

ADA NATIONAL COLLEGE FOR DIGITAL SKILLS

**Report and Financial Statements
for the year ended 31 July 2019**

Key Management Personnel, Members of the Corporation and Professional advisers

Key management personnel

Key management personnel are defined as members of the College Leadership Team and were represented by the following in 2018/19:

Mark Smith, Principal and CEO (Accounting Officer)

Tom Fogden, Dean

Members of the Corporation

A full list of Members is given on pages 15 and 16 of these financial statements.

Gill Winward acted as Clerk to the Corporation throughout the period.

Professional advisers

Financial statements auditors and reporting accountants:

Buzzacott LLP

130 Wood Street

London

EC2V 6DL

Bankers:

Lloyds Bank

25 Gresham Street

London

EC2V 7HN

Principal address and registered office:

Block 2

Fountayne Business Centre

Broad Lane

London

N15 4AG

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Report of the Members of the Corporation

NATURE, OBJECTIVES AND STRATEGIES

The members present their report and the audited financial statements for the period ended 31 July 2019.

Legal status

The Corporation was established under the Further and Higher Education Act 1992 for the purpose of conducting Ada National College for Digital Skills. The College is an exempt charity for the purposes of Part 3 of the Charities Act 2011.

The Corporation was incorporated as Ada National College for Digital Skills Further Education Corporation on 8 August 2016.

Mission

Upon incorporation, the Members of the Corporation agreed the College's mission and the mission statement as follows:

'To work with industry to design and deliver an education that empowers all its students, especially women and those from low-income backgrounds, to progress into highly skilled digital roles and lead flourishing lives.'

Public Benefit

Ada National College for Digital Skills is an exempt charity under the Part 3 of the Charities Act 2011 and is regulated by the Secretary of State for Education. The Members of the Corporation, who are trustees of the charity, are disclosed on pages 15 and 16.

In setting and reviewing the College's strategic objectives, the Corporation has had due regard for the Charity Commission's guidance on public benefit and particularly upon its supplementary guidance on the advancement of education. The guidance sets out the requirement that all organisations wishing to be recognised as charities must demonstrate, explicitly, that their aims are for the public benefit.

In delivering its mission, the College provides the following identifiable public benefits through the advancement of education:

- Widening participation and tackling social exclusion
- High-quality teaching
- Excellent employment record for students
- Strong student support systems
- Links with employers, industry and commerce.
- Collaboration with other education institutions to share best practice

Implementation of strategic plan

In 2018/19, the College continued to focus on its original five year strategic plan covering from 2016 through to 2021. The focus of this plan was to successfully establish the College and achieve the following ambitious goals:

- Be a centre of excellence for the teaching and learning of advanced digital skills and related subjects
- Be an aspirational alternative to university
- Be a beacon of best practice in employment-focused provision
- Recruit 50% of our students from low-income backgrounds in order to use digital skills as a tool for social mobility
- Recruit 50% of our students as young women to help address the gender disparity in the digital sector

The College's specific strategies for 2018/19 to achieve these objectives were:

- Establish the College as a centre of excellence for the teaching and learning of advanced digital skills and related subjects by designing and launching a 16-19 cohort and Higher Level Apprenticeship programme in Digital Innovation.

Performance against strategy: The College enrolled 68 16-19 students in September 2018 and we achieved our first set of results for our inaugural cohort of students. The results were respectable especially in Computer Science with 86% of student progressing to their first choice destination through Apprenticeships, University or employment. 72% went onto university or Higher Level or Degree Apprenticeships in tech related subjects.

We enrolled 76 apprentices across our May and October cohorts rapidly increasing our learner volumes and introducing a new Data Analytics Apprenticeship Programme alongside our Software Developer Programme to meet the demand from employers for these entry-level skill-sets. Academic achievement in our challenging Foundation and BSc. degree programmes has been high and we continue to attract and work with high profile employers looking to train their entry-level technical talent with Ada.

- Recruit students and apprentices onto both these programmes through a variety of marketing and business development activities that ensure the candidates enrolling are of a high calibre and suitable for the programme of study with a specific focus on attracting women and students from low income backgrounds.

Performance against strategy: The College attracted a higher number of applicants to its 6th form than previously, allowing us to increase enrolment volumes but also place more of a focus on academic/course suitability and passion for technology. Our outreach work to schools continues to be extensive and we recruit from 100+ schools from the Greater London / Home Counties area.

Ada has worked with 30+ blue chip employers to recruit and train apprentices. We have piloted working with certain employers to support their recruitment of apprentices this year with a greater focus on diversity.

Implementation of strategic plan (continued)

- Being an Aspirational Alternative to University.

Performance against strategy: For the first time Ada has offered the full 3-year BSc. digital degree apprenticeship utilising 3 of the possible 6 pathways - software development, data analytics and the Tech Consultant pathway. The launch of our Tech Consultant pathway has also proved popular with employers such as Deloitte and Salesforce.

We are pleased to say our focus on diversity recruitment has continued to be successful. Across the College 48% of our learners are from low-income backgrounds and 28% are young women.

In summer 2019, as the College enters its 4th year of operation, the Executive Leadership Team have revisited the original strategic plan for the College and updated it with a specific focus on the period Autumn 2019 to Autumn 2022. The focus of the next three years will be learner volume growth to increase our impact but also ensure our on-going sustainability. We will pursue an ambitious but achievable strategy of learner volume growth seeking to double our growth rate in the next 3 years compared with our initial 3 years.

We will pursue growth while maintaining a resolute focus on maintaining our high standards of teaching, learning and assessment. To that end we will continue to strive to be a centre for excellence for the teaching and learning of advanced digital skills as well as an aspirational alternative to university.

Financial objectives

The College's financial objectives were:

- The College aimed to repay £110,000 of its working capital loan
- The College aimed to be given a positive financial health report by the EFSA
- The College aimed to raise in excess of £300,000 of philanthropic support

The College has performed well against the objectives.

- The College repaid £110,000 of its working capital loan in June 2019
- The financial health rating of the College was good
- The College raised £718,293 of philanthropic support

A series of performance indicators have been agreed to monitor the successful implementation of the objectives for 2018/19.

Performance indicators

Key performance Indicator	Measure/Target* 2018/19	Actual for 2018/19
Operating surplus/sector EBITDA as % of income	2.6%	13%
Staff costs as % of income	76%	65%
Cash days in hand/liquidity (adjusted current ratio)	34	74
Borrowing as % of income	14%	12%
Reliance on ESFA income	53%	70%
Financial Health Score	Satisfactory	Outstanding

*- Based on the 2018/19 Approved Budget

The College is committed to observing the importance of sector measures and indicators and uses the FE Choices data available on the GOV.UK website which looks at measures such as success rates. The College is required to complete the annual Finance Record for the Education and Skills Funding Agency ("ESFA"). The College is assessed by the ESFA as having an "Outstanding" financial health grading. As 2018/19 is only the third year of operation, this is considered to be an outstanding result.

FINANCIAL POSITION

Financial results

The Group incurred a deficit and total comprehensive income of £4,369,966 for the year (2018 - a surplus of £41,606). The deficit is a result of the write down of assets in the course of construction relating to the Ashley Road site of £4,970,653. This is due to unsuccessful negotiations with the site owner which have resulted in the project no longer being viable. The Group generated a surplus before exceptional items of £600,687 (2018 – a surplus of £41,606).

The Group has accumulated reserves of £1,252,060, which includes cash and short term investment balances of £590,875 and a working capital loan of £310,000. The Group wishes to continue to accumulate reserves and cash balances in order to create a contingency fund and in time an endowment.

Tangible fixed asset additions during the year amounted to £1,133,260, the majority relating to the continued development of the Ashley Road site. £1.0m has been spent on the Ashley Road site during the year but was written off along with previously capitalised costs relating to the site.

The Group has significant reliance on the education sector funding bodies for its principal income source. In 2018/19 the FE funding bodies provided 70% of the Group's total income (excluding Capital grants) with the rest raised through philanthropy and other grant based income relating to specific projects such as Ada Advance.

The College's financial performance improved compared to the prior year. This was largely due to the generation of £718,293 of fundraising income from donors including Salesforce, Bank of America, King and Gamesys.

