

**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 2019**

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# **NATIONAL COLLEGE FOR DIGITAL SKILLS LIMITED**

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## **COMPANY INFORMATION**

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### **Reference and Administrative Information**

#### **Trustees**

N. Wilcock (Chair)

M. Smith

T. Fogden

#### **Key Management**

Mark Smith (Chief Executive Officer)

Tom Fogden (Dean)

#### **Charity Registration Number**

1158399

#### **Company Number**

08763964 (England and Wales)

#### **Registered Office and Principal Address**

Broad Lane

Tottenham Hale

London

#### **Bankers**

Lloyds TSB Bank

25 Gresham Street

London

EC2V 7HN

#### **Auditor**

Buzzacott LLP

130 Wood Street

London

EC2V 6DL

## **NATIONAL COLLEGE FOR DIGITAL SKILLS LIMITED**

### **A company limited by guarantee**

### **TRUSTEES REPORT FOR THE YEAR ENDED 31 JULY 2019**

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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 2019.

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 principle at Delta Capital Limited, an international business and technology consultancy and managed services provider;
- Mark Smith, CEO Ada National College for Digital Skills
- Tom Fogden, Dean Ada National College for Digital Skills

## **NATIONAL COLLEGE FOR DIGITAL SKILLS LIMITED**

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### **TRUSTEES REPORT FOR THE YEAR ENDED 31 JULY 2019**

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#### **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 2018/19 and Future Plans**

The mission of the College is to work with industry to design and deliver an institution that provides the education and support needed for all its students to progress into highly skilled, computing-related roles.

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

The College's focus is:-

- Sixth form education consisting of A-levels, B-Tec's and Extended B-Tec's;
- Post-19 and the flagship Higher-Level Apprenticeships qualifications; and
- Foundation Degrees and start-up support will also be offered.

The College and the Charity initially sited at the Broad Lane campus in Tottenham Hale, London and opened to 60 full time Year 12 students in September 2016. The September 2017 cohort consisted of 65 students. In September 2018, 131 students were enrolled into the Sixth Form.

The College's first Level 4 Apprenticeship Software Development programme launched in May 2018 with 12 apprentices. Cohorts 2 and 3, of the apprenticeship programme enrolled in October 2017 and May 2018 with 39 and 15 apprentices respectively. The Level 4 Data Analytics Apprenticeship programme launched in October 2018 with 15 apprentices. The programme has gone from strength to strength with 136 apprentices training with the College. At 31<sup>st</sup> July 2019, 136 apprentices were training with the College.

## **NATIONAL COLLEGE FOR DIGITAL SKILLS LIMITED**

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### **TRUSTEES REPORT FOR THE YEAR ENDED 31 JULY 2019**

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#### **Progress in 2018/19 and Future Plans (continued)**

The College was due to move to a newly built Ashley Road site in autumn 2020, however due to unsuccessful negotiations with the site owner, the project no longer being viable. The College is seeking alternative property options. This includes extending the lease for the Broad Lane site until December 2021 (lease currently due to end December 2020). Work is now ongoing to identify alternative sites with the support of the Department of Education, Greater London Authority and Haringey Council.

As the Broad Lane premises is not big enough to house both the Sixth Form and Apprenticeship programme, the Apprenticeship programme moved to a new site in Whitechapel in April 2019. The new site has been leased from Tower Hamlets council. The lease is due to run until April 2024 but has a 3 year break clause (April 2022).

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

Other achievements for the charity during 2018/19 include:

- Strategic and operational budgeting, financial management and reporting for the Group;
- Recruitment and HR support for teaching and non-teaching staff;
- Marketing and student recruitment services, including the recruitment of the first cohort of 16-19 students and apprenticeships;
- Management of the REMS Management Information Systems; and
- Development of key operation controls, processes, procedures and manuals.

#### **Risk Management**

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

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

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

Ashley Road is no longer viable after unsuccessful negotiations with the landowner. The Broad Lane lease expires December 2020. The Whitechapel building is now up and running to house apprentices with a five-year lease running to April 2024. The College will outgrow both of these premises in the next 2-3 years. In addition, the College's long-term strategy is to house both the Sixth form provision and the Apprenticeship programme in one building to support growth, minimise costs and maximise cross programme working.

