

ADA NATIONAL COLLEGE FOR DIGITAL SKILLS

**Report and Financial Statements
for the year ended 31 July 2021**

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 2020/21:

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.

Jacky Geary 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:

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Broad Lane

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N15 4AG

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Strategic Report

1. OBJECTIVES AND STRATEGY

The governing body present their annual report together with the financial statements and auditor's report for Ada National College for Digital Skills for the year ended 31 July 2021.

1.1 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.

1.2 Mission, Vision, Strategy and Objectives

1.2.1 Mission

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

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

1.2.2 Strategy and Objectives

In 2020/21, the College continued to focus on its original five-year strategic plan covering the period from 2016 through to 2021

The objectives and goals of this plan were to:

- 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 Board and leadership team have been working on a new strategic plan through to Summer 2024.

1.2.3 Implementation of strategic plan

The College's specific strategies for 2020/21 to achieve these objectives were:

- Continue to establish the College as a centre of excellence for the teaching and learning of advanced digital skills with its key stakeholders – learners, potential learner, parents/carers, employer partners and Government. We know we are a centre of excellence through ensuring consistently high quality teaching and learning in computer science and related subjects as well as through exceptionally pastoral support and advice and guidance, in particular in our Higher Level Apprenticeship programme in Software Development, Digital Innovation and Data Analytics . We are delighted to have been able to extend that high quality provision to a number of new short course format programmes this year as well for the first time.

- Be a beacon of best practice in employment-focused provision

Following another strong set of academic results, Ada is now recognised as one of the top institutions in the country for its Computer Science BTEC qualification and as performing significantly above sector averages for its End Point Achievement rates for its Higher Level and Degree Apprenticeship programmes. A-level results, using Teacher Assessed Grades (TAGS) saw 45% at A*-B and a significant increase in our value-add scores.

The College achieved a 100% pass rate in for all learners who completed their programmes of study in 2020/21 with many achieving the highest grades. One 6th form student was recognised by Pearson as the Computing student of the year and one apprentice was short-listed for apprentice of the year.

Over 92% of students and apprentices progressed onto positive destinations be that full-time employment post-apprenticeship, further study or an apprenticeship offer with a prestigious employer.

In spite of the pandemic, our 6th form students continued to be involved in industry projects with organisations such as Salesforce and King Games, receive coaching from volunteers from the tech industry and participate with events such as a 'Hackathon' with Deloitte. Delivery has been a mixture of face-to-face and virtual through the year based on Government guidance. We were delighted to welcome our largest ever cohort of 102 6th form students in September 2021.

Teaching and learning for our apprentices has been fully remote for the academic year 2020/21. However, apprentice feedback has proved remarkably strong as our lecturers have adapted their approach to teaching and learning and we have generated significant insights into what a more hybrid apprentice delivery model will look like for years to come. Apprentice attendance to remote sessions has remained exceptionally high at 95% with no breaks in learning even for apprentices who were temporarily furloughed. No apprentices were made redundant due to the pandemic.

We enrolled two cohorts of apprentices remotely in Autumn 2020 and Spring 2021. Volumes were reduced due to the uncertainty caused by the pandemic. However, volumes are on track to rebound in Autumn 2021 with significant employer commitments in place. For the first time in Spring 2021 we had a cohort that focused on employers in the North West region of England led by our North West Regional Director who is now building a small team and, from summer 2021, we are utilising a small training space provide on a peppercorn lease by Bruntwood Property Management in Manchester city centre. The Board decided to continue to support the Manchester based pilot despite the challenges of the pandemic and the decision now seems to be bearing fruit with employer demand for apprentices picking up later in for Autumn 2021. Our Tech Consultant Degree apprenticeship continues to prove especially popular with employers such as Salesforce and Deloitte alongside.

Overall, the College responded strongly to the challenges of the pandemic with no pause in the delivery of effective teaching and learning to all our learners. The College utilised the Workplace platform and Google Enterprise Suite for Education to good effect to maintain effective staff collaboration as well as remote delivery using Google Meet, Google Drive and Google Classroom.

For our 6th form we revised our timetable but continued to record attendance in the normal way each morning and saw very little decline in attendance or punctuality. We continued to offer high quality pastoral and safeguarding support with virtual counselling sessions available for students as needed and individual support if required.

- Being an Aspirational Alternative to University.

The College continued to deliver its two Foundation Degree Programmes to meet the off-the-job learning requirements of its Level 4 Apprenticeships alongside the Digital and Technology Solutions Integrated Degree Apprenticeship. Many of Ada's 6th form students have successfully gained places on these programmes with prestigious employer partners as well as other recent school leavers joining these aspirational alternatives to university.

The College continued to deliver a wide-ranging outreach programme to other schools and college, albeit virtually, to raise awareness of the benefits of higher level and degree digital apprenticeships and the types of skills sets and mindsets needed to secure and be successful in these roles.

- Recruit 50% of our students from low-income backgrounds in order to use digital skills as a tool for social mobility

We are pleased to report our focus on diversity recruitment has continued to be successful. Across the College 43% of our learners across the College came from low-income. We are now working with 6 industry partners to support their diversity recruitment campaigns for apprentices and hope this will become an additional, chargeable service in a few years' time once sufficient expertise and track record has been established.

- Recruit 50% of our students as young women to help address the gender disparity in the digital sector

26% of our learners are young women and specifically, 35% of our new apprentices. The industry benchmark is 17%. We continue to work hard to meet our diversity goals, particularly attracting more young women into the 6th form through the work of our Outreach Team who have delivered workshops, seminars and careers sessions in over 100 schools in Greater London and the Home Counties.