Financial results (continued)

The College has one charitable subsidiary company, National College for Digital Skills Limited (Charity Registration number: 1158399, Company Registration number: 08763964). The principal activity of National College for Digital Skills Limited is the provision of back office support staff and services for the College's building and operations. A service level agreement exists between the College and National College for Digital Skills Limited for the recharging of operational costs. For the current year, National College for Digital Skills Limited has utilised brought forward reserves to fund operations.

Treasury policies and objectives

Treasury management is the management of the College's cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.

The College has a separate treasury management policy in place.

Short term borrowing for temporary revenue purposes is authorised by the Accounting Officer. All other borrowing requires the authorisation of the Corporation and shall comply with the requirements of the College's Funding Agreement with the ESFA.

Cash flows and liquidity

At £335,719, net cash flow from operating activities has exceeded expectations and budget. The net cash flow resulted from the fundraising income exceeding budget.

The College repaid £110,000 of the unsecured working capital loan of £420,000 from the Department for Education, bringing the total outstanding balance to £310,000 at 31 July 2019. This loan is to ensure liquidity and provide short-term funding during the early years of the College's operations until learner volumes increase in line with the College's agreed business plan, which the Board and leadership team and major funders have all provided sign-off on.

The size of the College's total borrowing is manageable in the context of the College's overall budget. The next repayments of the loan are due to take place in November 2019 (£30,000) and May 2020 (£150,000).

Reserves policy

The Group has no formal Reserves Policy but recognises the importance of reserves in the financial stability of any organisation, and ensures that there are adequate reserves to support the College's core activities. The Group's reserves include £1,261,182 held as restricted reserves. As at the balance sheet date the Income and Expenditure reserve stood in deficit by £9,122. It is the Corporation's intention to increase reserves over the next 5 years through the generation of increasing annual operating surpluses and philanthropic support for the College's strong social mission.

Going concern

The Group incurred a deficit and total comprehensive income of £4,369,966 for the year (2018 - a surplus of £41,606). The deficit is a result of the write down of assets in the course of construction relating to the Ashley Road site of £4,970,653. This is due to unsuccessful negotiations with the site owner which have resulted in the project no longer being viable. The Group generated a surplus before exceptional items of £600,687 (2018 – a surplus of £41,606).

Going concern (continued)

On a College basis, which excludes the capital works and related funding as well as depreciation costs, the surplus for the period was £396,770. At 31 July 2019, the Group had net assets of £1,252,060 of which £1,132,633 related to the net book value of fixed assets. Excluding restricted reserves, the Group's free reserves were in deficit by £9,122 at 31 July 2019. At the College level, the net liabilities were £31,814 which also equated to its free reserves at 31 July 2019. Whilst a deficit position, this is a significant improvement compared to the prior year (Net liabilities and deficit on unrestricted reserves: £428,584) and is representative of the College's move towards being in a surplus position for 2019/20.

The College's cash position is greatly improved and supports the aim of maintaining a minimum of 30 cash days. In addition, the College is still committed to repaying £180,000 of the working capital loan over the course of 2019/20.

Despite the net total and current liabilities position of the College, the Corporation considers that the Group and the College has adequate resources to meet its liabilities as they fall due and continue in operational existence for the foreseeable future. This conclusion has been reached because:

- For 2019/20, the Corporation has approved a surplus budget of £144,519. At December 2019, the College is on track to deliver a surplus for 2019/20 and 2020/21.
- The College received a \$500,000 donation after the year end and has consequently already exceeded its budgeted fundraising target for 2019/20.
- The College is seeking to ensure that premises are available for both the short term and long term through the extension of the Broad Lane lease to December 2021 and the ongoing project with the Department for Education, Greater London Authority and Haringey Council to identify alternative long term premises that will house both the sixth form and apprenticeship programmes under one roof.

After making appropriate enquiries, the Corporation believes that it is appropriate to continue to prepare these financial statements on a going concern basis.

CURRENT AND FUTURE DEVELOPMENT AND PERFORMANCE

Financial health

The College's financial health grading is Outstanding. 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. The College maintains its financial performance based on diversified income streams relating to the programmes it runs, grant income from specific projects and philanthropic support. This is supplemented by contractually committed capital funding from the DfE and the GLA.

Student numbers

In 2018/19 the College has delivered activity that has produced £890,323 in EFSA 16-19 funding and £901,168 in Apprenticeship related income.

Volumes have grown broadly in line with the business plan though with a higher percentage enrolling on the apprenticeship programme than the 6th form. Meeting these recruitment targets shows a strong focus on hitting KPIs however as a young college we do not yet know quite how each different programme will grow and will need to monitor these trends carefully so we can better forecast in the future.

Student achievements

In Summer 2019 the College received its second set of 16-19 academic qualification results. These are summarised below:

- BTEC Computer Science performance: 100% pass rate. 51% at Distinction or Distinction * level. On average our students perform one grade above the national average for every module of their qualification. This makes us the highest performing education institution in the country for that qualification.
- A-Level Subject performance: 24% of entries are A*-A (vs 11% 2018), 37% A*-B (vs 34% 2018), and 98% A*-E (vs 91% 2018)
- Progression Summary: 31% progressed to Higher Level or Degree apprenticeships (21% with Ada), 44% progressed to University, 5% went direct into full time employment and 8% have taken structured gap years. 12% of students do not as yet have confirmed next steps and we are continuing to support them.

Our Apprentices also continue to perform strongly in their module performance with 100% on course to achieve their Foundation or BSc. degree. On average 68% are achieving Distinction or Merit for each module they study.

We now have a small but fast-growing alumni community of 120 6th form students and apprentices. We are exploring ways that we can better support them.

The College is actively working with the leadership team and teaching staff to continue to improve the quality of teaching and learning and assessment to continue to improve student progress and progression.

Self Assessment Report

The College published its second Self-Assessment Report (SAR) in autumn 2018. We then were inspected by Ofsted in autumn 2018. The College received a 'Good with Outstanding Features' grading.

The inspection report along with our SAR informed our Continuous Improvement Plan for 2018/19. The College is currently updating its SAR to reflect on the 18/19 year.

Our first set of external results for the 6th form students were solid with strong progression data.

Overall it was a good third year of operation that we navigated successfully. The challenge is now to build on this firm foundation across financial, academic and volume targets while maintaining the quality of our teaching and learning.

Curriculum developments

The College aims to develop a reputation for curriculum innovation and change.

For the 6th form, the College has adopted Level 3 BTEC and A-level qualifications for its 16-19 provision but has implemented a unique industry-focused pedagogy that helps bring the curriculum to life for its students. The College also provides English and Maths provision at Level 2 to support students required to retake these qualifications.

For apprentices, the College has created its own Foundation and BSc qualifications during the year that have been validated by the Open University to have complete control of the curriculum. Delivery of the Foundation Degree programmes commenced in May 2017 as the core component of the College's Higher-Level and Degree Apprenticeship programmes.

Curriculum developments (continued)

The College remains focused on supporting all its learners, especially those from low income households and young women, into highly skilled entry-level roles in the digital sector and the College's curriculum is geared towards its existing programmes of study. The College provides coaching, mentoring and other forms of pastoral support for any learners that need it as well as extensive SEN support for students where needed, including diagnosis and individual learner support plans.

Payment performance

The Late Payment of Commercial Debts (Interest) Act 1998, which came into force on 1 November 1998, requires colleges, in the absence of agreement to the contrary, to make payments to suppliers within 30 days of either the provision of goods or services or the date on which the invoice was received. The target set by the Treasury for payment to suppliers within 30 days is 95%. During the accounting period 1 August 2018 to 31 July 2019, the College paid 85% of its invoices within 30 days. The College incurred no interest charges in respect of late payment for this period.

Events after the end of the reporting period

There have been no significant post balance sheet events.

Future prospects

The College now occupies two sites in London that provide for proposed volume growth for the next 18-24 months. As risk 1 on page 12 highlights, the Ashley Road site is no longer a viable option and consequently the College is working with the Department for Education, Greater London Authority and Haringey Council to identify an alternative site that will provide the College with permanent accommodation in London that will house both the sixth form and apprenticeship provision.

The College continues to explore opportunities for growth outside of London to fulfil its national remit.

