

New Model Institute for Technology and Engineering

England & Wales · Charity number 1176550

Details

Other names NEW MODEL IN TECHNOLOGY & ENGINEERING, NMITE

Status Registered

Legal form Charitable company

Company number [08800142](#)

Registered 2018-01-05

Register [View on the Charity Commission register](#)

Contact

Address Nmite
Blackfriars Street
Hereford
HR4 9HS

Phone 01432 371111

Email chib.alexander@nmite.ac.uk

Website <https://nmite.ac.uk/>

Activities

Objects: 3. OBJECTS3.1 The Institute's objects ("Objects") are specifically restricted to the following:3.1.1 to advance education, with a particular focus on engineering and related business skills, and to widen participation in higher education by underrepresented groups and those who are socially excluded; and 3.1.2 to promote research for the public benefit and to publish the useful results.

Activities: Establishing and operating an institution of Higher Education focused on teaching inter-disciplinary engineering

Classification

- **How:** Provides Buildings/facilities/open Space, Provides Services, Provides Advocacy/advice/information, Sponsors Or Undertakes Research
- **What:** Education/training
- **Who:** Children/young People

Geography

- **Area of benefit:** HEREFORDSHIRE
- Throughout England And Wales

Finances

Period end	Income	Expenditure	Assets	Employees
2025-07-31	£5,580,000	£6,842,000	£3,167,000	50
2024-07-31	£5,919,000	£7,440,000	£4,430,000	50
2023-07-31	£4,968,000	£8,163,000	£5,951,000	51
2022-07-31	£9,135,000	£8,108,000	£9,146,000	49
2021-07-31	£3,195,000	£6,958,000	£8,119,000	46

Trustees

Name	Role	Appointed
Aimee Clark		2021-09-20
Antony Peter Metcalfe		2026-01-22
Christopher Julian Drinkall		2025-07-01
David Alun Hughes		2023-05-23
Dr Alexander Jesse Norman		2025-01-17
James Newby		2022-09-01
Jonathan Revell Emmet		2023-05-22
Levi Caymen		2026-01-22
Marc Anthony Leppard		2021-09-20
Natasha Rothbucher-Thomas		2025-07-01
WILLIAM JAMES JACKSON		2025-07-01
Yasmin Ali		2022-11-01

New Model Institute for Technology and Engineering

England & Wales - Charity number 1176550

Accounts

REGISTERED COMPANY NUMBER: 08800142 (England and Wales)
REGISTERED CHARITY NUMBER: 1176550

Report of the Trustees and
Financial Statements
for the Year Ended 31 July 2025
for
New Model Institute for Technology and
Engineering

NMITE
Blackfriars Street
Hereford
England
HR4 9HS

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for the Year Ended 31 July 2025

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REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number
08800142 (England and Wales)

Registered Charity number
1176550

Registered office
NMITE
Blackfriars Street
Hereford
England
HR4 9HS

Trustees

Dr J Norman (Chair) (Appointed 17 January 2025)
Mr T Jagger (Chair) (Resigned 16 December 2024)
Mr M J Hitchin (Vice Chair) (Resigned 30 June 2025)
Mr M Leppard
Miss A Clark
Prof. N Lieven (Resigned 2 January 2025)
Mr C Courtney (Resigned 31 July 2025)
Ms Y Ali
Mr J Newby
Mr J Emmet
Mr D Hughes
Mr G Ferguson (re-appointed 29 January 2025)
Mr D James (Resigned 29 January 2025)
Mr T Bell (Appointed 29 January 2025)
Mr C Drinkall (Appointed 1 July 2025)
Mr W Jackson (Appointed 1 July 2025)
Ms N Rothbutcher-Thomas (Appointed 1 July 2025)

Company Secretary
Ms C Alexander

Auditors

Thorne Widgey Accountancy Ltd
Chartered Accountants
2 Wyevale Business Park
Kings Acre
Hereford
Herefordshire
HR4 7BS

Advisers

Bankers
HSBC Bank plc
35 High St
Hereford
HR1 2AQ

Key Management personnel:

Chief Executive Officer	Mr James Newby
Chief Academic Officer	Prof David Oloke
Finance Director	Mr Robert Jenkins
Director of People and Operations	Ms Samantha Lewis

The trustees, who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 July 2025. The trustees have adopted the provisions of Accounting and Reporting by Higher Education: Statement of Recommended Practice applicable to institutions preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

OBJECTIVES AND ACTIVITIES

Objectives and activities

NMITE exists to address the UK's shortage of work-ready graduate engineers and focuses on an integrated approach to engineering that trains and nurtures learners with meaningful skills and capabilities as well as knowledge. NMITE graduates will be ready to add economic, environmental and social value to a range of community and global challenges. Through their studies they work with a variety of stakeholders including industrial engineers, community groups, business owners and people with specific healthcare requirements, and they learn to scope, create and validate solution designs to a range of real challenges. NMITE believes that engineering is an exciting and varied career path which should be freely open to young people from all parts of society. NMITE's students will learn what engineers do, how they can have a positive impact on quality of life, the environment and industry.

To attract students from a variety of backgrounds, at differing stages of life, and different educational and experiential backgrounds, NMITE will consider every application individually and irrespective of the path prospective students have travelled to get where they are today. Engineers-in-training will experience NMITE's "learning by doing" with regular real-life projects and no lectures or traditional exams; unlike other engineering institutions they will not be required to have a Maths or Physics A-level as these subjects will be taught within the curriculum. NMITE is looking for entrepreneurial and socially-minded individuals who want to change the world for the better, and all experience is valuable. As part of the admissions process, NMITE evaluates a person's attitude, team-working skills, and mind-set and passion for designing engineering solutions to today's problems as well as their qualifications.

Public benefit and charitable objects

All our charitable activities are undertaken to further our charitable purposes for the public benefit. These are:

- to advance education, with a particular focus on engineering and related business skills, and to widen participation in higher education by underrepresented groups and those who are socially excluded; and
- to promote research for the public benefit and to publish the useful results.

ACHIEVEMENTS AND PERFORMANCE

NMITE has continued to make significant progress toward its mission of delivering innovative engineering education and developing a vibrant learning community. The institution has taken strides in academic offerings, student recruitment, and infrastructure development while navigating a challenging financial environment.

NMITE's Degree Awarding Powers

NMITE is undergoing the annual monitoring process as part of securing full degree-awarding powers from the Office for Students. Good progress has been made, with the second external annual review taking place during the final months of the year under review. A favourable report has since been received, demonstrating NMITE's commitment to academic quality and operational excellence.

Student Recruitment

A record intake of 75 students was enrolled in September 2025. This milestone highlights the increasing recognition of NMITE's unique approach to engineering education and its growing appeal among prospective students.

Estates and Infrastructure

NMITE's estate development efforts continue to advance in line with its strategic objectives:

- **Stronger Towns Grant:** NMITE is progressing a £2.3m building project funded by a Stronger Towns grant. The project is underway, and we expect to complete the building phase in early Spring 2026. We expect to deliver the project on time and within budget.
- **Charles Wolfson Charitable Trust Grant:** A £3.5m grant was secured to develop a new build specialist learning and events space. Planning permission for this development was received during the year and we are currently undertaking design and civil engineering activities. This project aligns with NMITE's goal of transforming the Blackfriars site into a vital civic hub for education, events, and public discourse.

Advanced centres

The Centre for Advanced Timber Technology (CATT) continued to expand its activities as it establishes its position as a nationally significant centre for the sustainable built environment.

New BSc in Construction Management

The CATT team secured validation for its **BSc (Hons) Construction Management**, a distinctive practice-led degree designed to meet the UK's growing need for professionals with the technical, digital and leadership skills required to deliver sustainable buildings and infrastructure. The programme was developed in close consultation with employers and professional bodies, ensuring strong alignment with modern methods of construction and the transition to net zero. NMITE welcomed its first cohort of students on to this programme in September 2025. Engagement with industry partners and future applicants continues to be very positive.

Expanding portfolio of professional training and courses

NMITE continued to expand its **professional and executive education portfolio**, offering a growing range of short courses and modular programmes for regional employers. Through the **Centre for Advanced Timber Technology (CATT)** and the **Centre for Innovation and Future Skills (CIFS)**, NMITE delivered bespoke training in leadership, digital engineering, and sustainable design. These activities strengthen relationships with local industry, support workforce upskilling, and generate new income streams that enhance NMITE's long-term sustainability.

Fundraising

NMITE's mission continues to inspire donors and partners to support us. Substantial grants and donations were secured during the year which increases the impact the institution can deliver and strengthens its partnerships with local institutions, engineering employers, and a range of other institutions.

A number of students were able to progress on their studies despite the financial challenges because of the financial support from a range of donors.

Academic Development

NMITE has expanded its academic offerings and strengthened its position as a leader in innovative engineering education.

The new programme portfolio

During the year, the Board of Trustees approved a refreshed academic programme portfolio aligned with NMITE's institutional strategy and the pathway towards securing full Degree Awarding Powers. This portfolio reflects NMITE's distinctive educational philosophy—integrating engineering, design, and real-world problem solving—and ensures that new programmes continue to meet both regulatory expectations and employer needs.

Two new degree programmes were successfully validated during the reporting year, including the BSc (Hons) Construction Management and the MEng (Hons) Mechanical Engineering. These additions broaden NMITE's offering beyond its flagship Integrated Engineering degree, providing new routes into engineering careers in sectors critical to the UK economy, such as sustainable construction and advanced manufacturing.

Each of the newly validated programmes attracted a viable first-year intake, demonstrating the growing market awareness and appeal of NMITE's hands-on, challenge-led model of engineering education. Early indicators suggest strong student engagement and employer interest across all new programme areas.

Looking ahead, NMITE will continue to review and evolve its programme portfolio to ensure responsiveness to emerging national and regional skills priorities, including areas such as renewable energy, autonomous systems, and digital manufacturing. This agility remains one of NMITE's defining strengths, allowing it to anticipate workforce needs and contribute directly to economic growth and social mobility.

Student Outcomes: The first cohort of students approached the end of their studies with exceptional success and NMITE held its first Graduation Day which was a significant milestone. All students seeking employment secured degree-level engineering jobs with companies including Balfour Beatty, AWE, BAE, Oakwrights, and Mondelez.

Access and Participation: In 2025 NMITE submitted its new Access and Participation plan for 2026 - 29 to the Office for Students. The APP sets ambitious goals to build on NMITE's early social mobility achievements. The focus of the plan will shift from simply expanding access to ensuring high levels of progression and success for under-represented groups.

Equity, Diversity and Inclusion: NMITE continues to advance equity, diversity and inclusion in all aspects of its work. Recruitment of students and staff from under-represented groups remains central to its mission. During 2024/25 NMITE continued to implement its institutional EDI strategy and increased bursary provision to improve access for students from lower participation post codes and non-traditional backgrounds.

Safeguarding and Student Welfare: NMITE maintains a comprehensive safeguarding framework. All staff and trustees receive mandatory training in safeguarding and Prevent and staff receive training in mental health awareness. During the year, additional training in preventing sexual harassment was provided in preparation for the new relevant OfS conditions of registration.

Community Involvement

NMITE continues to play an important role in its local community as it secures its place as Herefordshire's University. It is leading contributor to the community led Stronger Towns programme with a project of its own but also supporting the governance and oversight of the rest of the programme.

FINANCIAL REVIEW

Financial Position

NMITE shows an operating deficit for the year end 31 July 2025 of £1.263m (2024 deficit £1.521m). The funding provided by the Department of Education in the form of restricted capital and revenue grants have been fully utilised or committed.

The balance carried forward at the year-end for all unrestricted funds was £2.584m (2024: £3,793m).

Under HE SORP it is not permissible to defer revenue grant income from government or other funders unless there is a specific performance requirement.

The financial environment for higher education remains challenging, but NMITE has taken proactive measures to ensure financial stability:

Sector Challenges: The higher education sector continues to face unprecedented challenges, including stagnant tuition fees, rising costs, and intense competition for UK-based students.

Loan Restructuring and Investment: NMITE successfully renegotiated its existing loans with the Department for Education on more favourable terms. Additional financial support of £5m was secured from donors under a legally binding deed of grant. £2.0m of this donation was received in the year under review, and a second tranche of £1.5m will be received in the first half of 25/26.

Investment policy and investments

NMITE currently does not have an investment policy, but this will be developed by the trustees to ensure the safe and effective use of funds in due course.

Reserves policy

NMITE has unrestricted free reserves valued at negative £8.591m (2024: negative £7.641m). Other reserves held are restricted and capital funds that are not available for general use. See notes to the financial statements 14 and 15 for further information.

Going Concern

As a result of these measures, NMITE's trustees are confident that it remains a going concern, with a solid financial foundation to grow to its sustainable size over the next four years.

Despite the challenging financial climate in the higher education sector, NMITE has taken significant steps to secure its financial stability and ensure operational continuity.

Key factors supporting the trustees' going concern assessment include:

1. **Secured Financial Support:**
During the first half of 24-25, NMITE successfully secured a commitment of £5 million from donors through a legally binding deed of grant. This substantial financial injection provides immediate liquidity and underpins the institution's ability to meet its obligations as they fall due.
2. **Loan Restructuring:**
The successful renegotiation of existing loans with the Department for Education (DfE) on more favourable terms has reduced the financial burden on NMITE and provided additional flexibility to support its operational needs. In addition, NMITE crystallised the terms of its £380k debt with Herefordshire Council. The debt will be repaid over five years starting in 2034 with zero interest charged.
3. **Future Income Generation:**
NMITE's ability to attract record student intakes, such as the cohort of 75 students in September 2025, demonstrates its growing appeal and market demand. The launch of new academic programmes in 2025 is expected to further increase student enrolment, bolstering tuition fee income. NMITE also expects to increase its future income from the expansion of its professional and executive education course portfolio.
4. **Cost Management and Strategic Investments:**
The trustees have implemented rigorous cost management measures and targeted strategic investments that align with NMITE's long-term objectives. These efforts contribute to a sustainable financial framework.
5. **Favourable External Reviews:**
The positive outcome of NMITE's second annual review under the Office for Students degree-awarding powers process confirms the institution's robust governance, academic quality, operational practices, and financial planning.

Based on these factors, the trustees believe that NMITE is well-positioned to navigate sector-wide uncertainties and achieve its growth targets. As a result, they conclude that NMITE financial statements appropriately reflect the institution's status as a going concern.

NMITE Future Plans

NMITE is focused on delivering its ambitious vision for the future by expanding its academic offerings, infrastructure, and impact on the community:

1. **Academic Expansion:** NMITE plans to further develop its degree programme portfolio, focusing on current and future skills needed by industries. This aligns with NMITE's strategy of offering industry-relevant education to meet workforce demand.
2. **Infrastructure Development:** The ongoing £2.3 million Blackfriars site development, supported by a Stronger Towns grant, will create a vibrant hub for education and civic engagement. A new specialist learning and events space, funded by the Charles Wolfson Charitable Trust, will further enhance this site as a centre for innovation and public discourse.
3. **Community Engagement and Bursaries:** NMITE continues to offer new bursaries, such as the "Life Changer" initiative, to support students from Herefordshire and beyond, fostering local talent and addressing barriers to higher education. These bursaries aim to create pathways into engineering and related fields while reinforcing NMITE's role as a transformative force in its region. During the year NMITE also entered into a new Bursary programme with AWE and a student sponsorship partnership with British Aerospace. We believe collaboration with such internationally recognised businesses will provide a strong basis for future development.
4. **Leadership and Innovation:** NMITE has reorganised its Academic Leadership Team and has recently appointed Dr. Richard Lillington to the position of Head of Teaching and Learning. The new structure will facilitate improved academic focus for our students.