1.2.4 10 Year Business Plan

In June 2020, the new Minister for Skills, Gillian Keegan asked the College to articulate a new 10-year business plan that would see the College realise its full 'national' remit.

The 10 year business plan emphasised that Ada exists to educate and empower the next generation of diverse tech talent and aspires to become a truly national college for digital skills that:

- 1) Closes the UK's digital skills gap, providing a sustainable pipeline of high quality, diverse talent that supports the growth of the UK's tech industry.
- 2) Acts as a platform for social mobility, bridging the gap between education and employment for those from disadvantaged backgrounds and that benefit the least from the positive disruption caused by technology.
- 3) Drives greater representation in tech across gender and ethnicity

The goals set for the College, included:

- Transforming the lives of 10,000 16-24 year olds and benefiting an additional 10,000 learners over the next decade
- Ensuring that at least 50% of these learners meet at least one of the diversity focus areas around gender, ethnicity, and disadvantaged backgrounds.

In order to achieve these goals and make a sustainable impact on our learners, over the next decade Ada's focus will be to expand, optimise and diversify operation with four strategic actions that build upon Ada's existing platform:

- 1) Expand and optimise Ada's core through a digitally enabled blended learning model, increasing reach, capacity and efficiency, access existing regional infrastructure (e.g. other FE facilities and industry offices) and build a network of regional hubs.
- 2) Scale and Develop Teacher Training to provide a diverse pipeline of talent for the College's ` expanding regional and for other FE colleges.
- 3) Partnering with other FE colleges and social mobility focused organisations to offer upskilling courses (Traineeships, short courses and boot camps).
- 4) Partner with other FE colleges to licence our proprietary assets (e.g. curriculum and teaching methods).

Due to the impact of the pandemic in the 2020/21 year, we have only made cautious progress in implementing our ambitious growth plans, persisting with the launch of our Manchester campus and enrolling an initial cohort of apprentices. In addition, we have worked with the Prince's Trust and a number of Local Authorities (e.g Haringey, Tower Hamlets and Islington) to deliver a range of virtual short courses, benefitting an additional 150 people by introducing people to the types of skills needed to meet skills shortages in the digital jobs such as software development, data analytics and tech consulting as well as broader employability skills.

As we emerge from the pandemic, we plan to take the lessons from our enforced experiment with virtual delivery and consider how we will incorporate into our delivery of teaching and learning on a sustainable basis and utilise a hybrid approach to scale our provision, especially our apprenticeship and short course programmes.

1.2.5 Capital Project

In December 2020, Ada agreed a 3-year lease extension with Haringey Council (the main leaseholder) on its Broad Lane property in Tottenham Hale, providing security for continued delivery of our 16-19 provision in the short-term. However, due to a reduction in DfE budgets, Ada has had to take on the financial commitment of paying the lease annually. Ada continues to pay a significantly below market rate lease cost for its Vallance Road building that runs to 2024, as well as minimal service costs, for the delivery of its apprenticeship provision. In March 2021, Ada signed a 24-month lease agreement with Bruntwood Property Management for a small training space (c. 650sqm) in Manchester Technology Centre to act as it's temporary campus in the North West. The 24-month period is rent free and Ada will pay the relevant service charge and utilities for the space.

In Autumn 2020, working closely with the Department for Education's (DfE) capital team, we identified a building in central London that could work as the College's hub campus in Greater London that is already part of the DfE's existing estate. The DfE secured internal sign-off to complete a detailed feasibility study on the College's behalf to understand what would be required for Ada to occupy the building. The feasibility study concluded in September 2021 and a business case has been submitted to DfE Ministers for capital funding to complete required works to make the building fit-for-purpose for Ada to occupy and utilise on a sustainable basis. A decision is expected in December 2021.

Ada has also been approached about a building in the Ancoats area of Manchester. The freehold is owned by Manchester City Council though a long lease is owned by the DfE. The DfE and local authority and Greater Manchester Combined Authority (GMCA) are all keen for Ada to occupy the building in a few years' time as

Ada's long-term hub campus in the North West. Ada is part of a consortium bid to become one of the DfE's Institute of Technologies (IoT) and through involvement with this scheme secured funding to conduct a feasibility study to understand the costs and other implications of refurbishing the building. This formed the basis of our capital funding ask through the IoT consortium bid. The College will be notified in December 2021 if the bid has been successful. If not, then alternative potential funding routes have been identified and application will be submitted in early 2022.

1.3 Resources

The College has set strategic objectives and uses a range of resources to deliver them.

1.3.1 People

During 2020-21 the Group employed 42 staff. Most 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. At the time of

1.3.2 Student numbers

The College enrolled 62 students into the sixth form in August 2021, bringing the total number of students in the sixth form to 157. The total number of apprentices enrolled on level 4 and 6 programmes amounted to 202 in September 2021 with a further 65 due to enrol in October 2021.

1.3.2 Tangible Assets

Tangible resources include the Broad Lane site and the Whitechapel premises. At 31 July 2021, the College had cash balances of £1,858,099.

1.3.3 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. We continue to pay a monthly fee to retain a PR agency to support the College's profile-raising efforts with Government and the media.

The College received a 'Good with Outstanding Features' Ofsted rating in October 2018 and had a positive monitoring visit from Ofsted in December 2020 to learn more about how we were dealing with the pandemic. Both reports are available on the Ofsted website.