The College continues to work closely with a very wide range of industry partners from large corporates to SMEs and start-ups in a wide variety of ways. The employment of a new fundraising manager provides additional capacity for the College to pursue the giving of philanthropic support to the College from industry partners and individuals. The College therefore hopes to conservatively increase the level of philanthropic support in the coming year.

The Group has reported a surplus for the period before exceptional items of £600,687 with unrestricted reserves at 31 July 2019 in deficit by £9,122. The deficit in Total Comprehensive Income is due to an exceptional write down of the assets in the course of construction relating to the Ashley Road new build project that has been ceased.

The Board has approved a budget for 2019/20 which results in a surplus of £144,519. This includes a £180,000 repayment of the working capital loan.

The College acknowledges that during this period of growth, cash flow will be challenging and will continue to monitor and report on financial performance and cash flow on a monthly basis to the Senior Leadership and periodically to the Board. The College will take remedial action to reduce its cost base where possible in order to maintain a surplus position.

RESOURCES

The College has various resources that it can deploy in pursuit of its strategic objectives. Tangible resources include the Broad Lane site, costing £3.3m to refurbish and the Whitechapel premises.

People

The Group employs 30 people. 53% are teaching staff with some staff fulfilling both teaching and operational roles. A minority of staff work on a part-time and/or fixed term basis. This is in recognition of the College's current position as a relatively new organisation and is appropriate for the level of support needed to deliver an outstanding education to the College's learners.

Reputation

The College has a good reputation locally and nationally. Maintaining a quality brand is essential for the College's success at attracting students and external relationships.

PRINCIPAL RISKS AND UNCERTAINTIES

The College has undertaken work during the period to develop and embed the system of internal control, including financial, operational and risk management, which is designed to protect the College's assets and reputation.

Based on the strategic plan, the College's Leadership team regularly undertakes a comprehensive review of the risks to which the College is exposed and shares this with the Audit Committee and the full Corporation at least three times per annum. The leadership team identify systems and procedures, including specific preventable actions which should mitigate any potential impact on the College. The internal controls are then implemented. The main document used is a risk register that is maintained at the Group level. The risk register identifies the key risks, the likelihood of those risks occurring, their potential impact on the Group and the College and the actions being taken to reduce and mitigate the risks. Risks are prioritised using a consistent scoring system.

Outlined below is a description of the principal risk factors that may affect the Group and the College. Not all the factors are within the Groups control. Other factors besides those listed below may also adversely affect the College.

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.
- 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.

PRINCIPAL RISKS AND UNCERTAINTIES (continued)

2. Failure to maintain the financial viability of the College

The College's current financial health grade is classified as "Good" as described above. 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

STAKEHOLDER RELATIONSHIPS

In line with other colleges and with universities, Ada College has many stakeholders. These include:

- Students;
- Education sector funding bodies;
- FE Commissioner;
- Staff;
- Employers;
- Local authorities;
- Local Enterprise Partnerships (LEPs);
- The local community;
- Other FE institutions; and
- Universities

The College recognises the importance of these relationships and engages in regular communication with them through the College Internet site and by meetings.

Equality

The College is committed to ensuring equality of opportunity for all who learn and work here. We respect and value positively differences in race, gender, sexual orientation, disability, religion or belief and age. We strive vigorously to remove conditions that place people at a disadvantage and we will actively combat bigotry. This policy is resourced, implemented and monitored on a planned basis.

The College works hard to encourage applications from potential employees with disabilities and is committed to the principles of equal opportunities employment for all. The College considers all employment applications from disabled persons, bearing in mind the aptitudes of the individuals concerned, and guarantees an interview to any disabled applicant who meets the essential criteria for the post. Where an existing employee becomes disabled, every effort is made to ensure that employment with the College continues. The College's policy is to provide training, career development and opportunities for promotion that, as far as possible, provide identical opportunities to those of non-disabled employees.

Disability statement

The College seeks to achieve the objectives set down in the Equality Act 2010:

- a) As part of its accommodation strategy the College ensured a full access audit.
- b) The admissions policy for all students is described in the College charter. Appeals against a decision not to offer a place are dealt with under the complaints policy.
- c) Counselling and welfare services are described in the College Student Guide, which is issued to students together with the Complaints and Disciplinary Procedure leaflets at induction.

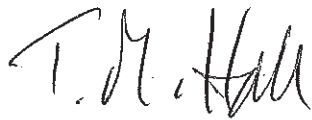
Trade Union facility time

The College does not have trade union officials.

Disclosure of information to auditors

The members who held office at the date of approval of this report confirm that, so far as they are each aware, there is no relevant audit information of which the College's auditors are unaware; and each member has taken all the steps that he or she ought to have taken to be aware of any relevant audit information and to establish that the College's auditors are aware of that information.

Approved by order of the members of the Corporation on 11.12.19..... and signed on its behalf by:



Tiffany Hall

Chair of the Corporation

Statement of Corporate Governance and Internal Control

The following statement is provided to enable readers of the annual report and financial statements of the Group and the College to obtain a better understanding of its governance and legal structure. This statement covers the period from 1 August 2018 to 31 July 2019 and up to the date of approval of the annual report and financial statements.

The College endeavours to conduct its business having due regard to the UK Corporate Governance Code 2016 insofar as it is applicable to the further education sector.

We have not adopted and therefore do not apply The Code of Good Governance for English Colleges. However, we have reported on our Corporate Governance arrangements by drawing upon best practice available, including those aspects of the UK Corporate Governance Code we consider to be relevant to the further education sector and best practice.

In the opinion of the Members of Corporation, the Group has adopted the best practice with all the relevant provision of the code through the period to 31 July 2019. The Corporation recognises that, as a body entrusted with both public and private funds, it has a particular duty to observe the highest standards of corporate governance at all times.

The College is an exempt charity within the meaning of Part 3 of the Charities Act 2011. The Members of Corporation, who are also the trustees for the purposes of the Charities Act 2011, confirm that they have had due regard for the Charity Commission's guidance on public benefit and that the required statements appear elsewhere in these financial statements.

The Corporation

The members who served on the Corporation during the year **and up to the date of signature of this report** were as listed in the table below.

Name	Category of Membership	Date of Appointment or re-appointment	Date Term ends (resignation if earlier)	Board meeting attendance rate 18/19	Committees Served in 18/19			
					A	E	S	R
Nicholas Wilcock (Chair)	Independent Member	9.8.16	03.10.19	83%			✓	✓
Tiffany Hall (Chair)	Independent Member	3.10.19	3.10.23	N/A				
Chris Payne (Co-Vice Chair)	Independent Member	9.8.16	8.8.23	100%	✓			✓
Annamarie Douglas (Co-Vice Chair)	Independent Member	7.2.18	6.2.22	100%		✓		
Sir Rod Aldridge	Independent Member	9.8.16	13.12.18	50%	✓			

Name	Category of Membership	Date of Appointment or re-appointment	Date Term ends (resignation if earlier)	Board meeting attendance rate 18/19	Committees Served in 18/19			
					A	E	S	R
Kym Andrew	Independent Member	9.8.16	8.8.23	33%		✓		
Olga Bonney-Glazik	Staff Member	1.8.18	31.7.20	100%				
Kalina Bontcheva	Independent Member	1.9.17	31.7.19	17%		✓		
Andrew Butcher	Independent Member	9.8.18	12.12.18	50%	✓			
Steven Davies	Independent Member	9.8.16	9.8.20	100%	✓			✓
Amali de Alwis	Independent Member	26.9.18	25.9.22	67%	✓		✓	
Rachel Jackson	Independent Member	9.8.18	8.8.22	67%		✓		
Dame Zarine Kharas	Independent Member	26.9.18	25.9.22	83%			✓	
Gillian Lancaster	Independent Member	1.1.19	31.12.22	50%	✓			
Salman Momen	Independent Member	1.1.19	31.12.22	50%		✓		
Mohammed Shekh	Student Member	26.9.18	31.7.19	80%				
Mark Smith	Chief Executive Member	1.9.17	<i>Ex officio</i>	100%			✓	
Jeni Tennison	Independent Member	9.8.16	31.7.19	67%				
Kevin Walsh	Independent Member	9.8.18	8.8.22	67%			✓	

Committees:

A = Audit

S = Search

C = Capital Project

E = Education

R = Remuneration

The Corporation (continued)

It is the Corporation's responsibility to bring independent judgement to bear on issues of strategy, performance, resources and standards of conduct.