These plans highlight NMITE's commitment to addressing national and regional challenges while delivering a distinctive and impactful educational experience.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The New Model Institute for Technology and Engineering (NMITE) was incorporated as a private company limited by guarantee without share capital on 3 December 2013 and registered as a charity with the Charity Commission on 5 January 2018. NMITE is self-governing and legally independent but regulated as a public body.

NMITE is governed by its Articles of Association.

NMITE has adopted the Committee of University Chairs' Higher Education Code of Governance and is subject to the Office for Students' Regulatory Framework.

The Board of Trustees and its Committees

There are sub committees covering matters including Finance, Resources and Infrastructure, Audit and Risk, Nominations, and Remuneration. The Finance and resources subcommittee meets bi-monthly, and the Audit and Risk Committee meets quarterly. Both Nominations and Remuneration Committees are called a minimum of twice a year.

The Board is NMITE's supreme governing body, responsible for setting its strategic direction and policies, and for NMITE's finances and assets. The Academic Council is the highest academic body, reporting to the Board of Trustees and responsible for NMITE's academic policies and for regulating academic work and standards.

Recruitment and appointment of new trustees

During the year under review, the following changes to the Board of Trustees took place:

- Mr Terence Jagger resigned from their position as Chair of the Board on 16th December 2024
- Mr Timothy Bell was appointed as an elected student trustee on 29th January 2025.
- Mr Daniel James stood down as an elected student trustee in January 2025 following the expiry of their term of office
- Mr Graeme Ferguson was re-appointed as an elected Staff Trustee on 29th January 2025.
- Mr Martin Hitchin stood from their position as a Trustee and Vice Chair of the Board following the expiry of their 2nd Term of office.
- Mr Chris Courtney and Mr Nicholas Lieven stood down as trustees following the expiry of their term of office.
- Mr Julian Drinkall, Mr Bill Jackson and Ms Natasha Rothbucher-Thomas were appointed to the Board of Trustees.

The Nominations Committee defines the make-up of the Board and its committees, balancing age, availability, gender, professional expertise, and public and private sector industry experience to deliver a rounded leadership to NMITE.

Induction and training of new trustees

Trustees are provided with structured induction training to familiarise them with NMITE's mission and the various operational workstreams which advance it. They are also provided with the Charities Commission Guide 'The Essential Trustee' and are recipients of governance sector bulletins through NMITE's associate membership of Advance HE and professional advice through NMITE's auditors and legal counsel.

Trustees have undertaken training in PREVENT/ Safeguarding and GDPR; and on the Board responsibilities as a Regulated Body under the OfS.

The Executive

A Chief Executive Officer is appointed by the Trustees to manage the day-to-day operations of the charity. To facilitate effective operations the Chief Executive Officer has delegated authority for operational matters such as finance, employment, and academic programme activities.

The Chief Executive Officer is the Accountable Officer for OfS purposes.

Key management remuneration

The Trustees review the pay and remuneration of key management staff annually and normally increase pay levels in accordance with average earnings which have been benchmarked in the sector. Senior staff, including the CEO, play no part in these decisions.

Related parties

Due to the nature of the organisation, we working closely with local businesses and other educational institutions.

Risk management

The Trustees have a duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error.

The Audit and Risk Committee oversees the Corporate Risk Register, which is updated on a bi-monthly basis. Where appropriate, systems or procedures have been established to mitigate the risks that NMITE faces, including external risks to funding. Internal control risks are minimised by the implementation of procedures for authorisation of all transactions and projects. Procedures are in place to ensure compliance with health and safety of staff, volunteers, and visitors to NMITE locations.

The higher education sector in the UK faces significant challenges, including long-term tuition fee stagnation against rising operational costs and fierce competition for domestic students. These pressures have led to widespread financial strain across many institutions. NMITE, while not immune to these sector-wide issues, has taken proactive measures to mitigate these risks and ensure financial stability.

Key strategies include the successful restructuring of loans with the Department for Education (DfE) to achieve more favourable terms and securing a £5 million commitment from donors under a legally binding deed of grant. These efforts demonstrate a robust commitment to financial resilience and operational efficiency, providing the foundation for NMITE to achieve sustainable growth over the next four years. Furthermore, NMITE's innovative educational model and close ties with industrial partners contribute to its ability to attract and retain students, enhancing its competitive position despite sector challenges.

Statement of Internal Control

The Board has responsibility for maintaining a sound system of internal control that supports the achievement of the Institution's objectives whilst maintaining adherence to its policies and operating procedures. The controls also ensure compliance with the Office for Students conditions of registration and all charity regulation requirements.

The system of internal control is based on an ongoing process designed to identify the principal risks to the achievement of policies, aims and objectives, to evaluate the nature and extent of those risks and to manage them efficiently, effectively, and economically. It is designed to manage rather than eliminate risks and can therefore only provide reasonable and not absolute assurance of effectiveness against material losses.

An institutional Risk Register is maintained, which is presented at every meeting of the Audit and Risk Committee and to the Board of Trustees. Individual risk registers are maintained for all major organisational projects and all significant building projects

The Board's oversight of the effectiveness of the system of internal controls is informed directly by the work of the Internal Auditors and the Institution's senior management team. The Senior Leadership Team maintains a system of internal committees to ensure that policy creation and approval is consistent and transparent and to ensure that all activities are aligned to organisational strategy. Feedback is also provided by the External Auditors in their management letter and in other reports to the Audit Committee. The Internal Audit Strategy, approved by the Audit Committee, sets out priorities for the coming year based on institutional developments and risks and a wider view of the HE sector.

The Board of Trustees has approved a "governance handbook" which includes schedules of delegation which are reviewed from time to time. The Schedule includes the key responsibilities of the Executive relating to the operation of the internal control environment. The Board of Trustees receives a report from the President and Chief Executive at each meeting concerning the operation of the Institution and emerging risks and opportunities affecting it.

Volunteers and Donors

The Board of Trustees would like to pay tribute to volunteers and donors who give generously of their time and support of the work of NMITE.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also the directors of New Model Institute for Technology and Engineering for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

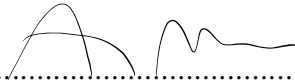
The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding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

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website.

Approved by order of the board of trustees on12th December 2025..... and signed on its behalf by:


.....
Dr J Norman - Chair of Trustees

New Model Institute for Technology and Engineering

Independent auditors' report to the New Model Institute for Technology and Engineering (a company limited by guarantee)

Year Ended 31 July 2025

Opinion

We have audited the financial statements of New Model Institute for Technology and Engineering (the 'Institute') for the year ended 31 July 2025 which comprise the Statement of Comprehensive Income, the Statement of Financial position, the Statement of Changes in Reserves, the Statement of Cash Flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice), the Statement of Recommended Practice: Accounting for Further and Higher Education (the 'FE HE SORP') and the Office for Students Accounts Direction (OfS 2019.41).

In our opinion, the financial statements:

- give a true and fair view of the state of the Institute's affairs as at 31 July 2025 and of the Institute's surplus of income against expenditure, gains and losses, changes in reserves and cash flows for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the FE HE SORP and the Office for Students' Accounts Direction (OfS 2019.41); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Institute 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.

Conclusion relating to going concern

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

We draw attention to the Statement of Comprehensive Income in the financial statements, which indicates a deficit of £1.263m during the year ended 31 July 2025 (2024: £1.521m deficit) was incurred, with total net assets reducing from £4,430, at 31 July 2024 to £3,167, at 31 July 2025. Free reserves at 31 July 2025 stood at negative £8.591m (2024: £7.641m) Further details are stated in the accounting policies under "going concern", where the trustees give more detail of the current position, including additional funding support received post year end, together with their plans to ensure the organisation is a going concern for the foreseeable future, being at least twelve months from the date the financial statements are authorised for issue.

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

Other information

The other information comprises the information included in the Report of Trustees, Statement of Governance and Internal Control and Statement on Responsibilities of Trustee for the Year Ended 31 July 2025, other than the financial statements and our auditor's report thereon. The Board of Trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Opinions on matters prescribed by the Companies Act 2006

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

- the information given in the Report of Trustees, Statement of Governance and Internal Control and Statement on Responsibilities of Trustee for the financial year for which the statements are prepared is consistent with the financial statements; and
- report of Trustees, Statement of Governance and Internal Control and Statement on Responsibilities of Trustee have been prepared in accordance with applicable legal requirements.

Opinion on other matters prescribed by the Office for Students' Accounts Direction (OfS 2019.41)

In our opinion:

- funds from whatever source administered by the Institute for the specific purposes have been applied to those purposes and managed in accordance with relevant legislation; and
- funds provided by the Office for Students ('OfS'), the Education and Skills Funding Agency and Department for Education have been applied in accordance with the relevant terms and conditions attached to them.

We have nothing to report in respect of the following matters in relation to which the Office for Students' Accounts Direction requires us to report to you if, in our opinion:

- the Institute's grant and fee income, as disclosed in the notes to the financial statements, has been materially misstated; or
- the Institute's expenditure on access and participation activities for the financial year has been materially misstated.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the University and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees, Statement of Governance and Internal Control and Statement on Responsibilities of Trustees.

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

- adequate accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of the Board of Trustees

As explained more fully in the Statement of Responsibilities of the Board of Trustees set out on Page 7, the Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees 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 Board of Trustees is responsible for assessing the Institute'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 Board of Trustees either intend to liquidate the Institute or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- the nature of the sector, control environment and the Institute's performance;
- results of our enquires of management and the Trustees, including the committees charged with governance over the Institute's finance and control, about their own identification and assessment of the risks of irregularities;
- any matters we identified having obtained and reviewed the Institute's documentation of their policies and procedures relating to: identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance; detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations;
- how the Institute ensured it met its obligations arising from it being financed by and subject to the governance requirements of the OfS, and as such material compliance with these obligations is required to ensure the Institute will continue to receive its public funding and be authorised to operate, including around ensuring there is no material unauthorised use of funds and expenditure; and
- the matters discussed among the audit engagement team and involving relevant internal Institute specialists regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the Institute for fraud, which included incorrect recognition of revenue and management override of controls using manual journal entries and these were identified as having the greatest potential for fraud.

In common with all audits under ISA's (UK), we are also required to perform procedures to respond to the risk of management override. We also obtained an understanding of the legal and regulatory frameworks that the Institute operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the Office for Students' Accounts Direction (OfS 2019.41) and the FE HE SORP.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the Institute's ability to operate or to avoid a material penalty. These included safeguarding regulations, data protection regulations, occupational health and safety regulations, education and inspections legislation, and employment legislation.

Our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- reviewing the financial statement disclosures and testing to supporting documentation to assess the recognition of revenue;
- enquiring of the Institute's management and Trustees concerning actual and potential litigation and claims;
- performing procedures to confirm material compliance with the requirements of the OfS;

New Model Institute for Technology and Engineering

Independent auditors' report to the New Model Institute for Technology and Engineering (a company limited by guarantee)

Year Ended 31 July 2025

(Continued)

- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of the Trustees and reviewing internal control reports; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments;
- and assessing whether the judgements made in making accounting estimates are indicative of a potential bias.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

Use of our report

This report is made solely to the Institute's Trustees, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Institute's Trustees 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 Institute's Trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Lisa Weaver FCCA (Senior Statutory Auditor)

Thorne Widgery Accountancy Ltd
Chartered Accountants
2 Wyevale Business Park
Kings Acre
Hereford
Herefordshire
HR4 7BS

Date:

Statement of Comprehensive Income
Year Ended 31 July 2025

	Notes	Year ended 31 July 2025	Year ended 31 July 2024
		£'000	£'000
Income			
Tuition fees and education contracts	1	943	742
Funding body grants	2	640	627
Other income	3	863	852
Investment income		9	22
Donations and endowments	4	<u>3,125</u>	<u>3,676</u>
Total income		<u>5,580</u>	<u>5,919</u>
Expenditure			
Staff costs	5	3,245	2,871
Restructuring costs	5	-	-
Other operating expenses		2,882	3,745
Depreciation and amortisation	9	614	622
Interest and other finance costs	6	<u>102</u>	<u>202</u>
Total expenditure		<u>6,842</u>	<u>7,440</u>
Surplus/(deficit) before other gains/(losses)		<u>(1,263)</u>	<u>(1,521)</u>
Gain/(loss) on disposal of tangible assets		-	-
Surplus / (Deficit) before tax		<u>(1,263)</u>	<u>(1,521)</u>
Taxation	8	-	-
Surplus / (Deficit) for the year		<u>(1,263)</u>	<u>(1,521)</u>
Total comprehensive income for the year		<u><u>(1,263)</u></u>	<u><u>(1,521)</u></u>
Represented by:			
Restricted comprehensive income for the year		(54)	(267)
Unrestricted comprehensive income for the year		<u>(1,209)</u>	<u>(1,254)</u>
		<u><u>(1,263)</u></u>	<u><u>(1,521)</u></u>

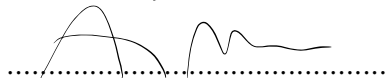
All items of income and expenditure relate to continuing activities.

The accompanying notes and policies on pages 16 to 31 form part of these financial statements.

Statement of Financial Position
Year Ended 31 July 2025

	Notes	As at 31 July 2025	As at 31 July 2024
		£'000	£'000
Non-current assets			
Tangible assets	9	<u>11,175</u>	<u>11,434</u>
Current assets			
Trade and other receivables	10	857	727
Cash and cash equivalents	16	<u>1,435</u>	<u>881</u>
		2,292	1,608
Less: Creditors; amounts falling due within one year	11	<u>(1,486)</u>	<u>(587)</u>
Net current (liabilities)/assets		<u>806</u>	<u>1,021</u>
Total assets less current liabilities		<u>11,981</u>	<u>12,455</u>
Creditors: amounts falling due after more than one year	12	(8,814)	(8,025)
Total net assets		<u><u>3,167</u></u>	<u><u>4,430</u></u>
Restricted Reserves			
Capital reserve	14	-	-
Income and expenditure reserve	14	583	637
Unrestricted Reserves			
Income and expenditure reserve	15	<u>2,584</u>	<u>3,793</u>
		3,167	4,430
Non-controlling interest		-	-
Total Reserves		<u><u>3,167</u></u>	<u><u>4,430</u></u>

The financial statements were approved by the Governing Body on12th December 2025..... and were signed on its behalf on that date by:


.....
Dr J Norman - Chair of Trustees

The accompanying notes and policies on pages 16 to 31 form part of these financial statements.