1.4 Stakeholders

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

- Students;
- Parents and Carers
- 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.

1.5 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

2. DEVELOPMENT AND PERFORMANCE

2.1 Financial results

The Group incurred a deficit and total comprehensive expenditure of (£2,065) for the year (2020 - a surplus of £743,288). The drop in performance was due to having to pay lease costs on our Broad Lane site from December 2020, previously covered by the Department for Education. The previous financial year was also particularly strong for our fundraising performance. The College generated £656,048 of fundraising income during the year from donors including Salesforce, Bank of America, King and high net worth individuals as well donated services from Bruntwood for our premises in Manchester.

The Group has accumulated reserves of £1,993,282 (2020: £1,995,348), which includes cash and short-term investment balances of £1,858,099 (2020: £2,148,586) and a working capital loan of £280,000 (2020: £280,000). The Group wishes to continue to accumulate reserves and cash balances in order to create a contingency fund.

Tangible fixed asset additions during the year amounted to £153,432, including furniture and fittings for its campuses and new laptops.

The Group relies significantly on the education sector funding bodies for its principal income source. In 2020/21 the FE funding bodies provided 76% of the Group's total income with the balance raised through philanthropy and other grant based income relating to specific projects such as Manchester.

2.2 Cash flows and liquidity

There was a net cash outflow of £290,488 in the year.

The College planned to repay £200,000 of the unsecured working capital loan of £420,000 from the Department for Education. However, a late invoice from the Department for Education meant that the repayment was not made until September 2021 so remained as a liability on the Balance Sheet at 31 July 2021. 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 balance and accrued interest will be paid in January 2022.

The size of the College's total borrowing is manageable in the context of the College's overall budget and the college maintains a strong cash position.

2.3 Group Companies

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.

3. FUTURE PROSPECTS

3.1 Future Developments

The College currently occupies two sites in London and one in Manchester. The College is working with the DfE 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. At the time of writing a site has been identified and a feasibility study is underway before a case for funding is made to HM Treasury.

In the last financial year, the College secured funding from Manchester City Council, DCMS and successful tech entrepreneurs to support the launch of a pilot apprenticeship programme in the Greater Manchester Region. In March 2021, the college took occupation of training space which has been secured rent free for up to 24 months. The in-kind value to the college is £90,200 per year.

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 College is looking to expand its business development capacity to pursue the giving of philanthropic support from industry partners and individuals and hopes to secure further philanthropic support in the coming year.

3.2 Financial Plan

The Board approved a financial plan in July 2021 which sets objectives for the period to 2024. The budget for the period ending July 2022 anticipates a deficit of £262k. This is driven primarily by the College having to pay lease costs on the Tottenham Hale site which had previously been covered by the Department for Education.

The College has an ambitious growth plan over the next three years and recognises the need to invest to grow. The College currently has strong cash balances which will need to be closely monitored during this period and will continue to report regularly to the Finance and Resources Committee and Board on the position.

3.3 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.

Any 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.

3.4 Reserves policy

The Group 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 has adopted a Reserves Policy

of retaining a minimum of three month's worth of operating expenditure (circa £300k). The Group's reserves include £33,464 (student bursary fund) held as restricted revenue reserves. As at the balance sheet date the unrestricted Income and Expenditure reserve was in surplus by £1,297,984 (2020: £906,671 surplus) which exceeds the minimum reserves

4. 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 identifies 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

The college currently operates from leased accommodation. The Broad Lane lease which was due to expire in December 2020 has been extended by 3 years to December 2023. The Whitechapel building used for Apprenticeship provision has a five-year lease running to April 2024. 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 College working with the DfE to identify an alternative site that will provide the College with permanent accommodation in London to house both the sixth form and apprenticeship provision. At the time of writing a site has been identified and a business case has been submitted to ministers. A decision is expected in December 2021.

2. Failure to maintain the financial viability of the College

The College maintains a healthy cash balance and remains financially viable through a cautious approach to cost management during the pandemic due to the uncertain economic climate that the Board and leadership team identified might impact significantly on our apprenticeship learner volumes. The continuing challenge to the College's financial position remains the pressure on growing Sixth Form and Apprenticeship student numbers, increasing revenue, generating fundraising and ensuring that our operating costs remain efficient and effective in relation to the number of learners enrolled and staff employed. There are a number of measures in place to manage this risk including:

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

3. Risk of not achieving year on year volume targets for apprenticeship cohorts

Not achieving volume targets would have an impact on income, growth plans and financial sustainability. This risk is mitigated by setting and reporting on KPI targets and plans to strengthen our Business Development capacity and activity to support meeting volume targets.

5. PERFORMANCE INDICATORS

5.1 Student numbers

In 2020/21 the College has delivered activity that has produced £953,880 in EFSA 16-19 funding and £1,509,151 in Apprenticeship related income. Student numbers in the year were 153 16-19 and 187 apprentices.

We continue to monitor each programme and have set volume targets as part of our strategic plan.

5.2 Student achievements

In summer 2021, the College received its fourth set of 16-19 academic qualification results. These are summarised below:

- BTEC Computer Science performance: 100% pass rate. 72% 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 performance: 30% of entries are A*-A (2019: 24%), 45% A*-B (2019: 37%), and 100% A*-E (2019: 98%)
- Progression Summary: 25% of students are going to Degree Apprenticeships in software development or technology consulting. 64% are definitely going on to university and 98% of students that applied got into their 1st choice university.