The Corporation is provided with regular and timely information on the overall financial performance of the Group together with other information such as performance against funding targets, proposed capital expenditure, quality matters and personnel-related matters such as health and safety and environmental issues. The Corporation meets 6 times a year.

The Corporation conducts its business through a number of committees. Each committee has terms of reference, which have been approved by the Corporation. These committees are Education, Audit, Search, Capital Projects and Remuneration. Full minutes of all meetings, except those deemed to be confidential by the Corporation, are available on the College's website www.ada.ac.uk or from the Clerk to the Corporation at:

Clerk to the Corporation

Ada, National College for Digital Skills

Broad Lane

Tottenham Hale

London

N15 4AG

The Clerk to the Corporation maintains a register of financial and personal interests of the Members of the Corporation. The register is available for inspection at the above address.

All Members of the Corporation are able to take independent professional advice in furtherance of their duties at the College's expense and have access to the Clerk to the Corporation, who is responsible to the Board for ensuring that all applicable procedures and regulations are complied with. The appointment, evaluation and removal of the Clerk are matters for the Corporation as a whole.

Formal agendas, papers and reports are supplied to Members of the Corporation in a timely manner, prior to Board meetings. Briefings are provided on an ad hoc basis.

The Corporation has a strong and independent non-executive element and no individual or group dominates its decision-making process. The Corporation considers that each of its non-executive members is independent of management and free from any business or other relationship which could materially interfere with the exercise of their independent judgement.

There is a clear division of responsibility in that the roles of the Chairman and Accounting Officer are separate.

Appointments to the Corporation

Any new appointments to the Corporation are a matter for the consideration of the Corporation as a whole. The Corporation has a Search Committee, consisting of three members of the Corporation, which is responsible for the selection and nomination of any new member for the Corporation's consideration. The Corporation is responsible for ensuring that appropriate training is provided as required.

Members of the Corporation are appointed for a term of office not exceeding four years.

Corporation performance

The Corporation Board carried out an evaluation of its performance as part of its 2018/19 Board Strategic Planning event. It will do a similar exercise in 2019/20. This activity is supported by other reviews and evaluations such as:

- annual review of the Governance Framework
- annual review by each Committee of its own performance
- monitoring of Members' attendance and contributions by the Search Committee

Remuneration Committee

Throughout the period ended 31 July 2019, the College's Remuneration Committee comprised three members of the Corporation. The Committee's responsibilities are to make recommendations to the Board on the remuneration and benefits of the Accounting Officer, Clerk and other members of the Senior Leadership Team.

The College has not adopted the AoC's Senior Staff remuneration Code but has adopted good practice through the appointment of the Remuneration Committee. The terms of reference of the committee include ensuring:

- a fair, appropriate and justifiable level of remuneration;
- procedural fairness; and
- transparency and accountability.

Details of remuneration for the period ended 31 July 2019 are set out in note 7 to the financial statements.

Audit Committee

The Audit Committee comprises four members of the Corporation (and excludes the Accounting Officer and Chair). The Committee operates in accordance with written terms of reference approved by the Corporation.

The Audit Committee meets on a termly basis and provides a forum for reporting by the College's internal auditors, reporting accountants and financial statements auditors, who have access to the Committee for independent discussion, without the presence of College management. The Committee also receives and considers reports from the main FE funding bodies as they affect the College's business.

The College's internal auditors review the systems of internal control, risk management controls and governance processes in accordance with an agreed plan of input and report their findings to management and the Audit Committee.

Management is responsible for the implementation of agreed audit recommendations.

The Audit Committee also advises the Corporation on the appointment of internal auditors, reporting accountants and financial statements auditors and their remuneration for audit and non-audit work as well as reporting annually to the Corporation.

Search Committee

The College's Search Committee meets as required and was established to support the efficient and timely recruitment and appointment of Members of Corporation. This includes the appointment of specific Corporation members such as a staff or student nominees. The Search Committee also oversees the selection process for the Chair of Corporation.

Education Committee

The Education Committee meets termly. The Committee reviews the academic performance of the students and apprentices at the College as well as the performance of all teaching staff (and pastoral staff where appropriate) to ensure a rigorous and accountable system of assessment is in place that supports strong student progress and progression.

The College's senior leadership and in particular its academic leaders are held to account by this Committee and where necessary produce actions plans and specific strategies to remedy identified areas for improvement that are signed off by this Committee and where deemed necessary shared with the wider board.

Capital Projects Committee

The Capital Projects Committee meets on an ad-hoc basis as the capital project demands. Since its inception in June 2018, eleven meetings have taken place. The committee provides independent and authoritative advice to the Board on the adequacy and effectiveness of the College's Capital Programme Management and more specifically, to flag any significant current and future potential risks relating to the budget.

Internal control

Scope of responsibility

The Corporation is ultimately responsible for the College's system of internal control and for reviewing its effectiveness. However, such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against material misstatement or loss.

The Corporation has delegated the day-to-day responsibility to the Chief Executive Officer, as Accounting Officer, for maintaining a sound system of internal control that supports the achievement of the College's policies, aims and objectives, whilst safeguarding the public funds and assets for which he is personally responsible, in accordance with the responsibilities assigned to him in the Financial Agreement between the College and the funding bodies. He is also responsible for reporting to the Corporation any material weaknesses or breakdowns in internal control.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Group policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place at the Group and College for the period ended 31 July 2019 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The Corporation has reviewed the key risks to which the College is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Corporation is of the view that there is a formal on-going process for identifying, evaluating and managing the Groups' significant risks that has been in place for the period ended 31 July 2019 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Corporation.

The risk and control framework

The system of internal control is based on a framework of regular management information, administrative procedures including the segregation of duties, and a system of delegation and accountability. In particular, it includes:

- comprehensive budgeting systems with an annual budget, which is reviewed and agreed by the governing body
- regular reviews by the Corporation Members of periodic and annual financial reports which indicate financial performance against forecasts
- setting targets to measure financial and other performance
- clearly defined capital investment control guidelines
- the adoption of formal project management disciplines, where appropriate.

Internal Audit for 2018/19:

The College undertook two internal audit reviews during the year.

Deloitte performed IT penetration testing of the College's IT infrastructure, software and user devices. No major risks were identified and all recommendations were implemented by 31st July 2019.

A review of the College's HR policies and procedures was performed in May/June 2019. A number of recommendations were raised. These will be implemented by 31st December 2019.

In 2018/19, a Risk Management policy was approved by the Corporation. The policy defines the responsibilities for risk across the organisation.

Review of effectiveness

As Accounting Officer, the Principal has responsibility for reviewing the effectiveness of the system of internal control. His review of the effectiveness of the system of internal control is informed by:

- the work of the executive managers within the College who have responsibility for the development and maintenance of the internal controls; and
- comments made by the College's financial statements and regularity auditors in their management letters and other reports.

The Accounting Officer has been advised on the implications of the result of his review of the effectiveness of the system of internal control mechanisms by the Audit Committee, which oversees the internal monitoring processes and procedures and a plan to address weaknesses and ensure continuous improvement of the system is in place.

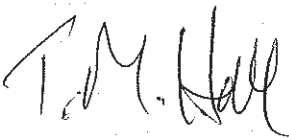
Review of effectiveness (continued)

The senior management team receives reports setting out key performance and risk indicators and considers possible control issues brought to their attention by early warning mechanisms, which are embedded within the departments and reinforced by risk awareness training. The Corporation's agenda includes a regular item for consideration of risk and control and receives reports thereon from the senior management team and the Audit Committee. The emphasis is on obtaining the relevant degree of assurance and not merely reporting by exception. The College's SAR report embodies the College's annual self-reflection of its performance and its Continuous Improvement Plan (CIP) outlines the strategies for improvement that emerge from this reflection process.

Review of effectiveness (continued)

Based on the advice of the Audit Committee and the Accounting Officer, the Corporation is of the opinion that the College has an adequate and effective framework for governance, risk management and control, and has fulfilled its statutory responsibility for *"the effective and efficient use of resources, the solvency of the institution and the body and the safeguarding of their assets"*.