Failure to identify a suitable permanent home will result in limited growth, poor experience for students and staff and higher running costs for interim premises and reputational damage. This risk is mitigated by:

- The Broad Lane landlord has been contacted to agree a 2-3 year lease extension, providing sufficient time for a long term solution to be found. The Department for Education have confirmed their support of this approach.

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## **TRUSTEES REPORT FOR THE YEAR ENDED 31 JULY 2019**

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### **Risk Management (continued)**

- The Department for Education, Greater London Authority and Haringey Council are working with the College to identify and secure a site/building that will provide the College with permanent accommodation in London.

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

The College's current financial health grade is classified as "Good". This is largely the consequence of fundraising targets exceeding budget, higher than budgeted sixth form student volumes, part repayment of the working capital loan and prudent spending in 2018/19. Notwithstanding that, the continuing challenge to the College's financial position remains the pressure on growing Sixth Form and Apprenticeship student numbers, increasing revenue, generating fundraising, repaying the working capital loan and delivering a self-sustaining sixth form. This risk is mitigated by:

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

### **Financial Review**

The Statement of Financial Activities is shown on page 11. There was net income before extraordinary items on the unrestricted and restricted funds of £203,918 (2018: £367,483 net income). The net expenditure after extraordinary items and transfer amounts to £4,766,735 (2018: £367,483 net income). This is primarily attributed to the write down of the 'Assets Under Construction' of £4,970,653 which relate to the design and consultancy costs for the Ashley Road new build project that is no longer proceeding.

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

### **Reserves Policy**

The trustees wish, in general, to retain enough of the General Fund to fund at least one months' activities as the majority of reserves will be held in the College. This amounts to approximately £50,000.

The balance held as unrestricted funds at 31 July 2019 was £22,693, of which £3,237 are regarded as free reserves, after allowing for funds tied up in tangible fixed assets. Whilst this is not in line with the reserves policy, the organisation will look to rectify this over 2019/20 through the service level agreement and fundraising. The balance held as restricted funds at 31 July 2019 was £1,261,982.

### **Fundraising**

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

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

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



# NATIONAL COLLEGE FOR DIGITAL SKILLS LIMITED

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### TRUSTEES REPORT FOR THE YEAR ENDED 31 JULY 2019

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#### Statement of trustees' responsibilities

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

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

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

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

Each trustee confirms that:

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

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

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

This report was approved on 11/12/2019 and signed on behalf of the trustees by



Nicholas Wilcock  
Chairman



## **NATIONAL COLLEGE FOR DIGITAL SKILLS LIMITED**

**A company limited by guarantee**

### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NATIONAL COLLEGE FOR DIGITAL SKILLS LIMIT**

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#### **Opinion**

We have audited the financial statements of National College for Digital Skills Limited (the 'charitable company') for the year ended 31 July 2019 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 2019 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**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

#### **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.

## **NATIONAL COLLEGE FOR DIGITAL SKILLS LIMITED**

**A company limited by guarantee**

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

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#### **Other information (continued)**

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

We have nothing to report in this regard.

#### **Opinions on other matters prescribed by the Companies Act 2006**

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

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

#### **Matters on which we are required to report by exception**

In light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

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

#### **Responsibilities of trustees**

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

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

## **NATIONAL COLLEGE FOR DIGITAL SKILLS LIMITED**

**A company limited by guarantee**

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

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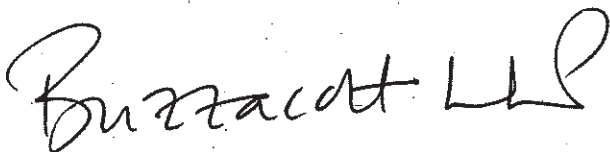
#### **Auditor's responsibilities for the audit of the financial statements**

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.