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. 94% of apprentices who took their End Point Assessment were successful.

Our Qualification Achievement Rate for our 16-19 provision was 91% and for our Apprenticeship was 68% (this is due to a number of apprentices at 2 companies receiving full-time employment promotions and not deciding not to complete their apprenticeship).

We now have a small but fast-growing alumni community of 300+ 6th form students and apprentices. We are exploring ways that we can better support them.

The College's leadership and teaching teams are working hard to articulate and implement quality improvement plans to improve the quality of teaching and learning and assessment and ensure we adding the most value to our learners during their time at Ada.

5.3 Self-Assessment Report

The College published its fourth Self-Assessment Report (SAR) in autumn 2020. The Education Committee scrutinises this report on an annual basis and now consists of greater education expertise increasing the rigour of our analysis and the quality of our improvement plans.

Overall it was a good year of operation that we navigated successfully despite the challenges presented by Covid-19. 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.

5.4 Payment performance

The Late Payment of Commercial Debts (Interest) Act 1998, in the absence of agreement to the contrary, requires organisations 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. During the accounting period 1 August 2020 to 31 July 2021, the College paid 75% of its invoices within 30 days. The College incurred no interest charges in respect of late payment for this period.

6 EQUALITY AND DIVERSITY

6.1 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.

Following the Black Lives Matter campaign, the College consulted with staff and learners and formed the new Equality, Inclusion and Diversity Committee to increase our efforts in this regard with representatives from across the College, including students and apprentices. The Committee has developed and published an Equality, Inclusion and Diversity policy which is available to students, staff and on the College's website.

6.2 Disability statement

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

- As part of its accommodation strategy the College ensured a full access audit.
- 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.
- The College has invested in additional learning assistants to support students with learning difficulties and/or disabilities.
- 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.

6.3 Trade Union facility time

The College does not have trade union officials.

7 GOING CONCERN

The Group achieved a deficit and total comprehensive expenditure of (£2,065) for the year (2020 - a surplus of £743,288). The drop in performance is partially attributed to having to pay rent on the Broad Lane site since

December 2020, amounting to over £150k in the year. We also had exceptional performance in fundraising in 2019-20.

On a College basis, which excludes capital works and related funding as well as depreciation costs, the surplus for the period was £59,910. At 31 July 2021, the Group had net assets of £1,993,283 of which £712k related to the net book value of fixed assets. Excluding restricted reserves, the Group's free reserves were in surplus by £1,297,984 at 31 July 2021. At the College level, the net assets were £642,851 which also equated to its free reserves at 31 July 2021.

The College's cash position remains strong with £1,858,098 at 31 July 2021 (2020: £2,148,586) and supports the aim of maintaining a minimum of 30 cash days.

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:

- Although for 2021/22, the Corporation has approved a budget deficit of £262k, the Group maintains strong cash balances throughout the year and up to December 2022.
- The College has adequate reserves to support operations and to have fully repaid the balance of the working capital loan principal and accrued interest in January 2022.

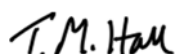
The College is working with the DfE to identify an alternative site that will provide the College with permanent accommodation in London to house both the sixth form and apprenticeship provision. At the time of writing a site has been identified and a business case has been submitted to ministers. A decision is expected in December 2021.

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

8 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 13 December 2021 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 2020 to 31 July 2021 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.

During the year the Corporation agreed to adopt the Charity Commission Governance Code. 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 2021. 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 Initial Appointment or reappointment	Date Term ends (<i>resignation if earlier</i>)	Board Meetings for 2020 - 2021		Committees Served in 2020 - 2021				
				No. of meetings	Attendance Rate	A	E	BM	R	F&R
Tiffany Hall (Chair)	Independent	3.10.2019	3.10.2023	5	100%			✓	✓	✓
Nicholas Wilcock	Independent	9.8.2019	8.8.2023	3	66%				✓	✓
Chris Payne (Co-Vice Chair)	Independent	9.8.2019	8.8.2023	5	100%				✓	✓
Annamarie Douglas	Independent	7.2.2018	6.2.2022	5	100%		✓			✓
Kym Andrew	Independent	9.8.2019	8.8.2023	2	40%					
Olga Bonney-Glazik	Staff (maternity leave May 2020 – Jan 2021)	1.8.2018	31.1.2022	1	100%					

Name	Category of Membership	Date of Initial Appointment or reappointment	Date Term ends (resignation if earlier)	Board Meetings for 2020 - 2021		Committees Served in 2020 - 2021				
				No. of meetings	Attendance Rate	A	E	BM	R	F&R
Steven Davies	Independent	9.8.2019	Resigned 14.12.2020	2	100%	✓			✓	
Amali de Alwis	Independent	26.9.2018	25.9.2022	4	80%	✓		✓		
Rachel Jackson	Independent	9.8.2018	Resigned 31.07.2021	4	80%		✓			
Dame Zarine Kharas	Independent	26.9.2018	25.9.2022	5	100%			✓		✓
Gillian Lancaster	Independent	1.1.2019	31.12.2022	4	80%	✓				
Salman Momen	Independent	1.1.2019	Resigned 31.01.2021	2	50%		✓			
Mark Smith	Chief Executive Officer	1.9.2017	<i>Ex officio</i>	5	100%		✓	✓		✓
Kevin Walsh	Independent	9.8.2018	8.8.2022	5	100%			✓		
Tom Fogden	Independent	4.3.2020	3.3.2024	4	80%					✓
Joanna Smith	Staff (maternity cover)	2.7.2020	1.7.2021	4	80%					
Lisa Kattenhorn	Independent	30.9.2020	29.9.2024	4	80%		✓			
Phil Kemp	Independent	30.3.2021	29.3.2025	3	66%					✓
Imran Razzaq	Independent	30.3.2021	29.3.2025	3	100%					
Kathryn Skelton	Independent	24.5.2021	23.5.2025	2	100%					

