given in the trustees' report, which is also the directors' report for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- ◆ the trustees' report, which is also the directors' report for the purposes of company law, has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report. We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- ◆ adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- ◆ the financial statements are not in agreement with the accounting records and returns; or
- ◆ certain disclosures of trustees' remuneration specified by law are not made; or
- ◆ we have not received all the information and explanations we require for our audit; or
- ◆ the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

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

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

Auditor's responsibilities for the audit of the financial statements

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

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we obtained an understanding of the legal and regulatory frameworks that are applicable to the charitable company and determined that the most significant frameworks which are directly relevant to specific assertions in the financial statements are those that relate to the reporting framework (Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Companies Act 2006, the Charities Act 2011 and those that relate to employment and data protection (General Data Protection Regulation).
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

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

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

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

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

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

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

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

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

A further description of our responsibilities is available on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

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

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



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

Date: 17 December 2024

NATIONAL COLLEGE FOR DIGITAL SKILLS LIMITED

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

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

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

All income and expenditure derive from continuing activities.

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BALANCE SHEET AS AT 31 JULY 2024

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

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

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

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



Nicholas Wilcock

Chair

Date: 11 December 2024

Company Number: 08763964

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

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

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

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

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

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

NATIONAL COLLEGE FOR DIGITAL SKILLS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 July 2024

1. Accounting Policies

1.1 Basis of accounting

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

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

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

1.2 Income

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

1.3 Expenditure

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

Expenditure shown is inclusive of irrecoverable VAT.

Charitable Activities

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

Governance Costs

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

1.4 Pension costs

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

1.5 Tangible fixed assets and depreciation

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

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

Office and IT Equipment	3 Years
Leasehold improvements	Remaining lease term

1.6 Reserves

The charity holds reserves for the following purposes:-

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

NATIONAL COLLEGE FOR DIGITAL SKILLS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 July 2024

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

1.7 Going Concern

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

2 Income from donations

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

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

3 Income from charitable activities

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

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

NATIONAL COLLEGE FOR DIGITAL SKILLS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 July 2024

4 Other income

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

5 Charitable activities

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

NATIONAL COLLEGE FOR DIGITAL SKILLS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 July 2024

Charitable activities (continued)

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

NATIONAL COLLEGE FOR DIGITAL SKILLS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 July 2024

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

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

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

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

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

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

9. Creditors amounts falling due after one year	2024	2023
Finance Leases	54,997	-
	<u>54,997</u>	<u>-</u>

NATIONAL COLLEGE FOR DIGITAL SKILLS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 July 2024

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

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

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

11. Taxation

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

12. Analysis of Funds

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

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

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

NATIONAL COLLEGE FOR DIGITAL SKILLS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 July 2024

13. Related party transactions

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

14. Ultimate controlling party

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

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

1 Sutherland Street
Pimlico
London
SW1V 4LD

15. Operating lease commitments

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

16. Post balance sheet events

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