Statement of Changes in Reserves
Year Ended 31 July 2025

	Income and expenditure reserve		Total
	Restricted £'000	Unrestricted £'000	£'000
Balance at 1 August 2023	904	5,047	5,951
Surplus/(deficit) for the year	(254)	(1,267)	(1,521)
Transfer between funds	(13)	13	-
Total comprehensive income for the year	<u>(267)</u>	<u>(1,254)</u>	<u>(1,521)</u>
Balance at 1 August 2024	<u>637</u>	<u>3,792</u>	<u>4,430</u>
Surplus/(deficit) for the year	9	(1,272)	(1,263)
Transfer between funds	(63)	63	-
Total comprehensive income for the year	<u>(54)</u>	<u>(1,209)</u>	<u>(1,263)</u>
Balance at 31 July 2025	<u><u>583</u></u>	<u><u>2,584</u></u>	<u><u>3,167</u></u>

Statement of Cash Flows
Year Ended 31 July 2025

	Notes	Year ended 31 July 2025 £'000	Year ended 31 July 2024 £'000
Cash flow from operating activities			
Surplus for the year before tax		(1,263)	(1,521)
Adjustment for non-cash items			
Depreciation	9	614	622
Decrease/(increase) in debtors	10	(130)	49
Increase/(decrease) in creditors	11	1,593	(726)
Adjustment for investing or financing activities			
Interest payable	6	102	201
(Gain)/loss on the sale of tangible assets	9	-	-
Capital grant income	3	(61)	(66)
Cash flows from operating activities		<u>855</u>	<u>(1,441)</u>
Taxation		-	-
Net cash outflow from operating activities		<u>855</u>	<u>(1,441)</u>
Cash flows from investing activities			
Proceeds from sales of tangible assets			
Capital grants receipts	3	61	66
Payments made to acquire tangible assets	9	(355)	(333)
		<u>(294)</u>	<u>(267)</u>
Cash flows from financing activities			
Interest paid	6	(102)	(201)
Interest accrued on loan balance		95	564
New secured loans		-	-
Repayments of amounts borrowed	12	-	-
		<u>(7)</u>	<u>363</u>
(Decrease)/increase in cash and cash equivalents in the year		<u>554</u>	<u>(1,345)</u>
Cash and cash equivalents at beginning of the year	16	<u>881</u>	<u>2,226</u>
Cash and cash equivalents at end of the year	16	<u>1,435</u>	<u>881</u>

Statement of Principal Accounting Policies
Year Ended 31 July 2025

1 General information

The Institution of New Model Institute for Technology and Engineering is registered with the Office for Students in England and is a registered Company and Charity. The address of the registered office is NMITE, Blackfriars Street, Hereford, England, HR4 9HS.

2 Statement of compliance

The financial statements have been prepared in accordance with United Kingdom Accounting Standards, including Financial Reporting Standard 102 (FRS 102) and the Statement of Recommended Practice (SORP): Accounting for Further and Higher Education (2019 edition). They have also been prepared in accordance with the 'carried forward' powers and duties of previous legislation (Further and Higher Education Act 1992 and the Higher Education Act 2004), the Royal Charter, the Accounts Direction issued by the Office for Students (OfS), the terms and conditions of funding for higher education students (OfS), the terms and conditions of funding for higher education institutions issued by the Office for Students and the terms and conditions of Research England Grant. The entity previously followed a charity SORP up until the registration with OfS, there has been no change on income and surpluses previously reported.

The Institution is a public benefit entity and therefore has applied the relevant public benefit requirement of the applicable UK laws and accounting standards.

3 Basis of preparation

The Institution's activities, together with the factors likely to affect its future development, performance and position, are set out in the operational and financial review which forms part of the Board of Trustees' Report. The Board of Trustees' Report also describes the financial position of the Institution, its cash flows, liquidity position and borrowing facilities.

The financial statements are prepared in sterling which is the functional currency and rounded to the nearest £'000.

4 Going Concern

The activities of the institute, together with the factors likely to affect its future development and performance are set out in the Members Report. The financial position of the institute, its cash flow, liquidity, and borrowings are presented in the Financial Statements and accompanying notes.

The financial statements have been prepared on a going concern basis. The Trustees have considered the level of reserves held and the expected level of income and expenditure for 12 months from authorising these financial statements.

Detailed reviews of the institution's financial position have been undertaken - see the trustees report for further information.

The Institution continues to receive financial support from the DofE and other donors which ensures that sufficient working capital is available to continue operations until NMITE can generate surpluses from its own activities.

NMITE also has access to further funding facilities if required. These are currently not used and there is no prospect of us needing to take these up in the foreseeable future.

Based on these factors, the trustees believe it is appropriate to prepare the financial statements on a going concern basis.

5 Income recognition

Income from the sale of goods or services is credited to the Statement of Comprehensive Income when the goods or services are supplied to the external customers or the terms of the contract have been satisfied.

Tuition fee income is stated gross of any expenditure which is not a discount and credited to the Statement of Comprehensive Income over the period in which students are studying. Where the amount of the tuition fee is reduced, by a discount for prompt payment, income receivable is shown net of the discount. Bursaries and scholarships are accounted for gross as expenditure and not deducted from income. Education contracts are recognised when the Institution is entitled to the income, which is the period in which students are studying, or where relevant, when performance conditions have been met.

Grant funding

NMITE has adopted the performance model for government revenue grants.

Grant funding including research grants from government sources and grants (including research grants) from non-government sources are recognised as income when the Institution 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 in the Statement of Financial Position and released to income as the conditions are met.

Donations

Non-exchange transactions without performance related conditions are donations. Donations with donor imposed restrictions are recognised in income when the Institution is entitled to the funds. Income is retained within the restricted reserve until such time that it is utilised in line with such restrictions at which point the income is released.

Donations with no restrictions are recognised in income when the Institution is entitled to the funds.

Donations of tangible assets are included within income. The income recognised is valued using a reasonable estimate of their gross value or the amount actually realised. Donated tangible assets are valued and accounted for as tangible assets under the appropriate asset category.

Donated goods and professional services are recognised as income when the institution has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit for use by the institution of the item is probable and that economic benefit can be measured reliably.

Capital grants

The Institution has adopted the performance model for government capital grants.

Capital grants are recognised in income when the Institution is entitled to the funds subject to any performance related conditions being met.

Investment Income

Investment income is credited to the statement of income and expenditure on a receivable basis and as either restricted or unrestricted income according to the terms or other restriction applied to the individual fund.

Statement of Principal Accounting Policies
Year Ended 31 July 2025 (Continued)

6 Accounting for retirement benefits

Defined Contribution Plan

A defined contribution plan is a post-employment benefit plan under which the company pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the income statement in the periods during which services are rendered by employees.

7 Employment benefits

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

8 Operating leases

Costs in respect of operating leases are charged on a straight-line basis over the lease term. Any lease premiums or incentives are spread over the lease term.

9 Property, plant and equipment

Land and buildings

Land and buildings are capitalised at cost on initial recognition.

After initial recognition land and buildings are subsequently measured at cost less accumulated depreciation and accumulated impairment losses.

Costs incurred in relation to land and buildings after initial purchase or construction, are capitalised to the extent that they increase the expected future benefits to the Institution.

Freehold land is not depreciated as it is considered to have an indefinite useful life. Freehold buildings are depreciated on a straight line basis over their expected useful lives as follows:

Leasehold Land and Buildings	50 - 99 years
------------------------------	---------------

Where lease is less than 50 years, the asset should be depreciated over the length of the lease.

Where an item of land and buildings comprise two or more major components with substantially different useful economic lives (UELs), each component is accounted for separately and depreciated over its individual UEL. Expenditure relating to subsequent replacement of components is capitalised as incurred.

No depreciation is charged on assets in the course of construction. On completion the assets are assessed and any projects not going ahead are released to the Statement of Other Comprehensive Income.

Depreciation methods, useful lives and residual values are reviewed at the date of preparation of each Statement of Financial Position.

Statement of Principal Accounting Policies
Year Ended 31 July 2025 (Continued)

9 Property, plant and equipment (continued)

Equipment

Equipment is capitalised at cost on initial recognition and then subsequently at cost less accumulated depreciation and accumulated impairment losses.

Equipment, including computers and software, costing less than £1,000 per individual item is recognised as expenditure. All other equipment is capitalised.

Capitalised equipment is stated at cost and depreciated over its expected useful life as follows:

Computer Equipment	25% reducing balance
Fixtures and fittings	Straight line over 5 years

Where an item of equipment comprises two or more major components with substantially different UELs, each component is accounted for separately and depreciated over its individual UEL. Expenditure relating to subsequent replacement of components is capitalised as incurred.

Depreciation methods, useful lives and residual values are reviewed at the date of preparation of each Statement of Financial Position.

Impairment

A review for impairment of property, plant and equipment is carried out if events or changes in circumstances indicate that the carrying amount of the property, plant and equipment may not be recoverable.

10 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 (maturity being less than three months from the placement date), highly liquid investments that are readily convertible to known amounts of cash with insignificant risk of change in value.

11 Provisions, contingent liabilities and contingent assets

Provisions are recognised in the financial statements when:

- (a) the Institution has a present obligation (legal or constructive) as a result of a past event;
- (b) it is probable that an outflow of economic benefits will be required to settle the obligation; and
- (c) a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is determined by discounting the expected future cash flows at a pre-tax rate that reflects risks specific to the liability.

A contingent liability arises from a past event that gives the Institution 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 Institution. 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.

A contingent asset arises where an event has taken place that gives the Institution a possible asset whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the Institution. Contingent assets and liabilities are not recognised in the Statement of Financial Position but are disclosed in the notes.

12 Taxation

The Institution is an exempt charity within the meaning of Part 3 of the Charities Act 2011. It is therefore a charity within the meaning of Para 1 of schedule 6 to the Finance Act 2010 and accordingly, the Institution is potentially exempt from UK Corporation Tax in respect of income or capital gains received within categories covered by section 478-488 of the Corporation Tax Act 2010 (CTA 2010) or section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied to exclusively charitable purposes.

The Institution receives no similar exemption in respect of Value Added Tax (VAT). Irrecoverable VAT on expenditure (revenue and capital) is included in the costs of such expenditure. Any irrecoverable VAT allocated to fixed assets is included in their cost.

13 Financial instruments

The Institution has elected to adopt Sections 11 and 12 of FRS 102 in respect of the recognition, measurement, and disclosure of financial instruments. Financial assets and liabilities are recognised when the Institution becomes party to the contractual provision of the instrument and they are classified according to the substance of the contractual arrangements entered into.

A financial asset and a financial liability are offset only when there is a legally enforceable right to set off the recognised amounts and an intention either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial assets

Basic financial assets include trade and other receivables, cash and cash equivalent. These assets are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Such assets are subsequently carried at amortised cost using the effective interest rate method. Financial assets are assessed for indicators of impairment at each reporting date. If there is objective evidence of impairment, an impairment loss is recognised in the statement of comprehensive income.

Financial assets are de-recognised when the contractual rights to the cash flows from the asset expire or are settled or substantially all of the risks and rewards of the ownership of the asset are transferred to another party.

Financial liabilities

Basic financial liabilities include trade and other payables and bank loans. These liabilities are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Debt instruments are subsequently carried at amortised cost using the effective interest rate method.

Trade payables are obligations to pay for goods and services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest rate method.

Financial liabilities are de-recognised when the liability is discharged, cancelled, or expires.

14 Reserves

Reserves are classified as restricted or unrestricted. Restricted funds included in the financial statements are:

- DfE Capital Grant - this relates to capital assets purchased with the income received from the Department for Education restricted for this purpose.
- DfE Revenue Grant - this relates to the general running of the organisation in to meet its objectives with the income received from the Department for Education restricted for this purpose.
- Garfield Weston Donation - this relates to the establishment of an ingenuity studio.
- Pioneer Fund - this relates to the Pioneer Cohort.
- Other restricted - includes balances where the donor has designated a specific purpose and therefore NMITE is restricted in the use of these funds.

15 Critical Accounting estimates and judgements

The preparation of the Institution's financial statements requires management to make judgements, estimates, and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities, income, and expenses. These judgements, estimates, and associated assumptions are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The resulting accounting estimates will, by definition, seldom equal the related actual results.

Critical judgements and assumptions

Income recognition - Judgement is applied in determining the value and timing of certain income items to be recognised in the financial statements. This includes determining when performance related conditions have been met.

Impairment of assets - At each reporting date fixed assets are reviewed to determine whether there is any indication that those assets have suffered an impairment loss as a result of any indications. If there is an indication of impairment, the recoverable amount of any affected asset is estimated and compared with its carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in surplus or deficit in the period it arises.

If an impairment loss subsequently reverses, the carry amount of the asset is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in surplus or deficit in the period it arises.

Useful lives of property, plant and equipment - Property, plant and equipment represent a significant proportion of the Institution's total assets. Therefore, the estimated useful lives can have a significant impact on the depreciation charged and the Institution's reported performance. Useful lives are determined at the time the asset is acquired and reviewed regularly for appropriateness. The lives are based on historical experience with similar assets as well as anticipation of future events. Details of the carrying values of property, plant and equipment are shown in the notes to the financial statements.

Notes to the financial statements

Year Ended 31 July 2025

	Year Ended 31 July 2025 £'000	Year Ended 31 July 2024 £'000
1 Tuition fees and education contracts		
Full-time home and EU students	943	742
	<u>943</u>	<u>742</u>
	Year Ended 31 July 2025 £'000	Year Ended 31 July 2024 £'000
2 Funding body grants		
Other Bodies		
Office for Students	187	149
Specific grants		
European Social Fund	-	127
Department for Work - Kickstart scheme	-	-
HCI Grant	-	11
Skills Hub Grant	392	274
Keystone Project Grant Income	61	66
	<u>640</u>	<u>627</u>
Note: The source of grant and fee income, included in note 2 is as follows:		
	Year Ended 31 July 2025 £'000	Year Ended 31 July 2024 £'000
2a Grant and Fee income		
Grant income from the OfS	187	149
Grant income from other bodies	453	478
	<u>640</u>	<u>627</u>
	Year Ended 31 July 2025 £'000	Year Ended 31 July 2024 £'000
3 Other income		
Other revenue grants	-	-
Other capital grants	15	12
Other income	848	840
	<u>863</u>	<u>852</u>
	Year Ended 31 July 2025 £'000	Year Ended 31 July 2024 £'000
4 Donations and endowments		
Donations with restrictions	803	1,187
Unrestricted donations	2,322	2,489
	<u>3,125</u>	<u>3,676</u>

Notes to the financial statements
Year Ended 31 July 2025 (Continued)

	Year Ended 31 July 2025	Year Ended 31 July 2024
	£'000	£'000
5 Staff costs		
Staff Costs :		
Salaries	2,700	2,421
Social security costs	312	253
Other pension costs	232	197
Sub-total	<u>3,245</u>	<u>2,871</u>
Restructuring costs	-	-
Total	<u><u>3,245</u></u>	<u><u>2,871</u></u>
	Year Ended 31 July 2025	Year Ended 31 July 2024
	£'000	£'000
Total remuneration of the head of the institution		
Basic salary	135	135
Performance-related pay and other bonuses	-	-
Sums paid under any pension scheme in relation to employment with the Institution	<u>16</u>	<u>16</u>
	<u><u>151</u></u>	<u><u>151</u></u>

Justification for the President/Chief Executive Officer

The Remuneration Committee has direct responsibility for determining reward and remuneration related matters for both the President/Chief Executive Officer and other members of NMITE's Senior Leadership Team. The Remuneration Committee has confirmed continued compliance with the CUC's Higher Education Senior Staff Remuneration Code and, accordingly, the 2024/25 Annual Reward and Remuneration Report to the Board of Trustees will be published by Spring 2026.