Approved by order of the members of the Corporation on...11.12.19.....and signed on its behalf by:



Tiffany Hall

Chair of the Corporation



Mark Smith

Accounting Officer

Statement of Regularity, Propriety and Compliance

The Corporation has considered its responsibility to notify the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of funding, under the college's grant funding agreement and contracts with the ESFA. As part of our consideration we have had due regard to the requirements of the funding agreements and contracts with the ESFA.

We confirm on behalf of the Corporation, that after due enquiry, and to the best of our knowledge, we are able to identify any material irregular or improper use of funds by the Group and the College, or material non-compliance with the terms and conditions of funding under the College's grant funding agreements and contract with the ESFA.

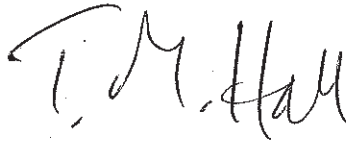
We confirm that no instances of material irregularity, impropriety or funding non-compliance have been discovered to date. If any instances are identified after the date of this statement, these will be notified to the ESFA.



Mark Smith

Accounting Officer

Date: 11.12.19



Tiffany Hall

Chair of the Corporation

Date: 11.12.19

Statement of Responsibilities of the Members of the Corporation

The members of the Corporation, as charity trustees, are required to present audited financial statements for each financial year.

Within the terms and conditions of the College's Funding Agreement with the ESFA, the Corporation, through its Accounting Officer, is required to prepare financial statements for each financial year in accordance with the 2015 Statement of Recommended Practice – Accounting for Further and Higher Education, ESFA's college accounts direction and the UK's Generally Accepted Accounting Practice, and which give a true and fair view of the state of affairs of the Group and the College and the result for that period.

In preparing the financial statements, the Corporation is required to:

- select suitable accounting policies and apply them consistently
- make judgements and estimates that are reasonable and prudent
- state whether applicable Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare financial statements on the going concern basis, unless it is inappropriate to assume that the Group and the College will continue in operation.

The Corporation is also required to prepare a Members' Report that describes what it is trying to do and how it is going about it, including information about the legal and administrative status of the Group and the College.

The Corporation is responsible for keeping proper accounting records which disclose with reasonable accuracy, at any time, the financial position of the Group and the College, and which enable it to ensure that the financial statements are prepared in accordance with the relevant legislation of incorporation and other relevant accounting standards. It is responsible for taking steps that are reasonably open to it in order to safeguard the assets of the Group and the College and to prevent and detect fraud and other irregularities.

The maintenance and integrity of the College website is the responsibility of the Corporation of the College; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Members of the Corporation are responsible for ensuring that expenditure and income are applied for the purposes intended by Parliament and that the financial transactions conform to the authorities that govern them. In addition they are responsible for ensuring that funds from the ESFA are used only in accordance with the Financial Agreement with the ESFA and any other conditions that may be prescribed from time to time.

Members of the Corporation must ensure that there are appropriate financial and management controls in place in order to safeguard public and other funds and to ensure they are used properly. In addition, members of the Corporation are responsible for securing economical, efficient and effective management of the College's resources and expenditure, so that the benefits that should be derived from the application of public funds from the ESFA are not put at risk.

Approved by order of the members of the Corporation on...11:12:19..... and signed on its behalf by:

A handwritten signature in black ink, appearing to read 'Tiffany Hall', written in a cursive style.

Tiffany Hall

Chair of the Corporation

Independent auditor's report to the Corporation of Ada National College for Digital Skills

Opinion

We have audited the financial statements of Ada National College for Digital Skills (the 'College') and its subsidiary, National College for Digital Skills Limited, (the 'Group') for the period ended 31 July 2019 which comprise the group statement of comprehensive income, the group and parent college statement of changes in reserves, balance sheets, the group 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 Group's and the College's affairs as at 31 July 2019 and of the Group's surplus of income over expenditure for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice.

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 Group and the College 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 Corporation's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Corporation has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Group's and the College'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 Corporation is responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Post 16 Code of Practice issued by the Education and Skills Funding Agency requires us to report to you if, in our opinion:

- proper accounting records have not been kept by the Group and the College; or
- the Group and the College financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of the Corporation

As explained more fully in the statement of responsibilities of members of the Corporation, the Corporation is 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 Corporation determines 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 Corporation is responsible for assessing the Group's and the College'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 Corporation either intends to liquidate the Group or the College or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

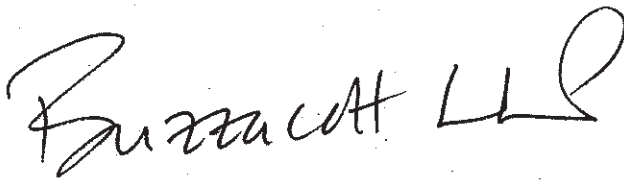
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee 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.

Auditor's responsibilities for the audit of the financial statements (continued)

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

Use of this report

This report is made solely to the Corporation, as a body, in accordance with the College's Articles of Government. Our audit work has been undertaken so that we might state to the Corporation 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 College and the Corporation as a body, for our audit work, for this report, or for the opinions we have formed.

A handwritten signature in black ink that reads "Buzzacott LLP". The signature is written in a cursive, flowing style.

Buzzacott LLP
Statutory Auditor
130 Wood Street
London
EC2V 6DL

17 December 2019

Reporting accountant's assurance report on regularity

To: The Corporation of Ada National College for Digital Skills and Secretary of State for Education acting through the Department for Education ("the Department")

In accordance with the terms of our engagement letter dated 24 August 2017 and further to the requirements of the financial memorandum with the Education and Skills Funding Agency we have carried out an engagement to obtain limited assurance about whether anything has come to our attention that would suggest that in all material respects the expenditure disbursed and income received by Ada National College for Digital Skills during the year to 31 July 2019 have not been applied to the purposes identified by Parliament and the financial transactions do not conform to the authorities which govern them.

The framework that has been applied is set out in the Post 16 Audit Code of Practice ("the Code") issued by the Department. In line with this framework, our work has specifically not considered income received from the main funding grants generated through the Individualised Learner Record returns, for which the Department has other assurance arrangements in place.

This report is made solely to the Corporation of Ada National College for Digital Skills and Department in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the Corporation of Ada National College for Digital Skills and the Department those matters we are required to state in a 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 Corporation of Ada National College for Digital Skills and the Department for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Ada National College for Digital Skills and the reporting accountant

The Corporation of Ada National College for Digital Skills is responsible, under the requirements of the Further & Higher Education Act 1992, subsequent legislation and related regulations and guidance, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Code. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year to 31 July 2019 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Code issued jointly by the Department. We performed a limited assurance engagement as defined in that framework.

The objective of a limited assurance engagement is to perform such procedures as to obtain information and explanations in order to provide us with sufficient appropriate evidence to express a negative conclusion on regularity.

A limited assurance engagement is more limited in scope than a reasonable assurance engagement and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, we do not express a positive opinion.

Reporting accountant's assurance report on regularity (continued)

Approach (continued)

Our engagement includes examination, on a test basis, of evidence relevant to the regularity of the college's income and expenditure.

Conclusion

In the course of our work nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year to 31 July 2019 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Buzzacott LLP

Buzzacott LLP
Statutory Auditor
130 Wood Street
London
EC2V 6DL

17 December 2019

Ada National College for Digital Skills

Consolidated Statements of Comprehensive Income and Expenditure

	Notes	Year ending 31 July 2019		Year ending 31 July 2018	
		Group	College	Group	College
		£	£	£	£
INCOME					
Funding body grants	2	1,791,491	1,791,491	1,083,100	1,083,100
Tuition fees and education contracts	3	1,102	1,102	9,356	9,356
Other grants and contracts	4	1,126,872	-	1,597,680	-
Other income		39,793	11,321	15,946	3,926
Investment income	5	240	144	194	99
Donations and Endowments	6	722,293	531,481	383,824	249,824
Total income		3,681,791	2,335,539	3,090,100	1,346,305
EXPENDITURE					
Staff costs	7	1,684,682	987,298	1,357,528	848,785
Other operating expenses	8	551,892	936,368	451,407	810,796
Depreciation	10	828,771	-	1,226,774	-
Interest and other finance costs		15,103	15,103	12,600	12,600
Loss on disposal of assets		656	-	185	-
Total expenditure		3,081,104	1,938,769	3,048,494	1,672,181
Surplus/(deficit) before exceptional items and other gains and losses		600,687	396,770	41,606	(325,876)
Exceptional item	10	(4,970,653)	-	-	-
(Deficit)/Surplus before tax		(4,369,966)	396,770	41,606	(325,876)
Taxation	9	-	-	-	-
Total Comprehensive Income for the year		(4,369,966)	396,770	41,606	(325,876)
Represented by:					
Restricted comprehensive income		(4,681,478)	-	318,740	-
Unrestricted comprehensive income		311,512	396,770	(277,134)	(325,876)
		(4,369,966)	396,770	41,606	(325,876)

The statement of comprehensive income is in respect of continuing activities.