Committees:

A = Audit

BM = Board membership

F&R = Finance and Resources Committee

E = Education

R = Remuneration

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 up to six 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, Board Membership (formally Search), Finance and Resources 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 Board Membership (formally Search) Committee, consisting of five 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 has carried out an evaluation of its performance and will do a similar exercise in 2021/22. 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 Board Membership (formally Search) Committee

Remuneration Committee

Throughout the period ended 31 July 2021, the College's Remuneration Committee comprised four 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 2021 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.

Board Membership (formally 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 Board Membership 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.

Finance and Resources Committee

The Finance and Resources Committee replaced the Capital Projects Committee in late summer 2020. This further strengthens the college governance arrangements with remit to oversee financial and HR issues. The

Committee met regularly in the year. As well as continuing to provide oversight and advice on capital project issues, the Committee also considered:

- The proposed three-year budget for 2021-22 to 2023-24 before it was submitted for Board approval;
- Management reports on financial performance and position, monitoring the College's actual financial performance compared with budgeted priorities and cash flow;
- People Management reports and updates on HR issues

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 2021 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 2021 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 and risk management for 2020/21:

Due to Covid a regular programme of Internal audit activity has not been undertaken. A review of GDPR is underway and due to report by the end of December 2021. The College is undertaking a procurement exercise to appoint internal auditors for a three-year period from 2021-22 to 2023-24.

In October 2021 an independent assurance review was undertaken focussing on ESFA funding rules and regulations in relation to 2020/21 funding. Apprenticeship regulatory compliance was identified as a high risk area. The College is addressing the identified weaknesses by reviewing all of its processes around Apprenticeship provision

The risk management processes for the College were reviewed extensively by the audit committee. A new co-opted committee member was added to the Audit Committee with an expertise in risk management to support this work. A new approach to risk management with an updated risk register was introduced in Autumn 2020.

Review of effectiveness

As Accounting Officer, the CEO 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:

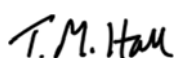
- the work of the executive managers within the College who have responsibility for the development and maintenance of the internal controls; and
- comments made by the College's financial statements and regularity auditors in their management letters and other reports.

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.

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.

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 13 December 2021 and signed on its behalf b



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.

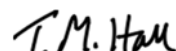
We confirm that no instances of material irregularity, impropriety or funding non-compliance have been discovered to date. If any instances are identified after the date of this statement, these will be notified to the ESFA.



Mark Smith

Accounting Officer

Date: 13 December 2021



Tiffany Hall

Chair of the Corporation

Date: 13 December 2021

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 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 13 December 2021 and signed on its behalf by:

T.M. Hall

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 2021 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 2021 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

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

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

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

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the College through discussions with management, and from our knowledge and experience of the sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the College, including the Further and Higher Education Act 1992, funding agreements with the ESFA and associated funding rules, ESFA regulations, data protection legislation, anti-bribery, safeguarding, employment, health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

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

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

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

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions; and
- assessed whether judgements and assumptions made in determining the accounting estimates set out in the accounting policies were indicative of potential bias;

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

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of Corporation meetings;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing any available correspondence with HMRC and the College's legal advisors.

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

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

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

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 cursive script that reads "Buzzacott LLP".

Buzzacott LLP
Statutory Auditor
130 Wood Street
London
EC2V 6DL

Date: 17 December 2021

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 Education and Skills Funding Agency (ESFA)

In accordance with the terms of our engagement letter dated 3 June 2021 and further to the requirements and conditions of funding in ESFA's grant funding agreements and contracts, or those of any other public funder, we have carried out an engagement to obtain limited assurance about whether anything has come to our attention that would suggest, in all material respects, the expenditure disbursed and income received by Ada National College for Digital Skills during the year to 31 July 2021 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 ESFA and in any relevant conditions of funding concerning adult education notified by a relevant funder. In line with this framework, our work has specifically not considered income received from the main funding grants generated through the Individualised Learner Record data returns, for which the ESFA or devolved authority has other assurance arrangements in place.

This report is made solely to the Corporation of Ada National College for Digital Skills and ESFA 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 ESFA 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 2021 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 by the ESFA. 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 2021 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Buzzacott LLP
Statutory Auditor
130 Wood Street
London
EC2V 6DL