The Remuneration Committee considers a variety of factors when deciding remuneration for NMITE's President/CEO and Senior Leadership Team which includes comparative benchmarking data for similar sized institutions (primarily HESA, CUC and other relevant data); the national pay award for other University staff; financial sustainability; individual performance; organisational performance; internal equity and external market factors. Further details relating to the Remuneration Committee's decisions on senior pay will be contained in their Annual Report to the Board of Governors.

In considering pay for the President/CEO and the Senior Leadership Team in October of the previous year, the Remuneration Committee considered both the individual and organisational performance against predetermined performance measures, including but not limited to:

- a) Performance in support of the institution's strategic objectives in areas such as:
 - Validation
 - Management & Leadership of Staff
 - Partnerships and external relations internationally, nationally, and locally
 - Development of organisational culture
 - Major initiatives and projects
- b) the size, growth and complexity of the institution;
- c) the nature of the HE markets and issues of recruitment and retention;
- d) the institution's objectives in relation to the diversity of the workforce;

Notes to the financial statements
Year Ended 31 July 2025 (Continued)

5 Staff Costs (Continued)

The Remuneration Committee concluded that the President/CEO was performing at a high level, providing clear leadership to the University in a challenging context resulting from the wide range of external factors impacting on the HE sector. The committee agreed to award the CEO and Senior Leadership team a cost of living increase of 2%, consistent with the pay award approved for all other staff. However, the CEO elected to decline to receive the increase and his salary remained frozen for the full year. A one off bonus of £500 was paid to all staff including the CEO in January 2025.

Pay ratios

Total remuneration includes employer pension contributions/allowance in lieu of employer pension contributions and taxable benefits. Pay for part-time and hourly paid workers have been pro-rated up to the full-time equivalent.

- i. The head of the provider's basic salary is 2.9 times the median pay of staff (2024: 3.2 times), where the median pay is calculated on a full-time equivalent basis for the salaries paid by the provider to its staff.
- ii. The head of the provider's total remuneration is 3.0 times the median total remuneration of staff (2024: 3.4 times), where the median total remuneration is calculated on a full-time equivalent basis for the total remuneration by the provider of its staff.

The number of staff with a basic salary of over £100,000 per annum has been included below:

	Year Ended 31 July 2025	Year Ended 31 July 2024
	No.	No.
Basic salary per annum		
£100,000 - £104,999	1	-
£105,000 - £109,999	-	-
£110,000 - £114,999	-	-
£115,000 - £119,999	-	-
£120,000 - £124,999	-	-
£125,000 - £129,999	-	-
£130,000 - £134,999	-	-
£135,000 - £139,999	1	1
	<u>2</u>	<u>1</u>

	Year Ended 31 July 2025	Year Ended 31 July 2024
	No.	No.
Average staff full time equivalents by major category :		
Academic	33	27
Administration and central services	13	15
Premises	2	2
Other	3	3
Total number of staff	<u>51</u>	<u>47</u>

	Year Ended 31 July 2025	Year Ended 31 July 2024
	No.	No.
Average staff headcount by major category :		
Academic	37	31
Administration and central services	13	15
Premises	3	3
Other	3	2
Total number of staff	<u>56</u>	<u>51</u>

Notes to the financial statements
Year Ended 31 July 2025 (Continued)

5 Staff Costs (Continued)

Compensation for loss of office

NMITE paid £nil in compensation for loss of office for staff members during the year. (2024: £nil).

Key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the University. Staff costs includes compensation paid to key management personnel. Details of the key management personnel can be found on page 1.

	Year Ended 31 July 2025 £'000	Year Ended 31 July 2024 £'000
Key management personnel compensation	485	430

	Year Ended 31 July 2025 £'000	Year Ended 31 July 2024 £'000
6 Interest and other finance costs		
Loan interest	95	189
Bank charges	7	12
	<u>102</u>	<u>201</u>

	Year Ended 31 July 2025 £'000	Year Ended 31 July 2024 £'000
7 Analysis of total expenditure by activity		
Staff costs	3,245	2,871
Academic and related expenditure	371	315
Administration and central services	668	660
Premises (including service concession cost)	1,159	1,156
Other expenses	1,400	2,438
	<u>6,843</u>	<u>7,440</u>

Other operating expenses include:

Operating lease rentals:

Land and buildings	592	571
Software/licenses (donated)	224	1,245
Depreciation	614	622

External auditors remuneration in respect of audit services

Audit related assurance services	20	19
Other non-audit services	-	-
Total non-audit services	<u>20</u>	<u>19</u>

8 Taxation

There are no tax charges for the New Model Institute for Technology & Engineering in 2024/25 (2023/24: £Nil)

9 Tangible Assets

Property, plant and equipment

	Freehold property	Leasehold Buildings	Fixtures, Fittings and Equipment	Improvements to property	Assets in the Course of Construction	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Cost and valuation						
At 1 August 2024	8,126	1,181	2,358	1,506	288	13,459
Additions	-	-	17	-	338	355
Disposals	-	-	-	-	-	-
Reclassification	-	-	-	-	-	-
At 31 July 2025	8,126	1,181	2,375	1,506	626	13,814
Depreciation						
At 1 August 2024	310	109	1,512	94	-	2,025
Charge for the year	163	21	399	31	-	614
Disposals	-	-	-	-	-	-
Reclassification	-	-	-	-	-	-
At 31 July 2025	473	130	1,911	125	-	2,639
Carrying amount						
At 31 July 2025	7,653	1,051	464	1,381	626	11,175
At 31 July 2024	7,816	1,072	846	1,412	288	11,434

10 Trade and other receivables

	Year Ended 31 July 2025	Year Ended 31 July 2024
	£'000	£'000
Amounts falling due within one year:		
Other trade receivables	192	115
Accrued income	427	409
Prepayments	238	203
	857	727

Notes to the financial statements
Year Ended 31 July 2025 (Continued)

11	Creditors: amounts falling due within one year	Year Ended 31 July 2025 £'000	Year Ended 31 July 2024 £'000
	Trade payables	350	254
	Social security and other taxation payable	106	95
	Other creditors	7	7
	Accruals and deferred income	1,023	231
		<u>1,486</u>	<u>587</u>
12	Creditors: amounts falling due after more than one year	Year Ended 31 July 2025 £'000	Year Ended 31 July 2024 £'000
	Secured loans	8,096	8,001
	Deferred income	718	24
		<u>8,814</u>	<u>8,025</u>
13	Loans	Year Ended 31 July 2025 £'000	Year Ended 31 July 2024 £'000
	Analysis of secured and unsecured loans:		
	Due within one year or on demand	-	-
	Due between two and five years	-	-
	Due in five years	8,096	8,021
	Due after more than one year	8,096	8,021
	Total secured and unsecured loans	<u>8,096</u>	<u>8,021</u>
	Unsecured loans repayable by 2026 or earlier	-	-

Notes to the financial statements
Year Ended 31 July 2025 (Continued)

14 Restricted Reserves

Reserves with restrictions are as follows:

	Unspent capital grants £'000	Unspent other grants £'000	Donations £'000	Total £'000
Balances at 1 August 2023	-	-	904	904
New grants	66	-	-	66
New donations	-	-	1,187	1,187
Capital grants utilised in the year	(66)	-	-	(66)
Expenditure	-	-	(1,441)	(1,441)
Transfers between funds	-	-	(13)	(13)
Total restricted comprehensive income for the year	-	-	(267)	(267)
Balances at 1 August 2024	-	-	637	637
New grants	61	-	-	61
New donations	-	-	803	803
Capital grants utilised in the year	(61)	-	-	(61)
Expenditure	-	-	(794)	(794)
Transfers between funds	-	-	(63)	(63)
Total restricted comprehensive income for the year	-	-	(54)	(54)
At 31 July 2025	-	-	583	583

	2025 Total £'000	2024 Total £'000
Analysis of other restricted funds /donations by type of purpose:		
Scholarships and bursaries	386	445
General	197	192
	583	637

15 Unrestricted Reserves

	Total £'000
Balances at 1 August 2023	5,047
Surplus/(deficit) for the year	(1,267)
Transfer to/from restricted funds	13
Total unrestricted comprehensive income for the year	(1,254)
Balances at 1 August 2024	3,793
Surplus/(deficit) for the year	(1,272)
Transfer to/from restricted funds	63
Total unrestricted comprehensive income for the year	(1,209)
At 31 July 2025	2,584

New Model Institute for Technology and Engineering

Notes to the financial statements
Year Ended 31 July 2025 (Continued)

16 Cash and cash equivalents

	At 1st August 2024 £'000	Cash Flows £'000	At 31st July 2025 £'000
Cash and cash equivalents	881	554	1,435
	881	554	1,435

17 Financial instruments

	Year Ended 31 July 2025 £'000	Year Ended 31 July 2024 £'000
Financial assets		
<i>Financial assets that are debt instruments measured at amortised cost</i>		
Cash and cash equivalents	1,435	881
Other trade receivables	192	115
Accrued income	427	409
	2,054	1,405
Financial liabilities		
<i>Financial liabilities at fair value through Statement of Comprehensive Income</i>		
<i>Financial liabilities measured at amortised cost</i>		
Loans	8,096	8,025
Trade creditors	350	254
Accruals	313	231
	8,759	8,510

Notes to the financial statements
Year Ended 31 July 2025 (Continued)

18 Capital and other commitments

	31 July 2025	31 July 2024
	£'000	£'000
Capital commitments	1,449	-
	<u>1,449</u>	<u>-</u>

19 Lease obligations

Total rentals payable under operating leases:

	31 July 2025			31 July 2024
	Land and Buildings £'000	IT Equipment £'000	Total £'000	£'000
Payable during the year	592	42	634	610
Future minimum lease payments due:				
Not later than 1 year	614	57	671	617
Later than 1 year and not later than 5 years	2,410	84	2,494	2,335
Later than 5 years	<u>10,337</u>	<u>-</u>	<u>10,337</u>	<u>10,613</u>
Total lease payments due	<u>13,361</u>	<u>141</u>	<u>13,502</u>	<u>13,565</u>

NIMTE has a sub-nominations agreement in regard to Station Approach site which is based on the ability to nominate students to utilise the accommodation. NMITE is liable to pay for any unoccupied rooms during a given period, this is based on the price of £143 per room for 46 weeks of the year applicable to 89 rooms. Due to the occupancy levels being unknown, the lease commitment is unable to be reliably calculated.

20 Related party transactions

During the year the institute entered into transactions, in the ordinary course of business, with other related parties. Transactions entered into, and balances outstanding at 31 July 2025, are as follows:

Due to the nature of the Institution's operations and the compositions of the Council, being drawn from local public and private sector organisations, it is inevitable that transactions will take place with organisations in which a member of the board of trustees may have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Institution's Financial Regulations and usual procurement procedures.

No Governor has received any remuneration/waived payments from the institution during the year (2024 - none).

The total expenses paid to or on behalf of the trustees was £1,891 to 2 trustees (2024 - £1,953 to 5 trustees). This represents travel and subsistence expenses incurred in attending meetings and costs incurred on behalf of the institution.

During the year NMITE received cash donations from trustees totalling £1,800 (2024 - £1,245).

During the year NMITE received tuition fees from trustees registered as students totalling £10,800 (2024 - £14,400).

New Model Institute for Technology and Engineering

England & Wales - Charity number 1176550

Accounts

REGISTERED COMPANY NUMBER: 08800142 (England and Wales)
REGISTERED CHARITY NUMBER: 1176550

Report of the Trustees and
Financial Statements
for the Year Ended 31 July 2024
for
New Model Institute for Technology and
Engineering

NMITE
Blackfriars Street
Hereford
England
HR4 9HS

New Model Institute for Technology and Engineering

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for the Year Ended 31 July 2024

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New Model Institute for Technology and Engineering

Reference and Administrative Details for the Year Ended 31 July 2024

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number
08800142 (England and Wales)

Registered Charity number
1176550

Registered office

NMITE
Blackfriars Street
Hereford
England
HR4 9HS

Trustees

Mr T Jagger (Chair) (Resigned 16 December 2024)
Mr M J Hitchin (Vice Chair)
Mr M Leppard
Miss A Clark
Prof. N Lieven
Mr C Courtney
Ms Y Ali
Mr J Newby
Miss E Cummings (Resigned 1 June 2024)
Dr E Liquete (Resigned 5 June 2024)
Mr J Emmet
Mr D Hughes
Mr G Ferguson (Appointed 29 January 2024)
Mr D James (Appointed 29 January 2024)

Company Secretary

Ms C Alexander

Auditors

Thorne Widgery Accountancy Ltd
Chartered Accountants
2 Wyevale Business Park
Kings Acre
Hereford
Herefordshire
HR4 7BS

Advisers

Bankers

HSBC Bank plc
35 High St
Hereford
HR1 2AQ

Key Management personnel:

Chief Executive Officer	Mr James Newby
Chief Academic Officer	Prof Beverley Gibbs (resigned September 2023) Prof David Oloke (from February 2024)
Finance Director	Ms Terri Stevenson (until September 2023) Mr Robert Jenkins (from October 2023)
Director of People and Operations	Ms Samantha Lewis

New Model Institute for Technology and Engineering

Report of the Trustees for the Year Ended 31 July 2024

The trustees, who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 July 2024. The trustees have adopted the provisions of Accounting and Reporting by Higher Education: Statement of Recommended Practice applicable to institutions preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

OBJECTIVES AND ACTIVITIES

Objectives and activities

NMITE exists to address the UK's shortage of work-ready graduate engineers and focuses on an integrated approach to engineering that trains and nurtures learners with meaningful skills and capabilities as well as knowledge. NMITE graduates will be ready to add economic, environmental and social value to a range of community and global challenges. Through their studies they work with a variety of stakeholders including industrial engineers, community groups, business owners and people with specific healthcare requirements, and they learn to scope, create and validate solution designs to a range of real challenges. NMITE believes that engineering is an exciting and varied career path which should be freely open to young people from all parts of society. NMITE's students will learn what engineers do, how they can have a positive impact on quality of life, the environment and industry.

To attract students from a variety of backgrounds, at differing stages of life, and different educational and experiential backgrounds, NMITE will consider every application individually and irrespective of the path prospective students have travelled to get where they are today. Engineers-in-training will experience NMITE's "learning by doing" with regular real-life projects and no lectures or traditional exams; unlike other engineering institutions they will not be required to have a Maths or Physics A-level as these subjects will be taught within the curriculum. NMITE is looking for entrepreneurial and socially-minded individuals who want to change the world for the better, and all experience is valuable. As part of the admissions process, NMITE evaluates a person's attitude, team-working skills, and mind-set and passion for designing engineering solutions to today's problems as well as their qualifications.

Public benefit and charitable objects

All our charitable activities are undertaken to further our charitable purposes for the public benefit. These are:

- to advance education, with a particular focus on engineering and related business skills, and to widen participation in higher education by underrepresented groups and those who are socially excluded; and
- to promote research for the public benefit and to publish the useful results.

ACHIEVEMENTS AND PERFORMANCE

NMITE has continued to make significant progress toward its mission of delivering innovative engineering education and developing a vibrant learning community. The institution has taken strides in academic offerings, student recruitment, and infrastructure development while navigating a challenging financial environment.