Ada National College for Digital Skills

Consolidated and College Statement of Changes in Reserves

	Income and expenditure account	Restricted reserves	Total
	£	£	£
Group			
Balance at 31 July 2017	(46,450)	5,626,870	5,580,420
(Deficit)/surplus from the income and expenditure account	(277,134)	318,740	41,606
Transfers between capital and income and expenditure reserves	2,750	(2,750)	-
Total comprehensive income for the period	(274,384)	315,990	41,606
Balance at 31 July 2018	(320,834)	5,942,860	5,622,026
(Deficit)/surplus from the income and expenditure account	311,512	(4,681,478)	(4,369,966)
Transfers between capital and income and expenditure reserves	200	(200)	-
Total comprehensive income for the period	311,712	(4,681,678)	(4,369,966)
Balance at 31 July 2019	(9,122)	1,261,182	1,252,060
College			
Balance at 31 July 2017	(102,708)	-	(102,708)
Deficit from the income and expenditure account	(325,876)	-	(325,876)
Total comprehensive income for the period	(325,876)	-	(325,876)
Balance at 31 July 2018	(428,584)	-	(428,584)
Deficit from the income and expenditure account	396,770	-	396,770
Total comprehensive income for the period	396,770	-	396,770
Balance at 31 July 2019	(31,814)	-	(31,814)

Ada National College for Digital Skills

Balance sheets as at 31 July

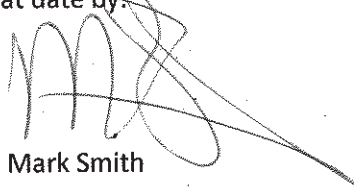
	Notes	2019		2018	
		Group	College	Group	College
		£	£	£	£
Non-current assets					
Tangible fixed assets	10	1,132,633	-	5,801,853	-
		<u>1,132,633</u>	<u>-</u>	<u>5,801,853</u>	<u>-</u>
Current assets					
Trade and other receivables	11	56,570	37,853	396,095	48,667
Cash and cash equivalents	14	590,875	354,828	255,156	65,714
		<u>647,445</u>	<u>392,681</u>	<u>651,251</u>	<u>114,381</u>
Creditors – amounts falling due within one year	12	<u>(398,018)</u>	<u>(294,495)</u>	<u>(521,078)</u>	<u>(232,965)</u>
Net current assets (liabilities)		<u>249,427</u>	<u>98,186</u>	<u>130,173</u>	<u>(118,584)</u>
Total assets less current liabilities					
Creditors – amounts falling due after more than one year	13	(130,000)	(130,000)	(310,000)	(310,000)
Total net assets (liabilities)		<u>1,252,060</u>	<u>(31,814)</u>	<u>5,622,026</u>	<u>(428,584)</u>
Restricted reserves					
Student bursaries	19	43,179	-	47,732	-
Capital reserve		1,218,003	-	5,895,128	-
Total restricted reserves		<u>1,261,182</u>	<u>-</u>	<u>5,942,860</u>	<u>-</u>
Unrestricted reserves					
Income and expenditure account		(9,122)	(31,814)	(320,834)	(428,584)
Total unrestricted reserves		<u>(9,122)</u>	<u>(31,814)</u>	<u>(320,834)</u>	<u>(428,584)</u>
Total reserves		<u>1,252,060</u>	<u>(31,814)</u>	<u>5,622,026</u>	<u>(428,584)</u>

The financial statements on pages 34 to 47 were approved and authorised for issue by the Corporation on 11.12.19 and were signed on its behalf on that date by:



Tiffany Hall

Chair of the Corporation



Mark Smith

Accounting Officer

Ada National College for Digital Skills

Consolidated Statement of Cash Flows for the year ended 31 July 2019

	Notes	Group 2019 £	Group 2018 £
Cash flow from operating activities			
(Deficit)/Surplus for the period		(4,369,966)	41,606
Adjustment for non-cash items			
Depreciation		828,771	1,226,774
Write down of Asset In the course of construction		4,970,653	-
Decrease/(increase) in debtors		341,925	124,183
(Decrease)/increase in creditors due within one year		(193,060)	(115,390)
Adjustment for investing or financing activities			
Investment income		(240)	(194)
Interest on loan		15,103	12,600
Loss on sale of fixed assets		656	185
Net cash flow from operating activities		1,593,842	1,289,764
Cash flows from investing activities			
Investment income		240	194
Payments made to acquire fixed assets		(1,133,260)	(1,501,730)
		(1,133,020)	(1,501,536)
Cash flows from financing activities			
New unsecured loans		-	280,000
Interest accrued on loans		(15,103)	(12,600)
Repayment of unsecured loan		(110,000)	-
		(125,103)	267,400
Increase in cash and cash equivalents in the year		335,719	55,628
Cash and cash equivalents at beginning of the period	14	255,156	199,528
Cash and cash equivalents at end of the period	14	590,875	255,156

Ada National College for Digital Skills

Notes to the financial statements

1. Statement of accounting policies and estimation techniques

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements.

Basis of preparation

These financial statements have been prepared in accordance with the *Statement of Recommended Practice: Accounting for Further and Higher Education 2015* (the 2015 FE HE SORP), the *College Accounts Direction for 2018 to 2019* and in accordance with Financial Reporting Standard 102 – “*The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland*” (FRS 102). The College is a public benefit entity and has therefore applied the relevant public benefit requirements of FRS 102.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Group and College's accounting policies.

Basis of accounting

The financial statements are prepared in accordance with the historical cost convention.

Basis of consolidation

The consolidated financial statements include the College and its subsidiary, National College for Digital Skills Limited, controlled by the parent. Control is achieved where the parent has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

All financial statements are made up to 31 July 2019.

Going concern

The Group incurred a deficit and total comprehensive income of £4,369,966 for the year (2018 - a surplus of £41,606). The deficit is a result of the write down of assets in construction relating to the Ashley Road site of £4,970,653. This is due to unsuccessful negotiations with the site owner which have resulted in the project no longer being viable. The Group generated a surplus before exceptional items of £600,687 (2018 – a surplus of £41,606).

On a College basis, which excludes the capital works and related funding as well as depreciation costs, the surplus for the period was £396,770. At 31 July 2019, the Group had net assets of £1,252,060 of which £1,132,633 related to the net book value of fixed assets. Excluding restricted reserves, the Group's free reserves were in deficit by £9,122 at 31 July 2019. At the College level, the net liabilities were £31,814 which also equated to its free reserves at 31 July 2019. Whilst a deficit position, this is a significant improvement compared to the prior year (Net liabilities and deficit on unrestricted reserves: £428,584) and is representative of the College's move towards being in a surplus position for 2019/20.

The College's cash position is greatly improved and supports the aim of maintaining a minimum of 30 cash days. In addition, the College is still committed to repaying £180,000 of the working capital loan over the course of 2019/20.

Going concern (continued)

Despite the net total and current liabilities position of the College, the Corporation considers that the Group and the College has adequate resources to meet its liabilities as they fall due and continue in operational existence for the foreseeable future. This conclusion has been reached because:

- For 2019/20, the Corporation has approved a surplus budget of £144,519. At December 2019, the College is on track to deliver a surplus for 2019/20 and 2020/21.
- The College received a \$500,000 donation after the year end and has consequently already exceeded its budgeted fundraising target for 2019/20.
- The College is seeking to ensure that premises are available for both the short term and long term through the extension of the Broad Lane lease to December 2021 and the ongoing project with the Department for Education, Greater London Authority and Haringey Council to identify alternative long term premises that will house both the sixth form and apprenticeship programmes under one roof.