Date: 17 December 2021

Ada National College for Digital Skills

Consolidated Statements of Comprehensive Income and Expenditure

	Notes	Year ending 31 July 2021		Year ending 31 July 2020	
		Group	College	Group	College
		£	£	£	£
INCOME					
Funding body grants	2	2,504,082	2,504,082	2,337,615	2,337,615
Tuition fees and education contracts	3	106	106	114	114
Other grants and contracts	4	62,078	-	188,232	-
Other income		53,814	3,914	54,518	539
Investment income	5	218	173	556	337
Donations and Endowments	6	656,048	306,272	1,215,281	325,675
Total income		3,276,346	2,814,547	3,796,316	2,664,280
EXPENDITURE					
Staff costs	7	2,105,746	1,126,183	2,093,856	1,258,669
Other operating expenses	8	867,778	1,616,460	624,250	778,965
Depreciation	10	292,894	-	323,031	-
Interest and other finance costs		11,994	11,994	11,891	11,891
Total expenditure		3,278,411	2,754,637	3,053,028	2,049,525
Deficit before other gains and losses		(2,065)	59,910	743,288	614,755
Surplus/(deficit) before tax		(2,065)	59,910	743,288	614,775
Taxation	9	-	-	-	-
Total Comprehensive Expenditure for the year		(2,065)	59,910	743,288	614,755
Represented by:					
Restricted comprehensive (expenditure) income		(293,378)	-	(172,505)	-
Unrestricted comprehensive income		291,313	59,910	915,793	614,755
		(2,065)	59,910	743,288	614,755

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

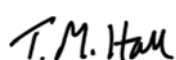
	Income and expenditure account	Restricted reserves	Total
	£	£	£
Group			
Balance at 31 July 2019	(9,122)	1,261,182	1,252,060
Surplus/(deficit) from the income and expenditure account	915,793	(172,505)	743,288
Total comprehensive income for the period	<u>915,793</u>	<u>(172,505)</u>	<u>743,288</u>
Balance at 31 July 2020	906,671	1,088,677	1,995,348
Surplus/(deficit) from the income and expenditure account	291,313	(293,378)	(2,065)
Transfers between capital and income and expenditure reserves (note 18)	100,000	(100,000)	
Total comprehensive income for the period	<u>391,313</u>	<u>(393,378)</u>	<u>(2,065)</u>
Balance at 31 July 2021	<u>1,297,984</u>	<u>695,299</u>	<u>1,993,283</u>
College			
Balance at 31 July 2019	(31,814)	-	(31,814)
Surplus from the income and expenditure account	614,755	-	614,755
Total comprehensive income for the period	<u>614,755</u>	<u>-</u>	<u>614,755</u>
Balance at 31 July 2020	582,941	-	582,941
Surplus from the income and expenditure account	59,910	-	59,910
Total comprehensive income for the period	<u>59,910</u>	<u>-</u>	<u>59,910</u>
Balance at 31 July 2021	<u>642,851</u>	<u>-</u>	<u>642,851</u>

Ada National College for Digital Skills

Balance sheets as at 31 July

	Notes	2021		2020	
		Group	College	Group	College
		£	£	£	£
Non-current assets					
Tangible fixed assets	10	712,940	-	852,402	-
		712,940	-	852,402	-
Current assets					
Trade and other receivables	11	30,985	61,853	44,448	501
Cash and cash equivalents	14	1,858,099	1,605,005	2,148,586	1,422,508
		1,889,084	1,666,858	2,193,034	1,423,009
Creditors – amounts falling due within one year	12	(608,742)	(1,024,007)	(1,050,088)	(840,068)
Net current assets		1,280,342	642,851	1,142,946	582,941
Total assets less current liabilities		1,993,282	642,851	1,995,348	582,941
Creditors – amounts falling due after more than one year	13	-	-	-	-
Total net assets		1,993,282	642,851	1,995,348	582,941
Restricted reserves					
Student bursaries	18	35,463	-	45,949	-
Capital reserve		659,835	-	1,042,728	-
Total restricted reserves		695,298	-	1,088,677	-
Unrestricted reserves					
Income and expenditure account		1,297,984	642,851	906,671	582,941
Total unrestricted reserves		1,297,984	642,851	906,671	582,941
Total reserves		1,993,282	642,851	1,995,348	582,941

The financial statements on pages 30 to 45 were approved and authorised for issue by the Corporation on 13 December 2021 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 2021

	Notes	Group 2021 £	Group 2020 £
Cash flow from operating activities			
Surplus/(deficit) for the period		(2,065)	743,288
Adjustment for non-cash items			
Depreciation		292,894	323,031
Increase in debtors		13,462	12,122
Increase/(decrease) in creditors due within one year		(441,347)	552,070
Adjustment for investing or financing activities			
Investment income		218	(556)
Interest on loan		11,994	11,891
Net cash flow (used in) provided by operating activities		<u>(124,844)</u>	<u>1,641,846</u>
Cash flows used in investing activities			
Investment income		(218)	556
Payments made to acquire fixed assets		(153,432)	(42,800)
		<u>(153,650)</u>	<u>(42,244)</u>
Cash flows used in financing activities			
Interest accrued on loans		(11,994)	(11,891)
Repayment of unsecured loan		-	(30,000)
		<u>(11,994)</u>	<u>(41,891)</u>
(Decrease) increase in cash and cash equivalents in the year		(290,488)	1,557,711
Cash and cash equivalents at beginning of the period	14	2,148,586	590,875
Cash and cash equivalents at end of the period	14	<u>1,858,099</u>	<u>2,148,586</u>

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 2019 (the 2019 FE HE SORP)*, the *College Accounts Direction for 2020 to 2021* 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 2021.

Going concern

The Group incurred a deficit of (£2,065) for the year (2020 - a surplus of £743,288). The drop in performance is partially attributed to having to pay rent on the Broad Lane site since December 2020, amounting to over £150k in the year. We also had exceptional performance in fundraising in 2019-20.