NMITE's Degree Awarding Powers

NMITE is undergoing the annual monitoring process as part of securing degree-awarding powers from the Office for Students. Good progress has been made, with the first annual review taking place during the final months of the year under review. A favourable report has since been received, demonstrating NMITE's commitment to academic quality and operational excellence.

Student Recruitment

A record intake of 55 students was secured in September 2023. This milestone highlights the increasing recognition of NMITE's unique approach to engineering education and its growing appeal among prospective students.

New Model Institute for Technology and Engineering

Report of the Trustees for the Year Ended 31 July 2024 (Continued)

Estates and Infrastructure

NMITE's estate development efforts continue to advance in line with its strategic objectives:

- **Stronger Towns Grant:** NMITE is progressing a £2.3m building project funded by a Stronger Towns grant. Planning permission was secured during the year, with construction set to commence in the forthcoming year.
- **Charles Wolfson Charitable Trust Grant:** A £3.5m grant was secured to develop a new build specialist learning and events space. This project aligns with NMITE's goal of transforming the Blackfriars site into a vital civic hub for education, events, and public discourse.
- **Bloomspace Development:** The property at Eign Gate was developed into Bloomspace, a hub for entrepreneurial activities. This initiative fosters closer collaboration between students and industrial partners.

New advanced centres

Future facilities for learning and industry partnerships will be enabled by the development of NMITE's new advanced centres, the Centre for Advanced Timber Technology (CATT), and the Centre for Innovation and Future Skills (CIFS). The CATT is housed in a new purpose-built facility on NMITE Skylon Campus which was completed in September 2023.

The building has achieved the highest level of attainment in the Enterprise Zone's "three apples" sustainability scheme with an emphasis on a fabric first approach (low thermal conductivity, reduced cold bridging and airtightness) in a hybrid structure that utilises advanced low carbon timber technologies where possible, incorporating renewable options and energy saving measures to ensure a reduced carbon footprint. NMITE's aim is that the building acts as an exemplar in the region by aspiring to net zero carbon targets aligned with UKRI's Industrial Decarbonisation Strategy. CATT has an educational and knowledge transfer strategy with explicit industrial support, and is now fully operational

Fundraising

NMITE's mission continues to inspire donors and partners to support us. Substantial grants and donations were secured during the year which increases the impact the institution can deliver and strengthens its partnerships with local institutions, engineering employers, and a range of other institutions.

Academic Development

NMITE has expanded its academic offerings and strengthened its position as a leader in innovative engineering education: **New Programmes:** Three new programmes—a BSc in Construction Management, an MEng in Mechanical Engineering and Beng in Integrated Engineering—were launched during the year. These programmes will welcome their first cohorts in 2025, bringing the total number of programmes offered by NMITE to three.

Student Outcomes: The first cohort of students approached the end of their studies with exceptional success. All students seeking employment secured degree-level engineering jobs with companies including Balfour Beatty, AWE, BAE, Oakwrights, and Mondelez.

New Model Institute for Technology and Engineering

Report of the Trustees for the Year Ended 31 July 2024

(Continued)

FINANCIAL REVIEW

Financial Position

NMITE shows an operating deficit for the year end 31 July 2024 of £1.521m (2023 deficit £3.195m). The funding provided by the Department of Education in the form of restricted capital and revenue grants have been fully utilised or committed.

The balance carried forward at the year-end for all unrestricted funds was £1.254m (2023: £1.514m).

Under HE SORP it is not permissible to defer revenue grant income from government or other funders unless there is a specific performance requirement.

The financial environment for higher education remains challenging, but NMITE has taken proactive measures to ensure financial stability:

Sector Challenges: The higher education sector continues to face unprecedented challenges, including stagnant tuition fees, rising costs, and intense competition for UK-based students.

Loan Restructuring and Investment: NMITE successfully renegotiated its existing loans with the Department for Education on more favourable terms. Additional financial support of £5m was secured from donors under a legally binding deed of grant. £2.0m of this donation has already been received post year end.

Investment policy and investments

NMITE currently does not have an investment policy, but this will be developed by the trustees to ensure the safe and effective use of funds in due course.

Reserves policy

NMITE has unrestricted free reserves valued at negative £7.641m (2023: negative £6.681m). Other reserves held are restricted and capital funds that are not available for general use. See notes to the financial statements 14 and 15 for further information.

Going Concern

As a result of these measures, NMITE's trustees are confident that it remains a going concern, with a solid financial foundation to grow to its sustainable size over the next four years.

Despite the challenging financial climate in the higher education sector, NMITE has taken significant steps to secure its financial stability and ensure operational continuity.

Key factors supporting the trustees' going concern assessment include:

1. **Secured Financial Support:**

During the first half of 24-25, NMITE successfully secured a commitment of £5 million from donors through a legally binding deed of grant. This substantial financial injection provides immediate liquidity and underpins the institution's ability to meet its obligations as they fall due.

2. **Loan Restructuring:**

The successful renegotiation of existing loans with the Department for Education (DfE) on more favorable terms has reduced the financial burden on NMITE and provided additional flexibility to support its operational needs.

3. **Future Income Generation:**

NMITE's ability to attract record student intakes, such as the cohort of 55 students in September 2023, demonstrates its growing appeal and market demand. The launch of new academic programmes in 2025 is expected to further increase student enrolment, bolstering tuition fee income.

4. **Cost Management and Strategic Investments:**

The trustees have implemented rigorous cost management measures and targeted strategic investments that align with NMITE's long-term objectives. These efforts contribute to a sustainable financial framework.

5. **Favourable External Reviews:**

The positive outcome of NMITE's first annual review under the Office for Students degree-awarding powers process confirms the institution's robust governance, operational practices, and financial planning.

New Model Institute for Technology and Engineering

Report of the Trustees for the Year Ended 31 July 2024

(Continued)

Based on these factors, the trustees believe that NMITE is well-positioned to navigate sector-wide uncertainties and achieve its growth targets. As a result, they conclude that NMITE financial statements appropriately reflect the institution's status as a going concern.

NMITE Future Plans

NMITE is focused on delivering its ambitious vision for the future by expanding its academic offerings, infrastructure, and impact on the community:

1. **Academic Expansion:** NMITE plans to launch new programmes, including the BSc in Construction Management and MEng in Mechanical Engineering, which will welcome their first cohorts in 2025. These additions align with NMITE's strategy of offering industry-relevant education to meet workforce demands.
2. **Infrastructure Development:** The ongoing £2.3 million Blackfriars site development, supported by a Stronger Towns grant, will create a vibrant hub for education and civic engagement. A new specialist learning and events space, funded by the Charles Wolfson Charitable Trust, will further enhance this site as a centre for innovation and public discourse.
3. **Community Engagement and Bursaries:** NMITE has introduced new bursaries, such as the "Life Changer" initiative, to support students from Herefordshire and beyond, fostering local talent and addressing barriers to higher education. These bursaries aim to create pathways into engineering and related fields while reinforcing NMITE's role as a transformative force in its region.
4. **Leadership and Innovation:** With the recent appointment of Professor David Oloke as Chief Academic Officer, NMITE has strengthened its academic leadership. His expertise will support the development of new programmes, partnerships, and initiatives, particularly in areas such as sustainable construction and advanced manufacturing, enhancing NMITE's reputation as an innovator in technical education

These plans highlight NMITE's commitment to addressing national and regional challenges while delivering a distinctive and impactful educational experience.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The New Model Institute for Technology and Engineering (NMITE) was incorporated as a private company limited by guarantee without share capital on 3 December 2013 and registered as a charity with the Charity Commission on 5 January 2018. NMITE is self-governing and legally independent but regulated as a public body.

NMITE is governed by its Articles of Association.

NMITE has adopted the Committee of University Chairs' Higher Education Code of Governance and is subject to the Office for Students' Regulatory Framework.

The Board of Trustees and its Committees

There are sub committees covering matters including Finance, Resources and Infrastructure, Audit and Risk, Nominations, and Remuneration. The Finance subcommittee meets bi-monthly, and the Audit and Risk Committee meets quarterly. Both Nominations and Remuneration Committees are called a minimum of twice a year.

The Board is NMITE's supreme governing body, responsible for setting its strategic direction and policies, and for NMITE's finances and assets. The Academic Council is the highest academic body, reporting to the Board of Trustees and responsible for NMITE's academic policies and for regulating academic work and standards.

Recruitment and appointment of new trustees

During the year under review, the following changes to the Board of Trustees took place:

- Mr Graeme Ferguson was appointed as an elected Staff Trustee on 29th January 2024.
- Mr Daniel James was appointed as an elected student trustee on 29th January 2024.
- Miss Elise Cummings stood down as an elected student trustee in March 2024 following the expiry of their term of office.
- Since their appointment Dr Maria Elena Liqueste Cotera stood down, due to personal time commitments. The Nominations Committee defines the make-up of the Board and its committees, balancing age, availability, gender, professional expertise, and public and private sector industry experience to deliver a rounded leadership to NMITE.
- Mr Terence Jagger resigned from their position as Chair of the Board and trustee on 16th December 2024

Induction and training of new trustees

Trustees are provided with structured induction training to familiarise them with NMITE's mission and the various operational workstreams which advance it. They are also provided with the Charities Commission Guide "The Essential Trustee" and are recipients of governance sector bulletins through NMITE's associate membership of Advance HE and professional advice through NMITE's auditors and legal counsel.

Trustees have undertaken training in PREVENT/ Safeguarding and GDPR; and on the Board responsibilities as a Regulated Body under the OfS.

The following changes to the Board took place after the period covered by this review:

The Executive

A Chief Executive Officer is appointed by the Trustees to manage the day-to-day operations of the charity. To facilitate effective operations the Chief Executive Officer has delegated authority for operational matters such as finance, employment, and academic programme activities.

The Chief Executive Officer is the Accountable Officer for OfS purposes.

Key management remuneration

The Trustees review the pay and remuneration of key management staff annually and normally increase pay levels in accordance with average earnings which have been benchmarked in the sector. Senior staff, including the CEO, play no part in these decisions.

Related parties

Due to the nature of the organisation, we working closely with local businesses and other educational institutions.

Risk management

The Trustees have a duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error.

The Audit and Risk Committee oversees the Corporate Risk Register, which is updated on a bi-monthly basis. Where appropriate, systems or procedures have been established to mitigate the risks that NMITE faces, including external risks to funding. Internal control risks are minimised by the implementation of procedures for authorisation of all transactions and projects. Procedures are in place to ensure compliance with health and safety of staff, volunteers, and visitors to NMITE locations.

The higher education sector in the UK faces significant challenges, including long-term tuition fee stagnation against rising operational costs and fierce competition for domestic students. These pressures have led to widespread financial strain across many institutions. NMITE, while not immune to these sector-wide issues, has taken proactive measures to mitigate these risks and ensure financial stability.

Key strategies include the successful restructuring of loans with the Department for Education (DfE) to achieve more favourable terms and securing a £5 million commitment from donors under a legally binding deed of grant. These efforts demonstrate a robust commitment to financial resilience and operational efficiency, providing the foundation for NMITE to achieve sustainable growth over the next four years. Furthermore, NMITE's innovative educational model and close ties with industrial partners contribute to its ability to attract and retain students, enhancing its competitive position despite sector challenges.

New Model Institute for Technology and Engineering

Report of the Trustees for the Year Ended 31 July 2024

(Continued)

Statement of Internal Control

The Board has responsibility for maintaining a sound system of internal control that supports the achievement of the Institution's objectives whilst maintaining adherence to its policies and operating procedures. The controls also ensure compliance with the Office for Students conditions of registration and all charity regulation requirements.

The system of internal control is based on an ongoing process designed to identify the principal risks to the achievement of policies, aims and objectives, to evaluate the nature and extent of those risks and to manage them efficiently, effectively, and economically. It is designed to manage rather than eliminate risks and can therefore only provide reasonable and not absolute assurance of effectiveness against material losses.

An institutional Risk Register is maintained, which is presented at every meeting of the Audit and Risk Committee and to the Board of Trustees. Individual risk registers are maintained for all major organisational projects and all significant building projects

The Board's oversight of the effectiveness of the system of internal controls is informed directly by the work of the Internal Auditors and the Institution's senior management team. The Senior Leadership Team maintains a system of internal committees to ensure that policy creation and approval is consistent and transparent and to ensure that all activities are aligned to organisational strategy. Feedback is also provided by the External Auditors in their management letter and in other reports to the Audit Committee. The Internal Audit Strategy, approved by the Audit Committee, sets out priorities for the coming year based on institutional developments and risks and a wider view of the HE sector.

The Board of Trustees has approved a "governance handbook" which includes schedules of delegation which are reviewed from time to time. The Schedule includes the key responsibilities of the Executive relating to the operation of the internal control environment. The Board of Trustees receives a report from the President and Chief Executive at each meeting concerning the operation of the Institution and emerging risks and opportunities affecting it.

Volunteers and Donors

The Board of Trustees would like to pay tribute to volunteers and donors who give generously of their time and support of the work of NMITE.

New Model Institute for Technology and Engineering

Report of the Trustees for the Year Ended 31 July 2024

(Continued)

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also the directors of New Model Institute for Technology and Engineering for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.


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

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website.

Approved by order of the board of trustees on 18.12.2024 and signed on its behalf by:


.....
Mr M J Hitchin - Vice Chair of Trustees

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New Model Institute for Technology and Engineering

Independent auditors' report to the New Model Institute for Technology and Engineering (a company limited by guarantee)

Year Ended 31 July 2024

Opinion

We have audited the financial statements of New Model Institute for Technology and Engineering (the 'Institute') for the year ended 31 July 2024 which comprise the Statement of Comprehensive Income, the Statement of Financial position, the Statement of Changes in Reserves, the Statement of Cash Flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice), the Statement of Recommended Practice: Accounting for Further and Higher Education (the 'FE HE SORP') and the Office for Students Accounts Direction (OfS 2019.41).

In our opinion, the financial statements:

- give a true and fair view of the state of the Institute's affairs as at 31 July 2024 and of the Institute's surplus of income against expenditure, gains and losses, changes in reserves and cash flows for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the FE HE SORP and the Office for Students' Accounts Direction (OfS 2019.41); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Institute 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.

Conclusion relating to going concern

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

We draw attention to the Statement of Comprehensive Income in the financial statements, which indicates a deficit of £1.521m during the year ended 31 July 2024 (2023: £3.195m deficit) was incurred, with total net assets reducing from £5,951m at 31 July 2023 to £4,430, at 31 July 2024. Free reserves at 31 July 2024 stood at negative £7.641m (2023: £6.681m) Further details are stated in the accounting policies under "going concern", where the trustees give more detail of the current position, including additional funding support received post year end, together with their plans to ensure the organisation is a going concern for the foreseeable future, being at least twelve months from the date the financial statements are authorised for issue.

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

Other information

The other information comprises the information included in the Report of Trustees, Statement of Governance and Internal Control and Statement on Responsibilities of Trustee for the Year Ended 31 July 2024, other than the financial statements and our auditor's report thereon. The Board of Trustees are responsible for the other information. 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.

New Model Institute for Technology and Engineering

Independent auditors' report to the New Model Institute for Technology and Engineering (a company limited by guarantee)

Year Ended 31 July 2024

(Continued)

Opinions on matters prescribed by the Companies Act 2006

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

- the information given in the Report of Trustees, Statement of Governance and Internal Control and Statement on Responsibilities of Trustee for the financial year for which the statements are prepared is consistent with the financial statements; and
- report of Trustees, Statement of Governance and Internal Control and Statement on Responsibilities of Trustee have been prepared in accordance with applicable legal requirements.