After making appropriate enquiries, the Corporation believes that it is appropriate to continue to prepare these financial statements on a going concern basis.

Recognition of income

Revenue grant funding

Government revenue grants include funding body recurrent grants and other grants and are accounted for under the accrual model as permitted by FRS 102. Funding body recurrent grants are measured in line with best estimates for the period of what is receivable and depend on the particular income stream involved. The final grant income is normally determined with the conclusion of the year end reconciliation process with the funding body following the year end, and the results of any funding audits. 16-18 learner-responsive funding is not normally subject to reconciliation and is therefore not subject to contract adjustments.

Where part of a government grant is deferred, the deferred element is recognised as deferred income within creditors and allocated between creditors due within one year and creditors due after more than one year as appropriate.

Grants from non-government sources are recognised in income when the College is entitled to the income and performance related conditions have been met. Income received in advance of performance related conditions being met is recognised as deferred income within creditors on the balance sheet and released to income as the conditions are met.

Capital grant funding

Government capital grants are recognised in income when the Group and College is entitled to the funds subject to any performance related conditions being met. Income received in advance of performance related conditions being met is recognised as deferred income within creditors on the balance sheet and released to income as conditions are met.

Investment income

All income from short-term deposits is credited to the statement of comprehensive income in the period in which it is earned on a receivable basis.

Accounting for post-employment benefits

Post-employment benefits to employees of the College are principally provided by the Teachers' Pension Scheme (TPS). This is a defined benefit plan, which is externally funded and contracted out of the State Second Pension. Post-employment benefits to support staff employed by National College for Digital Skills on a permanent or fixed term basis (minimum of six months) are provided by a defined contribution scheme with Aviva.

Teachers' Pension Scheme (TPS)

The TPS is an unfunded scheme. Contributions to the TPS are calculated so as to spread the cost of pensions over employees' working lives with the College in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by qualified actuaries on the basis of valuations using a prospective benefit method.

The TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution plan and the contributions recognised as an expense in the income statement in the periods during which services are rendered by employees.

Aviva pension scheme

Support staff employed on a permanent or fixed term basis (minimum of six months) by the subsidiary, National College for Digital Skills Limited, are eligible to join the scheme. Contributions are recognised as an expense in the income statement in the periods during which the services are rendered.

Short term Employment benefits

Short term employment benefits such as salaries and compensated absences (holiday pay) are recognised as an expense in the year in which the employees render service to the Group and the College. Any unused benefits are accrued and measured as the additional amount the Group and the College expects to pay as a result of the unused entitlement.

Non-current Assets - Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses.

Buildings

Refurbishment costs for the Broad Lane and Whitechapel buildings (occupied from September 2016 and April 2019 respectively) are depreciated over the remaining duration of the lease. The Broad Lane lease is due to end in December 2020 and the Whitechapel lease in April 2024 with a break clause in April 2022.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying amount of any fixed asset may not be recoverable.

Assets in the course of construction

Assets in the course of construction are accounted for at cost, based on the value of architects' certificates and other direct costs, incurred to 31 July. They are not depreciated until they are brought into use.

Subsequent expenditure on existing fixed assets

Where significant expenditure is incurred on tangible fixed assets after initial purchase it is charged to income in the period it is incurred, unless it increases the future benefits to the College, in which case it is capitalised and depreciated on the relevant basis.

Equipment

Equipment costing less than £500 per individual item is recognised as expenditure in the period of acquisition. All other equipment is capitalised at cost.

Capitalised equipment is depreciated on a straight-line basis over its remaining useful economic life as follows:

- computer equipment and software 3 years
- furniture, fixtures and fittings 6 years

Borrowing costs

Borrowing costs are recognised as expenditure in the period in which they are incurred.

Cash and cash equivalents

Cash includes cash in hand, deposits repayable on demand and overdrafts. Deposits are repayable on demand if they are in practice available within 24 hours without penalty.

Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash with insignificant risk of change in value. An investment qualifies as a cash equivalent when it has maturity of 3 months or less from the date of acquisition.

Taxation

The Group and the College is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Group and the College is potentially exempt from taxation in respect of income or capital gains received within categories covered by sections 478-488 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

The Group and the College is not exempt in respect of Value Added Tax. Irrecoverable VAT on inputs is included in the costs of such inputs and added to the cost of tangible fixed assets as appropriate, where the inputs themselves are tangible fixed assets by nature.

The College's subsidiary company is not subject to corporation tax as it is a registered charity.

Provisions and contingent liabilities

Provisions are recognised when

- the Group and the College has a present legal or constructive obligation as a result of a past event;
- it is probable that a transfer of economic benefit will be required to settle the obligation; and
- a reliable estimate can be made of the amount of the obligation.

Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value using a pre-tax discount rate. The unwinding of the discount is recognised as a finance cost in the statement of comprehensive income in the period it arises.

A contingent liability arises from a past event that gives the Group and the College a possible obligation whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the Group and the College. Contingent liabilities also arise in circumstances where a provision would otherwise be made but either it is not probable that an outflow of resources will be required or the amount of the obligation cannot be measured reliably.

Contingent liabilities are not recognised in the balance sheet but are disclosed in the notes to the financial statements.

Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing these financial statements, management have made the following judgements:

- Determine whether leases entered into by the Group and the College either as a lessor or a lessee are operating or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis.
- Determine whether there are indicators of impairment of the Group's tangible assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit.

Other key sources of estimation uncertainty

- *Tangible fixed assets*

Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

2 Funding body grants	Year ended 31 July		Period ended 31 July	
	2019	2019	2018	2018
	Group	College	Group	College
	£	£	£	£
Recurrent grants				
Education and Skills Funding Agency – 16 -19	890,323	890,323	739,991	739,991
Education and Skills Funding Agency - apprenticeships	901,168	901,168	343,109	343,109
Total	1,791,491	1,791,491	1,083,100	1,083,100
3 Tuition fees and education contracts	Year ended 31 July		Period ended 31 July	
	2019	2019	2018	2018
	Group	College	Group	College
	£	£	£	£
Education contracts	1,102	1,102	9,356	9,356
Total	1,102	1,102	9,356	9,356

4 Other grants and contracts	Year ended 31 July		Period ended 31 July	
	2019	2019	2018	2018
	Group	College	Group	College
	£	£	£	£
Capital Grant	1,122,872	-	1,538,496	-
Grant Funding	4,000	-	59,184	-
Total	1,126,872	-	1,597,680	-

5 Investment income	Year ended 31 July		Period ended 31 July	
	2019	2019	2018	2018
	Group	College	Group	College
	£	£	£	£
Interest receivable	240	143	194	99
Total	240	143	194	99

6 Donations and endowments	Year ended 31 July		Period ended 31 July	
	2019	2019	2018	2018
	Group	College	Group	College
	£	£	£	£
Unrestricted donations	718,293	531,481	383,824	249,824
Restricted donations	4,000	-	-	-
Total	722,293	531,481	383,824	249,824

7 Staff costs

The average number of persons (including key management personnel) employed by the College during the year, described as full-time equivalents, was:

	2019		2018	
	Group	College	Group	College
	No.	No.	No.	No.
Teaching staff	16	14	12	12
Non-teaching staff	14	1	11	1
	30	15	23	13

7 Staff costs (continued)

Staff costs for the above persons

	2019		2018	
	Group	College	Group	College
	£	£	£	£
Wages and salaries	1,191,357	507,813	969,119	582,995
Social security costs	126,878	50,425	103,920	65,575
Other pension costs (note 16)	124,670	37,804	97,112	69,138
Payroll sub total	1,442,905	596,042	1,170,151	717,708
Contracted out staffing services	241,777	140,435	187,377	131,077
Total Staff costs	1,684,682	736,477	1,357,528	848,785

Key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Group and the College and are represented by the College Leadership Team which comprises the Chief Executive Officer and Dean.