On a College basis, which excludes the capital works and related funding as well as depreciation costs, the surplus for the period was £59,910. At 31 July 2021, the Group had net assets of £1,993,282 of which £713k related to the net book value of fixed assets. Excluding restricted reserves, the Group's free reserves were in surplus by £1,297,984 at 31 July 2021. At the College level, the net assets were £642,851 which also equated to its free reserves at 31 July 2021.

The College's cash position remains strong with £1,858,098 at 31 July 2021 (2020: £2,148,585) and supports the aim of maintaining a minimum of 30 cash days.

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:

- Although for 2021/22, the Corporation has approved a budget deficit of £262k, the Group maintains strong cash balances throughout the year and up to December 2022.
- The College has adequate reserves to support operations and to have fully repaid the balance of the working capital loan principal and accrued interest in January 2022.
- 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 2023 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 has been extended by a further 3 years to December 2023 and the net book value of refurbishment costs have been depreciated over the extended lease period. The Whitechapel lease ends 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.

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.

Taxation

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	
	2021	2021	2020	2020
	Group	College	Group	College
	£	£	£	£
Recurrent grants				
Education and Skills Funding Agency – 16 -19	953,880	953,880	896,199	896,199
Education and Skills Funding Agency - apprenticeships	1,509,151	1,509,151	1,403,479	1,403,479
Specific grants				
Teacher Pension Scheme contribution grant	41,052	41,052	37,937	37,937
Total	2,504,083	2,504,083	2,337,615	2,337,615

3 Tuition fees and education contracts	Year ended 31 July		Period ended 31 July	
	2021	2021	2020	2020
	Group	College	Group	College
	£	£	£	£
Education contracts	106	106	114	114
Total	106	106	114	114

4 Other grants and contracts	Year ended 31 July		Period ended 31 July	
	2021	2021	2020	2020
	Group	College	Group	College
	£	£	£	£
Capital Grant		-	98,348	-
Grant Funding	62,078	-	89,884	-
Total	62,078	-	188,232	-

5 Investment income	Year ended 31 July		Period ended 31 July	
	2021	2021	2020	2020
	Group	College	Group	College
	£	£	£	£
Interest receivable	218	173	556	337
Total	218	173	556	337

6 Donations and endowments	Year ended 31 July		Period ended 31 July	
	2021	2021	2020	2020
	Group	College	Group	College
	£	£	£	£
Unrestricted donations	306,272	306,272	1,043,465	253,859
Restricted donations	317,156	-	105,000	5,000
Donated services	32,620	-	66,816	66,816
Total	656,048	306,272	1,215,281	325,675

7 Staff costs

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

	2021		2020	
	Group	College	Group	College
	No.	No.	No.	No.
Teaching staff	18	17	20	19
Non-teaching staff	24	-	21	1
	42	17	41	20

Staff costs for the above persons

	2021		2020	
	Group	College	Group	College
	£	£	£	£
Wages and salaries	1,576,038	798,593	1,486,858	829,654
Social security costs	168,060	89,326	154,505	93,868
Other pension costs (note 16)	203,392	135,707	196,588	149,562
Payroll sub total	1,947,490	1,023,626	1,837,851	1,073,084
Contracted out staffing services	158,257	102,557	256,005	185,585
Total Staff costs	2,105,746	1,126,183	2,093,856	1,258,669

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

	2021	2020
	No.	No.
The number of key management personnel including the Accounting Officer was:	2	2

7 Staff costs (continued)

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			
	2021		2020	
	Key management personnel	Other staff	Key management personnel	Other staff
	No.	No.	No.	No.
£70,001 to £80,000 p.a.	2	-	2	-
	2	-	2	-

Key management personnel compensation is made up as follows:

	Group	
	2021	2020
	£	£
Salaries	155,000	144,685
Employers' National Insurance	18,960	17,730
	173,960	162,415
Pension contributions	36,704	33,737
Total key management personnel compensation	210,664	196,152

Total key management personnel includes £210,664 (2020:£196,152) in respect of the College.

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

	Group	
	2021	2020
	£	£
Salaries	80,000	73,593
Employers' National Insurance	9,820	9,055
	89,820	82,648
Pension contributions	18,945	17,194

7 Staff costs (continued)

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.

Relationship of Chief Executive pay and remuneration expressed as a multiple	2021	2020
Chief Executives' basic salary as a multiple of the median of all staff	2.2	2.1
Chief Executives' total remuneration as a multiple of the median of all staff	2.3	2.2

8 Other operating expenses

	Year ended 31 July		Period ended 31 July	
	2021		2020	
	Group	College	Group	College
	£	£	£	£
Teaching costs	183,843	160,218	127,961	119,109
Non-teaching costs [^]	339,302	1,456,242	301,108	661,856
Premises costs	344,633	-	195,182	-
Total	867,778	1,616,460	624,251	778,965

Other operating expenses include:	2021	2020
	£	£
Auditors' remuneration:		
Financial statements audit*	18,594	16,800
Internal audit	-	-
Rental of building under operating leases	75,000	75,000
Losses on disposal of fixed assets	-	-

[^]Includes £32,620 of donated services (2020: 66,816)

*Includes £10,962 in respect of the College (2020: £9,600)