Opinion on other matters prescribed by the Office for Students' Accounts Direction (OfS 2019.41)

In our opinion:

- funds from whatever source administered by the Institute for the specific purposes have been applied to those purposes and managed in accordance with relevant legislation; and
- funds provided by the Office for Students ('OfS'), the Education and Skills Funding Agency and Department for Education have been applied in accordance with the relevant terms and conditions attached to them.

We have nothing to report in respect of the following matters in relation to which the Office for Students' Accounts Direction requires us to report to you if, in our opinion:

- the Institute's grant and fee income, as disclosed in the notes to the financial statements, has been materially misstated; or
- the Institute's expenditure on access and participation activities for the financial year has been materially misstated.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the University and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees, Statement of Governance and Internal Control and Statement on Responsibilities of Trustees.

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

- adequate accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of the Board of Trustees

As explained more fully in the Statement of Responsibilities of the Board of Trustees set out on Page 7, the Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees 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 Board of Trustees is responsible for assessing the Institute'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 Board of Trustees either intend to liquidate the Institute or to cease operations, or have no realistic alternative but to do so.

New Model Institute for Technology and Engineering

Independent auditors' report to the New Model Institute for Technology and Engineering (a company limited by guarantee)

Year Ended 31 July 2024

(Continued)

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:

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- the nature of the sector, control environment and the Institute's performance;
- results of our enquires of management and the Trustees, including the committees charged with governance over the Institute's finance and control, about their own identification and assessment of the risks of irregularities;
- any matters we identified having obtained and reviewed the Institute's documentation of their policies and procedures relating to: identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance; detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations;
- how the Institute ensured it met its obligations arising from it being financed by and subject to the governance requirements of the OfS, and as such material compliance with these obligations is required to ensure the Institute will continue to receive its public funding and be authorised to operate, including around ensuring there is no material unauthorised use of funds and expenditure; and
- the matters discussed among the audit engagement team and involving relevant internal Institute specialists regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the Institute for fraud, which included incorrect recognition of revenue and management override of controls using manual journal entries and these were identified as having the greatest potential for fraud.

In common with all audits under ISA's (UK), we are also required to perform procedures to respond to the risk of management override. We also obtained an understanding of the legal and regulatory frameworks that the Institute operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the Office for Students' Accounts Direction (OfS 2019.41) and the FE HE SORP.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the Institute's ability to operate or to avoid a material penalty. These included safeguarding regulations, data protection regulations, occupational health and safety regulations, education and inspections legislation, and employment legislation.

Our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- reviewing the financial statement disclosures and testing to supporting documentation to assess the recognition of revenue;
- enquiring of the Institute's management and Trustees concerning actual and potential litigation and claims;
- performing procedures to confirm material compliance with the requirements of the OfS;

New Model Institute for Technology and Engineering

Independent auditors' report to the New Model Institute for Technology and Engineering (a company limited by guarantee)

Year Ended 31 July 2024

(Continued)

- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of the Trustees and reviewing internal control reports; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments;
- and assessing whether the judgements made in making accounting estimates are indicative of a potential bias.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

Use of our report

This report is made solely to the Institute's Trustees, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Institute's Trustees 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 Institute's Trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Lisa Weaver FCCA (Senior Statutory Auditor)

Thorne Widgery Accountancy Ltd
Chartered Accountants
2 Wyevale Business Park
Kings Acre
Hereford
Herefordshire
HR4 7BS

Date: 18/12/24.....

New Model Institute for Technology and Engineering

Statement of Comprehensive Income
Year Ended 31 July 2024

	Notes	Year ended 31 July 2024	Year ended 31 July 2023
		£'000	£'000
Income			
Tuition fees and education contracts	1	742	307
Funding body grants	2	627	645
Other income	3	852	813
Investment income		22	21
Donations and endowments	4	<u>3,676</u>	<u>3,182</u>
Total income		<u>5,919</u>	<u>4,968</u>
Expenditure			
Staff costs	5	2,871	2,933
Restructuring costs	5	-	-
Other operating expenses		3,745	4,456
Depreciation and amortisation	9	622	652
Interest and other finance costs	6	<u>202</u>	<u>122</u>
Total expenditure		<u>7,440</u>	<u>8,163</u>
Surplus/(deficit) before other gains/(losses)		<u>(1,521)</u>	<u>(3,195)</u>
Gain/(loss) on disposal of tangible assets		-	-
Surplus / (Deficit) before tax		<u>(1,521)</u>	<u>(3,195)</u>
Taxation	8	-	-
Surplus / (Deficit) for the year		<u>(1,521)</u>	<u>(3,195)</u>
Total comprehensive income for the year		<u>(1,521)</u>	<u>(3,195)</u>
Represented by:			
Restricted comprehensive income for the year		(267)	(1,681)
Unrestricted comprehensive income for the year		<u>(1,254)</u>	<u>(1,514)</u>
		<u>(1,521)</u>	<u>(3,195)</u>

All items of income and expenditure relate to continuing activities.

The accompanying notes and policies on pages 16 to 31 form part of these financial statements.

New Model Institute for Technology and Engineering

Statement of Financial Position
Year Ended 31 July 2024

	Notes	As at 31 July 2024	As at 31 July 2023
		£'000	£'000
Non-current assets			
Tangible assets	9	<u>11,434</u>	<u>11,728</u>
Current assets			
Trade and other receivables	10	727	776
Cash and cash equivalents	16	<u>881</u>	<u>2,226</u>
		1,608	3,002
Less: Creditors; amounts falling due within one year	11	<u>(587)</u>	<u>(1,315)</u>
Net current (liabilities)/assets		<u>1,021</u>	<u>1,687</u>
Total assets less current liabilities		<u>12,455</u>	<u>13,415</u>
Creditors: amounts falling due after more than one year	12	(8,025)	(7,464)
Total net assets		<u><u>4,430</u></u>	<u><u>5,951</u></u>
Restricted Reserves			
Capital reserve	14	-	-
Income and expenditure reserve	14	637	904
Unrestricted Reserves			
Income and expenditure reserve	15	<u>3,793</u>	<u>5,047</u>
		4,430	5,951
Non-controlling interest		-	-
Total Reserves		<u><u>4,430</u></u>	<u><u>5,951</u></u>

The financial statements were approved by the Governing Body on 18.12.2024 and were signed on its behalf on that date by:


.....
Mr M J Hitchin - Vice Chair of Trustees

The accompanying notes and policies on pages 16 to 31 form part of these financial statements.

New Model Institute for Technology and Engineering

Statement of Changes in Reserves
Year Ended 31 July 2024

	Income and expenditure reserve		Total
	Restricted £'000	Unrestricted £'000	£'000
Balance at 1 August 2022	2,585	6,561	9,146
Surplus/(deficit) for the year	(1,681)	(1,514)	(3,195)
Transfer between funds	-	-	-
Total comprehensive income for the year	<u>(1,681)</u>	<u>(1,514)</u>	<u>(3,195)</u>
Balance at 1 August 2023	904	5,047	5,951
Surplus/(deficit) for the year	(254)	(1,267)	(1,521)
Transfer between funds	(13)	13	-
Total comprehensive income for the year	<u>(267)</u>	<u>(1,254)</u>	<u>(1,521)</u>
Balance at 31 July 2024	<u>637</u>	<u>3,793</u>	<u>4,430</u>

New Model Institute for Technology and Engineering

Statement of Cash Flows
Year Ended 31 July 2024

	Notes	Year ended 31 July 2024 £'000	Year ended 31 July 2023 £'000
Cash flow from operating activities			
Surplus for the year before tax		(1,521)	(3,195)
Adjustment for non-cash items			
Depreciation	9	622	652
Decrease/(increase) in debtors	10	49	(25)
Increase/(decrease) in creditors	11	(728)	(327)
Adjustment for investing or financing activities			
Interest payable	6	201	122
(Gain)/loss on the sale of tangible assets	9	-	-
Capital grant income	3	(12)	(238)
Cash flows from operating activities		<u>(1,389)</u>	<u>(3,011)</u>
Taxation		-	-
Net cash outflow from operating activities		<u>(1,389)</u>	<u>(3,011)</u>
Cash flows from investing activities			
Proceeds from sales of tangible assets			
Capital grants receipts	3	12	238
Payments made to acquire tangible assets	9	(333)	(615)
		<u>(321)</u>	<u>(377)</u>
Cash flows from financing activities			
Interest paid	6	(201)	(122)
Interest accrued on loan balance		564	-
New secured loans		-	3,120
Repayments of amounts borrowed	12	-	(100)
		<u>363</u>	<u>2,898</u>
(Decrease)/increase in cash and cash equivalents in the year		<u>(1,345)</u>	<u>(490)</u>
Cash and cash equivalents at beginning of the year	16	<u>2,226</u>	<u>2,716</u>
Cash and cash equivalents at end of the year	16	<u>881</u>	<u>2,226</u>

New Model Institute for Technology and Engineering

Statement of Principal Accounting Policies

Year Ended 31 July 2024

1 General information

The Institution of New Model Institute for Technology and Engineering is registered with the Office for Students in England and is a registered Company and Charity. The address of the registered office is NMITE, Blackfriars Street, Hereford, England, HR4 9HS.

2 Statement of compliance

The financial statements have been prepared in accordance with United Kingdom Accounting Standards, including Financial Reporting Standard 102 (FRS 102) and the Statement of Recommended Practice (SORP): Accounting for Further and Higher Education (2019 edition). They have also been prepared in accordance with the 'carried forward' powers and duties of previous legislation (Further and Higher Education Act 1992 and the Higher Education Act 2004), the Royal Charter, the Accounts Direction issued by the Office for Students (OfS), the terms and conditions of funding for higher education students (OfS), the terms and conditions of funding for higher education institutions issued by the Office for Students and the terms and conditions of Research England Grant. The entity previously followed a charity SORP up until the registration with OfS, there has been no change on income and surpluses previously reported.

The Institution is a public benefit entity and therefore has applied the relevant public benefit requirement of the applicable UK laws and accounting standards.

3 Basis of preparation

The Institution's activities, together with the factors likely to affect its future development, performance and position, are set out in the operational and financial review which forms part of the Board of Trustees' Report. The Board of Trustees' Report also describes the financial position of the Institution, its cash flows, liquidity position and borrowing facilities.

The financial statements are prepared in sterling which is the functional currency and rounded to the nearest £'000.

4 Going Concern

The activities of the institute, together with the factors likely to affect its future development and performance are set out in the Members Report. The financial position of the institute, its cash flow, liquidity, and borrowings are presented in the Financial Statements and accompanying notes.

The financial statements have been prepared on a going concern basis. The Trustees have considered the level of reserves held and the expected level of income and expenditure for 12 months from authorising these financial statements.

Detailed reviews of the institution's financial position have been undertaken - see the trustees report for further information.

The Institution continues to receive financial support from the DoFE and other donors which ensures that sufficient working capital is available to continue operations until NMITE can generate surpluses from its own activities.

NMITE also has access to further funding facilities if required. These are currently not used and there is no prospect of us needing to take these up in the foreseeable future.

Based on these factors, the trustees believe it is appropriate to prepare the financial statements on a going concern basis.

5 Income recognition

Income from the sale of goods or services is credited to the Statement of Comprehensive Income when the goods or services are supplied to the external customers or the terms of the contract have been satisfied.

Tuition fee income is stated gross of any expenditure which is not a discount and credited to the Statement of Comprehensive Income over the period in which students are studying. Where the amount of the tuition fee is reduced, by a discount for prompt payment, income receivable is shown net of the discount. Bursaries and scholarships are accounted for gross as expenditure and not deducted from income. Education contracts are recognised when the Institution is entitled to the income, which is the period in which students are studying, or where relevant, when performance conditions have been met.

Grant funding

NMITE has adopted the performance model for government revenue grants.

Grant funding including research grants from government sources and grants (including research grants) from non-government sources are recognised as income when the Institution 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 in the Statement of Financial Position and released to income as the conditions are met.

Donations

Non-exchange transactions without performance related conditions are donations. Donations with donor imposed restrictions are recognised in income when the Institution is entitled to the funds. Income is retained within the restricted reserve until such time that it is utilised in line with such restrictions at which point the income is released.

Donations with no restrictions are recognised in income when the Institution is entitled to the funds.

Donations of tangible assets are included within income. The income recognised is valued using a reasonable estimate of their gross value or the amount actually realised. Donated tangible assets are valued and accounted for as tangible assets under the appropriate asset category.

Donated goods and professional services are recognised as income when the institution has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit for use by the institution of the item is probable and that economic benefit can be measured reliably.

Capital grants

The Institution has adopted the performance model for government capital grants.

Capital grants are recognised in income when the Institution is entitled to the funds subject to any performance related conditions being met.

Investment Income

Investment income is credited to the statement of income and expenditure on a receivable basis and as either restricted or unrestricted income according to the terms or other restriction applied to the individual fund.

New Model Institute for Technology and Engineering

Statement of Principal Accounting Policies

Year Ended 31 July 2024 (Continued)

6 Accounting for retirement benefits

Defined Contribution Plan

A defined contribution plan is a post-employment benefit plan under which the company pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the income statement in the periods during which services are rendered by employees.

7 Employment benefits

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

8 Operating leases

Costs in respect of operating leases are charged on a straight-line basis over the lease term. Any lease premiums or incentives are spread over the lease term.

9 Property, plant and equipment

Land and buildings

Land and buildings are capitalised at cost on initial recognition.

After initial recognition land and buildings are subsequently measured at cost less accumulated depreciation and accumulated impairment losses.

Costs incurred in relation to land and buildings after initial purchase or construction, are capitalised to the extent that they increase the expected future benefits to the Institution.

Freehold land is not depreciated as it is considered to have an indefinite useful life. Freehold buildings are depreciated on a straight line basis over their expected useful lives as follows:

Leasehold Land and Buildings	50 - 99 years
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Where lease is less than 50 years, the asset should be depreciated over the length of the lease.

Where an item of land and buildings comprise two or more major components with substantially different useful economic lives (UELs), each component is accounted for separately and depreciated over its individual UEL. Expenditure relating to subsequent replacement of components is capitalised as incurred.

No depreciation is charged on assets in the course of construction. On completion the assets are assessed and any projects not going ahead are released to the Statement of Other Comprehensive Income.

Depreciation methods, useful lives and residual values are reviewed at the date of preparation of each Statement of Financial Position.

New Model Institute for Technology and Engineering

Statement of Principal Accounting Policies
Year Ended 31 July 2024 (Continued)

9 Property, plant and equipment (continued)

Equipment

Equipment is capitalised at cost on initial recognition and then subsequently at cost less accumulated depreciation and accumulated impairment losses.

Equipment, including computers and software, costing less than £1,000 per individual item is recognised as expenditure. All other equipment is capitalised.

Capitalised equipment is stated at cost and depreciated over its expected useful life as follows:

Computer Equipment	25% reducing balance
Fixtures and fittings	Straight line over 5 years

Where an item of equipment comprises two or more major components with substantially different UELs, each component is accounted for separately and depreciated over its individual UEL. Expenditure relating to subsequent replacement of components is capitalised as incurred.