Emoluments of Key management personnel, Accounting Officer and other higher paid staff

	2019	2018
	No.	No.
The number of key management personnel including the Accounting Officer was:	2	2

The number of key management personnel and other staff who received annual emoluments, excluding pension contributions and employer's national insurance but including benefits in kind, in the following ranges was:

	Group			
	2019		2018	
	Key management personnel	Other staff	Key management personnel	Other staff
	No.	No.	No.	No.
£65,001 to £70,000 p.a.	2	-	2	-
	2	-	2	-

7 Staff costs (continued)

Key management personnel compensation is made up as follows:

	Group	
	2019	2018
	£	£
Salaries	133,000	131,264
Employers' National Insurance	16,010	15,862
	149,010	147,126
Pension contributions	21,919	21,632
Total key management personnel compensation	170,929	168,758

Total key management personnel includes £170,929 (2018:£ 168,758) in respect of the College.

The above compensation includes amounts payable to the Accounting Officer (who is also the highest paid officer) of:

	Group	
	2019	2018
	£	£
Salaries	66,500	65,632
Employers' National Insurance	8,005	7,931
	74,505	73,563
Pension contributions	10,959	10,816

The remuneration package of Key management staff, including the Chief Executive and Dean, is subject to the annual review by the Remuneration Committee of the Board who use benchmarking information to provide objective guidance.

The members of the Corporation other than the Accounting Officer and the staff member did not receive any payment from the institution other than the reimbursement of travel and subsistence expenses incurred in the course of their duties.

	2019	2018
Relationship of Chief Executive pay and remuneration expressed as a multiple		
Chief Executives' basic salary as a multiple of the median of all staff	1.6	1.6
Chief Executives' total remuneration as a multiple of the median of all staff	1.7	1.7

8 Other operating expenses

	Year ended 31 July		Period ended 31 July	
	2019		2018	
	Group	College	Group	College
	£	£	£	£
Teaching costs	114,624	97,261	106,425	105,925
Non-teaching costs	281,068	839,107	215,756	704,871
Premises costs	156,200	-	129,226	-
Total	551,892	936,368	451,407	810,796
Other operating expenses include:	2019	2018		
	£	£		
Auditors' remuneration:				
Financial statements audit*	16,128	13,200		
Internal audit	3,324	1,700		
Rental of building under operating leases	20,548	-		
Losses on disposal of fixed assets	656	185		

*Includes £8,064 in respect of the College (2018: £6,600)

9 Taxation

The members do not believe that the Group and the College was liable for any corporation tax arising out of its activities during the year.

10. Tangible fixed assets (Group)

	Leasehold land and buildings				
	Assets in the course of construction	Refurbish- ments	Office & IT Equipment and Software	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 in the course of 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
Depreciation					
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
Net Book Value at 31 July 2019	-	900,447	94,854	137,332	1,132,633
Net Book Value at 31 July 2018	4,014,970	1,392,139	252,499	142,245	5,801,853

The write down of assets in the course of 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.

11 Trade and other receivables	Period ended 31 July		Period ended 31 July	
	2019	2019	2018	2018
	Group	College	Group	College
	£	£	£	£
Trade receivables	30,743	2,171	165,701	41
Prepayments and accrued income	25,827	25,826	230,394	8,820
Amounts due from subsidiary undertakings	-	9,856	-	39,806
Total	56,570	37,853	396,095	48,667

12 Creditors: amounts falling due within one year	Period ended 31 July		Period ended 31 July	
	2019	2019	2018	2018
	Group	College	Group	College
	£	£	£	£
Trade payables	43,753	15,811	89,870	20,761
Other taxation and social security	35,823	20,801	27,187	16,162
Accruals	89,424	38,383	248,317	46,117
Department for Education Loan Facility (note 13)	180,000	180,000	110,000	110,000
Other creditors	49,018	39,500	45,704	39,925
Total	398,018	294,495	521,078	232,965

13 Creditors: amounts falling due after one year	Period ended 31 July		Period ended 31 July	
	2019	2019	2018	2018
	Group	College	Group	College
	£	£	£	£
Department for Education Loan Facility	130,000	130,000	310,000	310,000
Total	130,000	130,000	310,000	310,000

The Department for Education granted a loan facility for £420,000 in July 2016. £140,000 was paid to the College in July 2017. Two further payments for £140,000 were received in September and November 2017. A repayment of £110,000 was made in June 2019.

The rate of interest charged on the loan is 3.6% per annum.

14 Cash and cash equivalents

	At 1 August 2018	Cash flows	Other changes	At 31 July 2019
	£	£	£	£
Cash and cash equivalents	255,156	335,719	-	590,875
Total	255,156	335,719	-	590,875

15 Events after the reporting period

There are no events after the reporting period.

16 Pensions

The College's academic staff belong to the Teachers' Pension Scheme England and Wales (TPS). This is a multi-employer defined-benefit plan. Support staff employed by the subsidiary, National College for Digital Skills Limited belong to the Aviva Workplace Pension, a defined contribution scheme.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest formal actuarial valuation of the TPS was 31 March 2016.

Total pension cost for the year	2019	2018
	£	£
Teachers' Pension Scheme: contributions paid	86,866	69,138
Aviva Workplace Pension Scheme	37,804	27,974
Total pension cost for the period within staff costs	124,670	97,112

Contributions amounting to £5,883 (2018: £3,779) were payable to the Aviva Workplace Pension scheme at 31 July 2019 and are included within creditors. There were no contributions owing to the Teachers' Pension Scheme at 31 July 2019 (2018: £678 was owed by the Teachers' Pensions Scheme and included within debtors).

Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. These regulations apply to teachers in schools, colleges and other educational establishments. Membership is automatic for teachers and lecturers at eligible institutions. Teachers and lecturers are able to opt out of the TPS.

The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – these contributions, along with those made by employers, are credited to the Exchequer under arrangements governed by the above Act. Retirement and other pension benefits are paid by public funds provided by Parliament.

Under the definitions set out in FRS 102 (28.11), the TPS is a multi-employer pension plan. The College is unable to identify its share of the underlying assets and liabilities of the plan.

Teachers' Pension Scheme (continued)

Accordingly, the College has taken advantage of the exemption in FRS 102 and has accounted for its contributions to the scheme as if it were a defined-contribution plan. The College has set out above the information available on the plan and the implications for the College in terms of the anticipated contribution rates.

The valuation of the TPS is carried out in line with regulations made under the Public Service Pension Act 2013. Valuations credit the teachers' pension account with a real rate of return assuming funds are invested in notional investments that produce that real rate of return. The latest actuarial review of the TPS was carried out as at 31 March 2016. The valuation report was published by the Department for Education (the Department) on April 2019. The valuation reported total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218 billion, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £198 billion giving a notional past service deficit of £22 billion.

As a result of the valuation, new employer contribution rates were set at 23.68% of pensionable pay from September 2019 onwards (compared to 16.48% during 2018/9). DfE has agreed to pay a teacher pension employer contribution grant to cover the additional costs during the 2019-20 academic year.

The pension costs paid to TPS in the year amounted to £86,866 (2018: £69,138).

17 Related party transactions

Due to the nature of the Group and College's operations and the composition of the Corporation being drawn from local public and private sector organisations, it is inevitable that transactions will take place with organisations in which a member of Corporation may have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Group and College's financial regulations and normal procurement procedures.

No expenses were paid to or on behalf of the Corporation members during the year (2018 - £nil).

No Corporation member received any remuneration or waived payments from the Group or the College during the year (2018 – none).

Fundraising income amounting to £151,837 (2018: £249,824) was received from organisations connected to Trustees, i.e. Bank of America and Deloitte.

National College for Digital Skills Limited – a wholly owned subsidiary providing operational and marketing support to the College.

The College paid the National College for Digital Skills Limited £788,414 during the year (2018 - £678,769) relating to the provision of premises, operational and marketing support. A balance of £9,856 was due from the National College for Digital Skills Limited to the College at the balance sheet date (2018 - £40,622 due to the National College for Digital Skills Limited)

18 Restricted funds

	At 1 August 2018	Incoming resources	Resources expended	Transfers	At 31 July 2019
	£	£	£	£	£
a) Restricted funds – Bursaries	47,732	4,000	(8,553)	-	43,179
b) Restricted funds – Flipside Project	-	4,000	(3,800)	(200)	-
c) Capital grant	5,895,128	1,122,872	(5,799,997)	-	1,218,003
	5,942,860	1,130,872	(5,812,350)	(200)	1,261,182

- 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.

19. 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	-
	300,000	-

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