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	Office & IT Equipment	Furniture & Fittings	Total
Cost	£	£	£	£
At 1 August 2020	3,3647,857	628,983	264,185	4,261,025
Additions		106,164	47,268	153,432
At 31 July 2021	<u>3,367,857</u>	<u>735,147</u>	<u>311,453</u>	<u>4,414,457</u>
Depreciation				
At 1 August 2020	2,668,465	597,341	142,817	3,408,623
Provided in the year	205,033	42,145	45,716	292,894
At 31 July 2021	<u>2,873,498</u>	<u>639,486</u>	<u>188,533</u>	<u>3,701,517</u>
Net Book Value at 31 July 2021	<u>494,359</u>	<u>95,661</u>	<u>122,920</u>	<u>712,940</u>
Net Book Value at 31 July 2020	<u>699,392</u>	<u>31,641</u>	<u>121,369</u>	<u>852,402</u>

11 Trade and other receivables

	Period ended 31 July		Period ended 31 July	
	2021	2021	2020	2020
	Group	College	Group	College
	£	£	£	£
Trade receivables	27,954	-	28,288	501
Prepayments and accrued income	3,031	-	16,160	-
Amounts due from subsidiary undertakings		61,853	-	
Total	<u>30,985</u>	<u>61,853</u>	<u>44,448</u>	<u>501</u>

12 Creditors: amounts falling due within one year

	Period ended 31 July		Period ended 31 July	
	2021	2021	2020	2020
	Group	College	Group	College
	£	£	£	£
Trade payables	59,301	17,794	147,852	36,124
Other taxation and social security	46,483	24,396	42,757	24,519
Accruals	82,159	64,269	64,083	49,194
Department for Education Loan Facility (note 13)	280,000	280,000	280,000	280,000
Amounts due to subsidiary undertakings	-	571,938	-	171,987
Deferred Income	67,500	-	236,358	236,358
Capital funds owing to Department for Education	-	-	222,006	-
Other creditors	73,300	65,610	57,032	41,886
Total	<u>608,743</u>	<u>1,024,007</u>	<u>1,050,088</u>	<u>840,068</u>

13 Creditors: amounts falling due after one year	Period ended 31 July		Period ended 31 July	
	2021	2021	2020	2020
	Group	College	Group	College
	£	£	£	£
Department for Education Loan Facility	-	-	-	-
Total	-	-	-	-

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 and further £30,000 payment in November 2019. The working capital loan was reprofiled in March 2021 with full repayment of the capital and accrued interest due in January 2022. A repayment of £200,000 was made in September 2021. The final capital balance of £80,000 plus interest will be repaid in January 2022

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

14 Cash and cash equivalents

	At 1 August 2020	Cash flows	Other changes	At 31 July 2021
	£	£	£	£
Cash and cash equivalents	2,148,586	(290,488)	-	1,858,098
Total	2,148,586	(290,488)	-	1,858,098

15 Events after the reporting period

The college repaid £200k of the working capital loan in September 2021.

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	2021	2020
	£	£
Teachers' Pension Scheme: contributions paid	135,707	149,562
Aviva Workplace Pension Scheme	67,686	47,026
Total pension cost for the period within staff costs	203,393	196,588

Contributions amounting to £10,536.14 (2020: £6,328) were payable to the Aviva Workplace Pension scheme at 31 July 2021 and are included within creditors. There were no contributions owing to the Teachers' Pension Scheme at 31 July 2021 (2020: £nil).

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.

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 in 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 2018/19). The DfE agreed to pay a teacher pension employer contribution grant to cover the additional costs during the 2020-21 academic year.

A full copy of the valuation report and supporting documentation can be found on the Teachers' Pension Scheme website.

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 (2020 - £nil).

No Corporation member received any remuneration or waived payments from the Group or the College during the year (2020 – none).

Fundraising income amounting to £71k (2020: £112,858) was received from Bank of America. Gillian Lancaster, a member of the Board is a Managing Director at Bank of America.

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 £1,430,163 during the year (2020 - £538,460) relating to the provision of premises, operational and marketing support. This year we are recharging more costs of NCDS to Ada to more accurately reflect the actual position.

18 Restricted funds

	At 1 August 2020	Incoming resources	Resources expended	Transfers	At 31 July 2021
	£	£	£	£	£
a) Restricted funds – Bursaries	45,949	300	12,785	-	33,464
b) Capital	1,042,728	10,000	292,895	(100,000)	659,833
c) Future Leaders	-	12,500	10,500		2,000
	1,088,677	22,800	316,180	(100,000)	695,297

a) Bursaries – funding provided for student bursaries.

b) Capital grant – funding from the Department for Education, Greater London Authority and IBM or other funders which are applied to specific capital purposes, including premises, IT and equipment, as imposed by the funder. The fund balance represents the value of assets acquired using these funds as well as the balance of funds still to be applied.

Transfers between the capital grant fund and unrestricted funds represents eligible costs which were not charged against this fund when incurred.

c) The college supports the Panopoly project which helps identify future leaders. The college administers payment of bursaries to the project participants .

19. Operating lease commitments

As at 31 July 2021, the charity had annual commitments under non-cancellable operating leases relating to land and buildings as set out below.

	2021	2020
	£	£
Expiring:		
1 year	275,000	214,113
2 – 5 years	339,583	610,887
	614,583	825,000

£214,113 has been charged to expenditure for the year. (2020 £75,000)

20. Contingent liabilities

Due to the nature of the College's agreement with funding bodies, the College's learner records are periodically subject to audit by representatives of the funding bodies in a subsequent accounting period. There is a possibility that these audits would identify learner records that did not fully comply with the funding rules and so the College would be required to repay some of the funding received. The amounts of the potential obligation if such an audit was to be undertaken cannot be reliably estimated.