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

#### **Use of this report**

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



**Shachi Blakemore (Senior Statutory Auditor)**

**For and on behalf of Buzzacott LLP, Statutory Auditor**

**130 Wood Street**

**London**

**EC2V 6DL**

**Date:** 17 December 2019

# NATIONAL COLLEGE FOR DIGITAL SKILLS LIMITED

## STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 JULY 2019

### INCORPORATING THE INCOME AND EXPENDITURE ACCOUNT

		Unrestricted funds £	Restricted income funds £	Restricted capital funds £	Total 2019 £	Unrestricted funds £	Restricted income funds £	Restricted capital funds £	Total 2018 £
<b>Income</b>	Notes								
Donations	2	186,812	4,000	-	190,812	134,000	-	-	134,000
<i>Income from charitable activities:</i>									
Funding for the College's Educational Activities	3	-	4,000	1,122,872	1,126,872	-	59,185	1,538,496	1,597,681
Other income	4	816,983	-	-	816,983	690,883			690,883
<b>Total income</b>		1,003,795	8,000	1,122,872	2,134,667	824,883	59,185	1,538,496	2,422,564
<b>Expenditure</b>									
Expenditure on charitable activities	5	1,089,052	12,353	829,344	1,930,749	776,140	56,435	1,222,506	2,055,081
<b>Total expenditure</b>		1,089,052	12,353	829,344	1,930,749	776,140	56,435	1,222,506	2,055,081
<b>Net (expenditure)/income before extraordinary items and transfers between funds</b>		(85,257)	(4,353)	293,528	203,918	48,743	2,750	315,990	367,483
<b>Extraordinary items</b>									
Write off of capital cost	6	-	-	(4,970,653)	(4,970,653)	-	-	-	-
<b>Transfers between funds</b>		200	(200)	-	-	2,750	(2,750)	-	-
<b>Net (expenditure)/income after transfers between funds</b>		(85,057)	(4,553)	(4,677,125)	(4,766,735)	51,493	-	315,990	367,483
<b>Reconciliation of funds</b>									
<b>Total funds brought forward</b>		107,750	47,732	5,895,128	6,050,610	56,257	47,732	5,579,138	5,683,127
<b>Total funds carried forward</b>	11	22,693	43,179	1,218,003	1,283,875	107,750	47,732	5,895,128	6,050,610

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 2019

	Note	Unrestricted funds £	Restricted income funds £	Restricted Capital funds £	Total 2019 £	Total 2018 £
<b><u>FIXED ASSETS</u></b>						
Tangible assets	6	19,256	-	1,113,377	<b>1,132,633</b>	5,801,853
<b>TOTAL FIXED ASSETS</b>		<u>19,256</u>	<u>-</u>	<u>1,113,377</u>	<u><b>1,132,633</b></u>	<u>5,801,853</u>
<b><u>CURRENT ASSETS</u></b>						
Cash at bank and in hand		107,062	43,051	85,934	<b>236,047</b>	189,441
Debtors	7	8,014	128	21,246	<b>29,388</b>	388,049
<b>TOTAL CURRENT ASSETS</b>		<u>115,076</u>	<u>43,179</u>	<u>107,180</u>	<u><b>265,435</b></u>	<u>577,490</u>
<b>CREDITORS:</b> Amounts falling due within one year	8	(111,639)	-	(2,554)	<b>(114,193)</b>	(328,733)
<b>NET CURRENT ASSETS</b>		<u>3,437</u>	<u>43,179</u>	<u>104,626</u>	<u><b>151,242</b></u>	<u>248,757</u>
<b>NET ASSETS</b>		<u>22,693</u>	<u>43,179</u>	<u>1,218,003</u>	<u><b>1,283,875</b></u>	<u>6,050,610</u>
<b>THE FUNDS OF THE CHARITY:</b>						
Restricted capital funds		-	-	1,218,003	<b>1,218,003</b>	5,895,128
Restricted income funds		-	43,179	-	<b>43,179</b>	47,732
Unrestricted funds		22,693	-	-	<b>22,693</b>	107,750
<b>TOTAL CHARITY FUNDS</b>	11	<u>22,693</u>	<u>43,179</u>	<u>1,218,003</u>	<u><b>1,283,875</b></u>	<u>6,050,610</u>

The notes on page 14 to 22 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

Chairman

Date:

11<sup>th</sup> December 2019

**NATIONAL COLLEGE FOR DIGITAL SKILLS LIMITED**

**STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 JULY 2019**

	Note	2019 £	2018 £
<b>Net cash provided by operating activities</b>	A	<b>1,179,768</b>	1,601,422
<b>Cash flows from investing activities:</b>			
Interest		97	95
Purchase of tangible fixed assets		(1,133,260)	(1,501,730)
<b>Net cash flow by investing activities</b>		<b>(1,133,163)</b>	(1,501,635)
<b>Change in cash and cash equivalents in the year</b>		<b>46,606</b>	99,787
Cash and cash equivalents brought forward		<b>189,441</b>	<b>89,654</b>
Cash and cash equivalents carried forward		<b>236,047</b>	<b>189,441</b>

**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**

	2019 £	2018 £
Net (expenditure)/income per statement of financial activities	(4,766,735)	367,483
Add back depreciation	828,688	1,226,774
Add back write off of Ashley Rd costs	4,970,653	
Add back loss on disposal of fixed assets	656	185
Deduct interest income shown in investing activities	(97)	(95)
Decrease in debtors	261,338	170,435
(Decrease) in creditors	(114,735)	(163,360)
<b>Net cash provided by operating activities</b>	<b>1,179,768</b>	<b>1,601,422</b>

# NATIONAL COLLEGE FOR DIGITAL SKILLS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 July 2019

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### 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) (effective 1 January 2015) - (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

No depreciation was previously charged on assets in the course of construction. As the assets in the course of construction should be written off due to the transaction no longer proceeding, costs incurred to date have been written down.

#### 1.6 Creditors

Creditors are recognised at their settlement amount.



# NATIONAL COLLEGE FOR DIGITAL SKILLS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 July 2019

### 1.7 Reserves

The charity holds reserves for the following purposes:-

- **Unrestricted funds** are monies which may be used towards meeting the charitable objectives of the charity and which may be applied at the discretion of the trustees.
- **Restricted income funds** are monies raised for, and their use restricted to, a specific purpose, or donations subject to donor-imposed conditions as described in note 11.
- **Restricted capital funds** are grants provided by the Department for Education and Greater London Authority for the refurbishment of the College's Broad Lane and Whitechapel premises and procurement of the College's permanent site at Ashley Road, Tottenham Hale.

### 1.8 Going Concern

The financial statements have been prepared on a going concern basis. 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.

## 2. Income from donations

	Unrestricted funds £	Restricted income funds £	Restricted capital funds £	<b>Total 2019 £</b>
Corporate donations	147,686	-	-	<b>147,686</b>
Private donations - unrestricted	14,126	4,000	-	<b>18,126</b>
Foundation donations	25,000	-	-	<b>25,000</b>
<b>2019 Total funds</b>	<b>186,812</b>	<b>4,000</b>	<b>-</b>	<b>190,812</b>

	Unrestricted funds £	Restricted income funds £	Restricted capital funds £	<b>Total 2018 £</b>
Private donations - unrestricted	134,000	-	-	<b>134,000</b>
<b>2018 Total funds</b>	<b>134,000</b>	<b>-</b>	<b>-</b>	<b>134,000</b>

# NATIONAL COLLEGE FOR DIGITAL SKILLS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 July 2019

### 3. Income from charitable activities

	Unrestricted funds £	Restricted income funds £	Restricted capital funds £	Total 2019 £
Grants receivable – capital	-	-	1,122,872	1,122,872
Grants receivable - other	-	4,000	-	4,000
<b>2019 Total funds</b>	<b>-</b>	<b>4,000</b>	<b>1,122,872</b>	<b>1,126,872</b>

	Unrestricted funds £	Restricted income funds £	Restricted capital funds £	Total 2018 £
Grants receivable – capital	-	-	1,538,496	1,538,496
Grants receivable - other	-	59,185	-	59,185
<b>2018 Total funds</b>	<b>-</b>	<b>59,185</b>	<b>1,538,496</b>	<b>1,597,681</b>

### 4. Other Income

	Unrestricted funds £	Restricted income funds £	Restricted capital funds £	Total 2019 £	Total 2018 £
Recharge of support services (note 12)	788,414	-	-	788,414	678,769
Other income	28,569	-	-	28,569	12,114
<b>2019 Total funds</b>	<b>816,983</b>	<b>-</b>	<b>-</b>	<b>816,983</b>	<b>690,883</b>