Depreciation methods, useful lives and residual values are reviewed at the date of preparation of each Statement of Financial Position.

Impairment

A review for impairment of property, plant and equipment is carried out if events or changes in circumstances indicate that the carrying amount of the property, plant and equipment may not be recoverable.

10 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 (maturity being less than three months from the placement date), highly liquid investments that are readily convertible to known amounts of cash with insignificant risk of change in value.

11 Provisions, contingent liabilities and contingent assets

Provisions are recognised in the financial statements when:

- (a) the Institution has a present obligation (legal or constructive) as a result of a past event;
- (b) it is probable that an outflow of economic benefits will be required to settle the obligation; and
- (c) a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is determined by discounting the expected future cash flows at a pre-tax rate that reflects risks specific to the liability.

A contingent liability arises from a past event that gives the Institution 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 Institution. 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.

A contingent asset arises where an event has taken place that gives the Institution a possible asset whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the Institution. Contingent assets and liabilities are not recognised in the Statement of Financial Position but are disclosed in the notes.

New Model Institute for Technology and Engineering

Statement of Principal Accounting Policies

Year Ended 31 July 2024 (Continued)

12 Taxation

The Institution is an exempt charity within the meaning of Part 3 of the Charities Act 2011. It is therefore a charity within the meaning of Para 1 of schedule 6 to the Finance Act 2010 and accordingly, the Institution is potentially exempt from UK Corporation Tax in respect of income or capital gains received within categories covered by section 478-488 of the Corporation Tax Act 2010 (CTA 2010) or section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied to exclusively charitable purposes.

The Institution receives no similar exemption in respect of Value Added Tax (VAT). Irrecoverable VAT on expenditure (revenue and capital) is included in the costs of such expenditure. Any irrecoverable VAT allocated to fixed assets is included in their cost.

13 Financial instruments

The Institution has elected to adopt Sections 11 and 12 of FRS 102 in respect of the recognition, measurement, and disclosure of financial instruments. Financial assets and liabilities are recognised when the Institution becomes party to the contractual provision of the instrument and they are classified according to the substance of the contractual arrangements entered into.

A financial asset and a financial liability are offset only when there is a legally enforceable right to set off the recognised amounts and an intention either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial assets

Basic financial assets include trade and other receivables, cash and cash equivalent. These assets are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Such assets are subsequently carried at amortised cost using the effective interest rate method. Financial assets are assessed for indicators of impairment at each reporting date. If there is objective evidence of impairment, an impairment loss is recognised in the statement of comprehensive income.

Financial assets are de-recognised when the contractual rights to the cash flows from the asset expire or are settled or substantially all of the risks and rewards of the ownership of the asset are transferred to another party.

Financial liabilities

Basic financial liabilities include trade and other payables and bank loans. These liabilities are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Debt instruments are subsequently carried at amortised cost using the effective interest rate method.

Trade payables are obligations to pay for goods and services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest rate method.

Financial liabilities are de-recognised when the liability is discharged, cancelled, or expires.

New Model Institute for Technology and Engineering

Statement of Principal Accounting Policies
Year Ended 31 July 2024 (Continued)

14 Reserves

Reserves are classified as restricted or unrestricted. Restricted funds included in the financial statements are:

- DfE Capital Grant - this relates to capital assets purchased with the income received from the Department for Education restricted for this purpose.
- DfE Revenue Grant - this relates to the general running of the organisation in to meet its objectives with the income received from the Department for Education restricted for this purpose.
- Garfield Weston Donation - this relates to the establishment of an ingenuity studio.
- Pioneer Fund - this relates to the Pioneer Cohort.
- Other restricted - includes balances where the donor has designated a specific purpose and therefore NMITE is restricted in the use of these funds.

15 Critical Accounting estimates and judgements

The preparation of the Institution's financial statements requires management to make judgements, estimates, and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities, income, and expenses. These judgements, estimates, and associated assumptions are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The resulting accounting estimates will, by definition, seldom equal the related actual results.

Critical judgements and assumptions

Income recognition - Judgement is applied in determining the value and timing of certain income items to be recognised in the financial statements. This includes determining when performance related conditions have been met.

Impairment of assets - At each reporting date fixed assets are reviewed to determine whether there is any indication that those assets have suffered an impairment loss as a result of any indications. If there is an indication of impairment, the recoverable amount of any affected asset is estimated and compared with its carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in surplus or deficit in the period it arises.

If an impairment loss subsequently reverses, the carry amount of the asset is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in surplus or deficit in the period it arises.

Useful lives of property, plant and equipment - Property, plant and equipment represent a significant proportion of the Institution's total assets. Therefore, the estimated useful lives can have a significant impact on the depreciation charged and the Institution's reported performance. Useful lives are determined at the time the asset is acquired and reviewed regularly for appropriateness. The lives are based on historical experience with similar assets as well as anticipation of future events. Details of the carrying values of property, plant and equipment are shown in note 8.

New Model Institute for Technology and Engineering

Notes to the financial statements

Year Ended 31 July 2024

	Year Ended 31 July 2024 £'000	Year Ended 31 July 2023 £'000
1 Tuition fees and education contracts		
Full-time home and EU students	742	307
	<u>742</u>	<u>307</u>
	Year Ended 31 July 2024 £'000	Year Ended 31 July 2023 £'000
2 Funding body grants		
Other Bodies		
Office for Students	149	168
Specific grants		
European Social Fund	127	377
Department for Work - Kickstart scheme	-	41
HCI Grant	11	59
Skills Hub Grant	274	
Keystone Project Grant Income	66	
	<u>627</u>	<u>645</u>

Note: The source of grant and fee income, included in note 2 is as follows:

	Year Ended 31 July 2024 £'000	Year Ended 31 July 2023 £'000
2a Grant and Fee income		
Grant income from the OfS	149	168
Grant income from other bodies	478	477
	<u>627</u>	<u>645</u>
	Year Ended 31 July 2024 £'000	Year Ended 31 July 2023 £'000
3 Other income		
Other revenue grants	-	96
Other capital grants	12	238
Other income	840	479
	<u>852</u>	<u>813</u>

Capital grants were provided in the prior the year by The Marches Local Enterprise Partnership to fund the construction of Skylon Park campus. The grants have been fully recognised in the year, as their conditions have been met.

	Year Ended 31 July 2024 £'000	Year Ended 31 July 2023 £'000
4 Donations and endowments		
Donations with restrictions	1,253	713
Unrestricted donations	2,423	2,469
	<u>3,676</u>	<u>3,182</u>

New Model Institute for Technology and Engineering

Notes to the financial statements Year Ended 31 July 2024 (Continued)

	Year Ended 31 July 2024	Year Ended 31 July 2023
	£'000	£'000
5 Staff costs		
Staff Costs :		
Salaries	2,421	2,463
Social security costs	253	250
Other pension costs	197	220
Sub-total	2,871	2,933
Restructuring costs	-	-
Total	2,871	2,933

	Year Ended 31 July 2024	Year Ended 31 July 2023
	£'000	£'000
Total remuneration of the head of the institution		
Basic salary	135	133
Performance-related pay and other bonuses	-	-
Sums paid under any pension scheme in relation to employment with the Institution	16	16
	151	149

Justification for the President/Chief Executive Officer

The Remuneration Committee has direct responsibility for determining reward and remuneration related matters for both the President/Chief Executive Officer and other members of NMITE's Senior Leadership Team. The Remuneration Committee has confirmed continued compliance with the CUC's Higher Education Senior Staff Remuneration Code and, accordingly, the 2023/24 Annual Reward and Remuneration Report to the Board of Trustees will be published by Spring 2025.

The Remuneration Committee considers a variety of factors when deciding remuneration for NMITE's President/CEO and Senior Leadership Team which includes comparative benchmarking data for similar sized institutions (primarily HESA, CUC and other relevant data); the national pay award for other University staff; financial sustainability; individual performance; organisational performance; internal equity and external market factors. Further details relating to the Remuneration Committee's decisions on senior pay will be contained in their Annual Report to the Board of Governors.

In considering pay for the President/CEO and the Senior Leadership Team in October of the previous year, the Remuneration Committee considered both the individual and organisational performance against predetermined performance measures, including but not limited to:

- a) Performance in support of the institution's strategic objectives in areas such as:
 - Validation
 - Management & Leadership of Staff
 - Partnerships and external relations internationally, nationally, and locally
 - Development of organisational culture
 - Major initiatives and projects
- b) the size, growth and complexity of the institution;
- c) the nature of the HE markets and issues of recruitment and retention;
- d) the institution's objectives in relation to the diversity of the workforce;

New Model Institute for Technology and Engineering

Notes to the financial statements
Year Ended 31 July 2024 (Continued)

5 Staff Costs (Continued)

The Remuneration Committee concluded that the President/CEO was performing at a high level, providing clear leadership to the University in a challenging context resulting from the wide range of external factors impacting on the HE sector. The committee agreed to award the CEO and Senior Leadership team a cost of living increase of 4%, consistent with the pay award approved for all other staff. However, the CEO elected to decline to receive the increase and his salary remained frozen for the full year.

Pay ratios

Total remuneration includes employer pension contributions/allowance in lieu of employer pension contributions and taxable benefits. Pay for part-time and hourly paid workers have been pro-rated up to the full-time equivalent.

- i. The head of the provider's basic salary is 3.2 times the median pay of staff (2023: 3.6 times), where the median pay is calculated on a full-time equivalent basis for the salaries paid by the provider to its staff.
- ii. The head of the provider's total remuneration is 3.4 times the median total remuneration of staff (2023: 3.8 times), where the median total remuneration is calculated on a full-time equivalent basis for the total remuneration by the provider of its staff.

The number of staff with a basic salary of over £100,000 per annum has been included below:

	Year Ended 31 July 2024 No.	Year Ended 31 July 2023 No.
Basic salary per annum		
£110,000 - £114,999	-	-
£120,000 - £124,999	-	1
£130,000 - £134,999	1	1
£165,000 - £169,999	-	-
	<u>1</u>	<u>2</u>

	Year Ended 31 July 2024 No.	Year Ended 31 July 2023 No.
Average staff full time equivalents by major category :		
Academic	27	27
Administration and central services	15	17
Premises	2	2
Other	3	5
Total number of staff	<u>47</u>	<u>51</u>

	Year Ended 31 July 2024 No.	Year Ended 31 July 2023 No.
Average staff headcount by major category :		
Academic	31	38
Administration and central services	15	16
Premises	3	4
Other	2	6
Total number of staff	<u>51</u>	<u>64</u>

New Model Institute for Technology and Engineering

Notes to the financial statements Year Ended 31 July 2024 (Continued)

5 Staff Costs (Continued)

Compensation for loss of office

NMITE paid £nil in compensation for loss of office for staff members during the year. (2023: £nil).

Key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the University. Staff costs includes compensation paid to key management personnel. Details of the key management personnel can be found on page 1.

Key management personnel compensation	£'000 430	£'000 429
---------------------------------------	--------------	--------------

	Year Ended 31 July 2024 £'000	Year Ended 31 July 2023 £'000
6 Interest and other finance costs		
Loan interest	189	120
Bank charges	12	2
	<u>201</u>	<u>122</u>

	Year Ended 31 July 2024 £'000	Year Ended 31 July 2023 £'000
7 Analysis of total expenditure by activity		
Staff costs	2,871	2,933
Academic and related expenditure	315	289
Administration and central services	660	724
Premises (including service concession cost)	1,156	1,142
Other expenses	<u>2,438</u>	<u>3,075</u>
	<u>7,440</u>	<u>8,163</u>

Other operating expenses include:

Operating lease rentals:

Land and buildings	571	16
Software/licenses (donated)	1,245	1,669
Depreciation	622	652

External auditors remuneration in respect of audit services

Audit related assurance services	29	22
Other non-audit services	-	-
Total non-audit services	<u>29</u>	<u>22</u>

8 Taxation

There are no tax charges for the New Model Institute for Technology & Engineering in 2023/24 (2022/23: £Nil)

New Model Institute for Technology and Engineering

Notes to the financial statements
Year Ended 31 July 2024 (Continued)

9 Tangible Assets

Property, plant and equipment

	Freehold property	Leasehold Buildings	Fixtures, Fittings and Equipment	Improvements to property	Assets in the Course of Construction	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Cost and valuation						
At 1 August 2023	-	1,181	2,334	1,506	8,126	13,147
Additions	-	-	45	-	288	333
Disposals	-	-	(21)	-	-	(21)
Reclassification	8,126	-	-	-	(8,126)	-
At 31 July 2024	8,126	1,181	2,358	1,506	288	13,459
Depreciation						
At 1 August 2023	-	88	1,121	63	147	1,419
Charge for the year	163	21	407	31	-	622
Disposals	-	-	(16)	-	-	(16)
Reclassification	147	-	-	-	(147)	-
At 31 July 2024	310	109	1,512	94	-	2,025
Carrying amount						
At 31 July 2024	7,816	1,072	846	1,412	288	11,434
At 31 July 2023	-	1,093	1,213	1,443	7,979	11,728

10 Trade and other receivables

	Year Ended 31 July 2024	Year Ended 31 July 2023
	£'000	£'000
Amounts falling due within one year:		
Other trade receivables	115	182
Accrued income	409	347
Prepayments	203	247
	<u>727</u>	<u>776</u>

New Model Institute for Technology and Engineering

Notes to the financial statements
Year Ended 31 July 2024 (Continued)

11 Creditors: amounts falling due within one year	Year Ended 31 July 2024 £'000	Year Ended 31 July 2023 £'000
Trade payables	254	833
Social security and other taxation payable	95	99
Other creditors	7	10
Accruals and deferred income	231	373
	<u>587</u>	<u>1,315</u>
12 Creditors: amounts falling due after more than one year	Year Ended 31 July 2024 £'000	Year Ended 31 July 2023 £'000
Secured loans	8,025	7,464
13 Loans	Year Ended 31 July 2024 £'000	Year Ended 31 July 2023 £'000
Analysis of secured and unsecured loans:		
Due within one year or on demand		-
Due between two and five years		-
Due in five years	8,025	7,464
Due after more than one year	<u>8,025</u>	<u>7,464</u>
Total secured and unsecured loans	<u>8,025</u>	<u>7,464</u>
Unsecured loans repayable by 2025 or earlier	<u>-</u>	<u>-</u>

New Model Institute for Technology and Engineering

Notes to the financial statements
Year Ended 31 July 2024 (Continued)

14 Restricted Reserves

Reserves with restrictions are as follows:

	Unspent capital grants £'000	Unspent other grants £'000	Donations £'000	Total £'000
Balances at 1 August 2022	506	-	2,079	2,760
New grants	-	238	-	238
New donations	-	-	934	934
Capital grants utilised in the year	-	(238)	-	(238)
Expenditure	-	-	(1,981)	(1,981)
Transfers between funds	(506)	-	(128)	(634)
Total restricted comprehensive income for the year	(506)	-	(1,175)	(1,681)
Balances at 1 August 2023	-	-	904	904
New grants	-	-	-	-
New donations	-	-	1,253	1,253
Capital grants utilised in the year	-	-	-	-
Expenditure	-	-	(1,507)	(1,507)
Transfers between funds	-	-	(13)	(13)
Total restricted comprehensive income for the year	-	-	(267)	(267)
At 31 July 2024	-	-	637	637