# NATIONAL COLLEGE FOR DIGITAL SKILLS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 July 2019

### 5. Charitable activities

	Unrestricted funds	Restricted income funds	Restricted capital funds	Total 2019
	£	£	£	£
<i>Support costs</i>				
Depreciation	83	-	828,688	828,771
Wages and salaries	596,042	-	-	596,042
Professional and consultancy fees	144,989	3,800	-	148,789
Property costs	127,504	-	-	127,504
Advertising and marketing	28,012	-	-	28,012
IT support costs	42,834	-	-	42,834
Other staff costs	48,120	-	-	48,120
Education costs	8,810	8,553	-	17,363
Administration costs	47,485	-	-	47,485
Insurance	28,451	-	-	28,451
Travel	6,892	-	-	6,892
Sundry expenses	1,712	-	-	1,712
Bank charges	53	-	-	53
Loss on disposal of fixed assets	-	-	656	656
<b>Total support costs</b>	<b>1,080,987</b>	<b>12,353</b>	<b>829,344</b>	<b>1,922,684</b>
<i>Governance costs</i>				
Audit	8,064	-	-	8,064
<b>Total governance costs</b>	<b>8,064</b>	<b>-</b>	<b>-</b>	<b>8,064</b>
<b>2019 Total cost</b>	<b>1,089,051</b>	<b>12,353</b>	<b>829,344</b>	<b>1,930,748</b>

# NATIONAL COLLEGE FOR DIGITAL SKILLS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 July 2019

### 5. Charitable activities (continued)

	Unrestricted funds	Restricted income funds	Restricted capital funds	Total 2018
	£	£	£	£
<i>Support costs</i>				
Depreciation	4,268	-	1,222,506	1,226,774
Wages and salaries	452,443	-	-	452,443
Professional and consultancy fees	81,318	56,435	-	137,753
Property costs	118,793	-	-	118,793
Advertising and marketing	59,016	-	-	59,016
IT support costs	19,047	-	-	19,047
Other staff costs	7,373	-	-	7,373
Education costs	500	-	-	500
Administration costs	7,072	-	-	7,072
Insurance	10,434	-	-	10,434
Travel	5,130	-	-	5,130
Sundry expenses	4,028	-	-	4,028
Bank charges	93	-	-	93
Loss on disposal of fixed assets	185	-	-	185
<b>Total support costs</b>	<b>769,700</b>	<b>56,435</b>	<b>1,222,506</b>	<b>2,048,641</b>
<i>Governance costs</i>				
Audit	6,440	-	-	6,440
<b>Total governance costs</b>	<b>6,440</b>	<b>-</b>	<b>-</b>	<b>6,440</b>
<b>2018 Total cost</b>	<b>776,140</b>	<b>56,435</b>	<b>1,222,506</b>	<b>2,055,081</b>

# NATIONAL COLLEGE FOR DIGITAL SKILLS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 July 2019

### 6. Tangible fixed assets

	Assets Under Construction	Leasehold Property Refurbishment	Office & IT Equipment	Furniture & Fittings	Total
Cost	£	£	£	£	£
At 1 August 2018	4,014,970	3,264,995	581,632	204,379	8,065,976
Additions	955,683	99,016	46,161	32,400	1,133,260
Write down of Assets under construction	(4,970,653)	-	-	-	(4,970,653)
Disposals	-	-	(10,360)	-	(10,360)
At 31 July 2019	-	3,364,011	617,433	236,779	4,218,223
<b>Depreciation</b>					
At 1 August 2018	-	1,872,856	329,133	62,134	2,264,123
Provided in the year	-	590,708	200,750	37,313	828,771
Disposals	-	-	(7,304)	-	(7,304)
At 31 July 2019	-	2,463,564	522,579	99,447	3,085,590
<b>Net Book Value at 31 July 2019</b>	-	<b>900,447</b>	<b>94,854</b>	<b>137,332</b>	<b>1,132,633</b>
<b>Net Book Value at 31 July 2018</b>	<b>4,014,970</b>	<b>1,392,139</b>	<b>252,499</b>	<b>142,245</b>	<b>5,801,853</b>

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

Costs associated with the refurbishment of Broad Lane are being depreciated from September 2016, over the remaining life of the lease (ending 19 December 2020).

The write down of assets under construction relate to the write off of costs relating to the Ashley Road new build project previously capitalised. As the purchase of this site will no longer be continuing, the deposit, design and consultancy costs incurred to date have been written off as an extraordinary item.

### 7. Debtors

	2019	2018
	£	£
Other debtors	29,388	165,661
Amount due from parent undertaking (note 12)	-	815
Prepayments & accrued income	-	221,573
	<b>29,388</b>	<b>388,049</b>

# NATIONAL COLLEGE FOR DIGITAL SKILLS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 July 2019

8. Creditors: Amounts falling due within one year	2019	2018
	£	£
Trade creditors	27,941	69,109
Amount due to parent undertaking (note 12)	10,671	40,621
Accruals and deferred income	51,041	202,200
Social security and other taxes	15,022	11,025
Sundry Creditors	9,518	5,778
	<b>114,193</b>	<b>328,733</b>

9. Staff Costs	2019	2018
	£	£
Staff wages and salaries	507,813	386,124
Social security costs	50,425	38,346
Pension costs	37,804	27,974
	<b>596,042</b>	<b>452,444</b>

Average number of employees (full time equivalent)	<b>15</b>	<b>10</b>
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No staff members received emoluments of over £60,000 in the year (2018: 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 were £nil (2018: nil).

### 10. Taxation

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

# NATIONAL COLLEGE FOR DIGITAL SKILLS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 July 2019

### 11. Analysis of Funds

	Brought forward	Incoming resources	Resources expended	Transfers	Carried forward
<b>At 31<sup>st</sup> July 2019</b>	£	£	£		£
a) Restricted funds –Bursaries	47,732	4,000	(8,553)	-	43,179
b) Restricted funds – Flipside Project	-	4,000	(3,800)	(200)	0
c) Capital grant	5,895,128	1,122,872	(5,799,997)	-	1,218,003
d) Unrestricted funds	107,750	1,003,794	(1,089,051)	200	22,693
	<b>6,050,610</b>	<b>2,134,666</b>	<b>(6,901,401)</b>	<b>-</b>	<b>1,283,875</b>
	Brought forward	Incoming resources	Resources expended	Transfers	Carried forward
<b>At 31<sup>st</sup> July 2018</b>	£	£	£		£
a) Restricted funds –Bursaries	47,732	-	-	-	47,732
b) Restricted funds – Flipside Project	-	59,185	(56,435)	(2,750)	-
c) Capital grant	5,579,138	1,538,496	(1,222,506)	-	5,895,128
d) Unrestricted funds	56,257	824,883	(776,140)	2,750	107,750
	<b>5,683,127</b>	<b>2,422,564</b>	<b>(2,055,081)</b>	<b>-</b>	<b>6,050,610</b>

- a) Bursaries – funding provided for student bursaries.
- b) Flipside Project - funding from the London Legacy Development Company to support the development and delivery of a bespoke industry-led digital training program. Transfers to unrestricted funds relate to costs incurred by the College in administering the project.
- c) Capital Grant - funding from the Department for Education and Greater London Authority for capital costs associated with the premises, IT and equipment.
- d) The unrestricted funds are available to be spent for any of the purposes of the charity.

### 12. Related party transactions

National College for Digital Skills Limited provides operational and marketing support services to Ada National College for Digital Skills under a Service Level Agreement. Costs recharged to Ada National College for Digital Skills for these services amounted to £788,414 during the year ended 31 July 2019 (2018: £678,769). A balance of £10,671 was due to Ada National College for Digital Skills at 31 July 2019 and a balance of £128 was due from Ada National College for Digital Skills in respect of restricted spend. The net of these two balance is £9,856 owing to Ada National College for Digital Skills (2018: £39,806 due from Ada National College for Digital Skills).



# NATIONAL COLLEGE FOR DIGITAL SKILLS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 July 2019

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### 13. Ultimate controlling party

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

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

Broad Lane  
Tottenham Hale  
London

### 14. Capital commitments

There were no capital commitments at the year end.

### 15. Operating lease commitments

As at 31 July 2019, the charity had annual commitments under non-cancellable operating leases relating to land and buildings as set out below:

	2019	2018
	£	£
Expiring:		
1 year	75,000	
2 – 5 years	225,000	-
	<b>300,000</b>	<b>-</b>

£20,548 has been charged to expenditure for the year.