	2024 Total £'000	2023 Total £'000
Analysis of other restricted funds /donations by type of purpose:		
Scholarships and bursaries	445	376
General	192	528
	637	904

15 Unrestricted Reserves

	Total £'000
Balances at 1 August 2022	6,561
Surplus/(deficit) for the year	(1,514)
Transfer to/from restricted funds	-
Total unrestricted comprehensive income for the year	(1,514)
Balances at 1 August 2023	5,047
Surplus/(deficit) for the year	(1,267)
Transfer to/from restricted funds	13
Total unrestricted comprehensive income for the year	(1,254)
At 31 July 2024	3,793

New Model Institute for Technology and Engineering

Notes to the financial statements
Year Ended 31 July 2024 (Continued)

16 Cash and cash equivalents

	At 1st August 2023 £'000	Cash Flows £'000	At 31st July 2024 £'000
Cash and cash equivalents	2,226	(1,345)	881
	<u>2,226</u>	<u>(1,345)</u>	<u>881</u>

17 Financial instruments

	Year Ended 31 July 2024 £'000	Year Ended 31 July 2023 £'000
Financial assets		
<i>Financial assets that are debt instruments measured at amortised cost</i>		
Cash and cash equivalents	881	2,226
Other trade receivables	115	182
Accrued income	<u>409</u>	<u>347</u>
	<u>1,405</u>	<u>2,755</u>
Financial liabilities		
<i>Financial liabilities at fair value through Statement of Comprehensive Income</i>		
<i>Financial liabilities measured at amortised cost</i>		
Loans	8,025	7,464
Trade creditors	254	833
Accruals	<u>231</u>	<u>373</u>
	<u>8,510</u>	<u>8,670</u>

New Model Institute for Technology and Engineering

Notes to the financial statements
Year Ended 31 July 2024 (Continued)

18 Capital and other commitments

Provision has not been made for the following capital commitments at 31 July:

	31 July 2024	31 July 2023
	£'000	£'000
Capital commitments	-	-
	<u>-</u>	<u>-</u>

19 Lease obligations

Total rentals payable under operating leases:

	31 July 2024		Total	31 July 2023
	Land and Buildings	IT Equipment	£'000	£'000
	£'000	£'000	£'000	£'000
Payable during the year	571	39	610	424
Future minimum lease payments due:				
Not later than 1 year	574	43	617	583
Later than 1 year and not later than 5 years	2,295	40	2,335	2,213
Later than 5 years	10,613	-	10,613	10,779
Total lease payments due	<u>13,482</u>	<u>83</u>	<u>13,565</u>	<u>13,575</u>

NIMTE has a sub-nominations agreement in regard to Station Approach site which is based on the ability to nominate students to utilise the accommodation. NMITE is liable to pay for any unoccupied rooms during a given period, this is based on the price of £143 per room for 46 weeks of the year applicable to 89 rooms. Due to the occupancy levels being unknown, the lease commitment is unable to be reliably calculated.

20 Related party transactions

During the year the institute entered into transactions, in the ordinary course of business, with other related parties. Transactions entered into, and balances outstanding at 31 July 2024, are as follows:

Due to the nature of the Institution's operations and the compositions of the Council, being drawn from local public and private sector organisations, it is inevitable that transactions will take place with organisations in which a member of the board of trustees may have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Institution's Financial Regulations and usual procurement procedures.

No Governor has received any remuneration/waived payments from the institution during the year (2023 - none).

The total expenses paid to or on behalf of the trustees was £1,953 to 5 trustees (2023 - £3,583 to 7 trustees). This represents travel and subsistence expenses incurred in attending meetings and costs incurred on behalf of the institution.

During the year NMITE received cash donations from trustees totalling £1,245 (2023 - £8,055).

New Model Institute for Technology and Engineering

England & Wales - Charity number 1176550

Accounts

REGISTERED COMPANY NUMBER: 08800142 (England and Wales)
REGISTERED CHARITY NUMBER: 1176550

Report of the Trustees and
Financial Statements
for the Year Ended 31 July 2023
for
New Model Institute for Technology and
Engineering

NMITE
Blackfriars Street
Hereford
England
HR4 9HS

New Model Institute for Technology and Engineering

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for the Year Ended 31 July 2023

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REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number
08800142 (England and Wales)

Registered Charity number
1176550

Registered office
NMITE
Blackfriars Street
Hereford
England
HR4 9HS

Trustees

Mr T Jagger (Chair)
Mr M J Hitchin (Vice Chair)
Mr M Leppard
Mr J Gorringe (resigned 26th July 2023)
Miss A Clark
Prof. N Lieven
Mr C Courtney (appointed 1 August 2022)
Ms Y Ali (Appointed 1 November 2022)
Mr J Newby (Appointed 1 September 2022)
Dr W Finlay (resigned 22nd May 2023)
Prof. E Rodriguez-Falcon (resigned September 2022)
Mr S Whitby (resigned 15 March 2023)
Miss E Cummings (Appointed 15 March 2023)
Dr E Liquete (Appointed 9 May 2023)
Mr J Emmet (Appointed 22 May 2023)
Mr D Hughes (Appointed 23 May 2023)

Company Secretary
C Alexander

Auditors

Thorne Widgey Accountancy Ltd
Chartered Accountants
2 Wyevale Business Park
Kings Acre
Hereford
Herefordshire
HR4 7BS

Advisers

Bankers

HSBC Bank plc
35 High St
Hereford
HR1 2AQ

Key Management personnel:

Chief Executive Officer

Prof Elena Rodriguez- Falcon (resigned 15 September 2022)

Chief Academic Officer

Mr James Newby (appointed 1 September 2022)

Chief Operating Officer

Prof Beverley Gibbs (resigned 1 September 2023)

Finance Director

Mr James Newby (post ended 1 September 2022)

Mrs Terri Stevenson (resigned 29 September 2023)

Mr Robert Jenkins (appointed 25 September 2023)

The trustees, who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 July 2023. The trustees have adopted the provisions of **Accounting and Reporting by Higher Education: Statement of Recommended Practice applicable to institutions preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)** (effective 1 January 2019).

OBJECTIVES AND ACTIVITIES

Objectives and activities

NMITE exists to address the UK's shortage of work-ready graduate engineers and focuses on an integrated approach to engineering that trains and nurtures learners with meaningful skills and capabilities as well as knowledge. NMITE graduates will be ready to add economic, environmental and social value to a range of community and global challenges. **Through their studies they work with a variety of stakeholders including industrial engineers, community groups, business owners** and people with specific healthcare requirements, and they learn to scope, create and validate solution designs to a range of real challenges. NMITE believes that engineering is an exciting and varied career path which should be freely open to young people from all parts of society. NMITE's students will learn what engineers do, how they can have a positive impact on quality of life, the environment and industry.

To attract students from a variety of backgrounds, at differing stages of life, and different educational and experiential backgrounds, NMITE will consider every application individually and irrespective of the path prospective students have travelled to get where they are today. Engineers-in-training will experience NMITE's "learning by doing" with regular real-life projects and no lectures or traditional exams; unlike other engineering institutions they will not be required to have a Maths or Physics A-level as these subjects will be taught within the curriculum. **NMITE is looking for entrepreneurial and socially-minded individuals who want to change the world for the better, and all experience is valuable.** As part of the admissions process, NMITE evaluates a person's attitude, team-working skills, and mind-set and passion for designing engineering solutions to today's problems as well as their qualifications.

Public benefit and charitable objects

All our charitable activities are undertaken to further our charitable purposes for the public benefit. These are:

- to advance education, with a particular focus on engineering and related business skills, and to widen participation in **higher education by underrepresented groups and those who are socially excluded; and**
- to promote research for the public benefit and to publish the useful results.

ACHIEVEMENT AND PERFORMANCE

The previous year to July 2022 focused on ensuring that NMITE's first cohorts of students made good progress on their courses and enjoyed their experience of studying engineering at NMITE. NMITE continued to deliver its programmes under the validation of the Open University during the 2022/23 academic year but the successful outcome of its application to the Office for Students (OfS) for New Degree Awarding Powers was confirmed in July 2023. This means that **all NMITE's current and future students will receive academic awards issued by the New Model Institute for Technology and Engineering.** The securing of its own independent degree awarding powers marks a major milestone in the institution's journey to full University status.

NMITE welcomed a new cohort students in September 2022 and they continue to make good progress on their course. **In addition, NMITE launched a number of non-award bearing training courses based on its distinctive academic pedagogy to advance its upskilling mission.** These include its bespoke graduate training course, "Springboard" and its specialist timber technology courses, Timber Engineering and Design (TED).

New Model Institute for Technology and Engineering

Report of the Trustees for the Year Ended 31 July 2023

(Continued)

Estates and Infrastructure

NMITE continued to provide the facilities needed to ensure an excellent experience for its students. Including the technical infrastructure to support its learners and staff.

Its main city centre site, the Blackfriars campus, is in full operational use as a learning and administration hub. The learning and teaching building is equipped with a range of teaching and pilot scale equipment that underpins NMITE's studio pedagogy and the ability to relate theoretical concepts, practical demonstration and applied challenge work in a dedicated studio space. A well-equipped factory space gives learners the opportunity to use a wide range of engineering operations with a range of materials.

The site at Skylon Park, which houses NMITE's developing Advanced Engineering Centres was fully operational throughout the year after being handed over following the completion of its construction in September 2022.

Plans to develop a new Future Skills Hub on the existing Blackfriars site were advanced following the confirmation of a capital and revenue grant to finance the project from the government's Stronger Towns initiative

New advanced centres

Future facilities for learning and industry partnerships will be enabled by the development of NMITE's new advanced centres, the Centre for Advanced Timber Technology (CATT), and the Centre for Automated Manufacturing. Both centres are housed in a new purpose-built facility on NMITE Skylon Campus which was completed in September 2023.

The building has achieved the highest level of attainment in the Enterprise Zone's "three apples" sustainability scheme with an emphasis on a fabric first approach (low thermal conductivity, reduced cold bridging and airtightness) in a hybrid structure that utilises advanced low carbon timber technologies where possible, incorporating renewable options and energy saving measures to ensure a reduced carbon footprint. NMITE's aim is that the building acts as an exemplar in the region by aspiring to net zero carbon targets aligned with UKRI's Industrial Decarbonisation Strategy. CATT has an educational and knowledge transfer strategy with explicit industrial support, and is now fully operational

This building is also home to the Centre for Automated Manufacturing, a project aimed at amplifying innovative automation technologies for enhanced productivity for regional manufacturers. An industrial steering group has been established to follow on from last year's roundtable consultations, and work continues to nurture and co-ordinate a group of local employers who will collaborate on the development of the centre.

Fundraising

NMITE's mission continues to inspire donors and partners to support us. Substantial grants and donations were secured during the year which increases the impact the institution can deliver and strengthens its partnerships with local institutions, engineering employers, and a range of other institutions.

Academic Development

NMITE's students continued to make good progress on their courses. The first intake advanced to study at FHEQ level 5 and levels of attainment and progression were well within sector norms.

The academic and support teams have continued their preparation to advance from being a single programme to a portfolio institution. This work has been in three main strands:

- A major programme change to the MEng Integrated Engineering (Accelerated) was successfully completed and assessed by our external assessors. This programme will launch in September 2023 to a new cohort of students
- The development, for a September 2023 launch, of a distinctive and bespoke Foundation Year programme to offer an extra entry route for students requiring more preliminary academic preparation for NMITE's academically demanding BEng and MEng programmes.
- The development of a new bachelors level course, BSc in Sustainable Built Environment to launch in September 2023.

Over the year, NMITE's impact was realised locally, nationally, and globally. Highlights include:

The hosting of the annual conference of the Engineering Professors Council, a national gathering of engineering academics. This conference including key note speeches from the NMITE President and Chief Executive and sessions led by the NMITE academic team.

The signing of new partnership agreements with Edinburgh Napier University, the Built Environment, Smart Transformation (BEST), The Sarawak College of Technology in Malaysia. These partnerships will enable new programmes to be jointly developed, provide articulation arrangements for students to advance to NMITE programmes and help engage government and other stakeholders in the development of new approaches to creating a sustainable built environment.

FINANCIAL REVIEW

Financial Position

NMITE shows an operating deficit for the year end 31 July 2023 of £3.2m (2022 deficit £1.03m). The funding provided by the Department of Education in the form of restricted capital and revenue grants have been fully utilised or committed. The financial support agreed with the DfE resulted in loan funding to provide working capital support with tranches received in February 2022 and a further tranche of £3m received in January 2023. Further restricted donations and grants in year totalling £1.05m were received.

The balance carried forward at the year-end for all unrestricted funds was £5.05m (2021: £6.56m).

Under HE SORP it is not permissible to defer revenue grant income from government or other funders unless there is a specific performance requirement.

Investment policy and investments

NMITE currently does not have an investment policy, but this will be developed by the trustees to ensure the safe and effective use of funds in due course.

Reserves policy

NMITE has unrestricted reserves valued at £5.05m (2022: £6.56m), this includes cash reserves and funds spent on capital assets. Other reserves held are restricted and capital funds that are not available for general use. See notes to the financial statements 14 and 15 for further information.

Going Concern

The Institution continues to receive financial support from the Department for Education which ensures that sufficient working capital is available to continue operations until NMITE can generate surpluses from its own activities. In addition funds from Donations has been strong post year end and cash balances are positive and ahead of projections. NMITE also has access to further funding facilities if required. These are currently not used and there is no prospect of us needing to take these up in the foreseeable future. Based on these factors, the trustees believe it is appropriate to prepare the financial statements on a going concern basis.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The New Model Institute for Technology and Engineering (NMITE) was incorporated as a private company limited by guarantee without share capital on 3 December 2013 and registered as a charity with the Charity Commission on 5 January 2018. NMITE is self-governing and legally independent but regulated as a public body.

NMITE is governed by its Articles of Association.

NMITE has adopted the Committee of University Chairs' Higher Education Code of Governance and is subject to the Office for Students' Regulatory Framework.

The Board of Trustees and its Committees

The Board of Trustees, which had 9 members at the end of 2022-23, administers the charity and meets bi-monthly. There are sub committees covering matters including Finance and Resources, Property and Infrastructure, Audit and Risk, Nominations and Remuneration. Sub committees normally meet bi-monthly and The Audit and Risk Committee normally meets quarterly.

The Board is NMITE's supreme governing body, responsible for setting its strategic direction and policies, and for NMITE's finances and assets. The Academic Council is the highest academic body, reporting to the Board of Trustees and responsible for NMITE's academic policies and for regulating academic work and standards.

Recruitment and appointment of new trustees

During the year under review, the following changes to the Board of Trustees took place:

- Mr. Christopher Courtney was appointed to the Board in August 2022
- Ms Yasmin Ali was appointed to the Board with effect from November 2022
- Mr Samuel Whitby stood down as student trustee in March 2023 following the expiry of their term of office.
- Miss Elise Cummings was appointed as a student trustee in March 2023.
- Dr Maria Elena Liqueste Cotera, Mr Jonathan Emmet and Mr David Hughes were appointed to the Board in May 2023
- Dr Wendy Finlay stepped down in May 2023 due to personal commitments.
- Mr Jon Gorringe resigned from his position on the Board and as the Chair of the finance committee in July 2023
- The President and Chief Executive was appointed as a trustee (ex officio) in September 2022.
- The former President and CEO, Professor Elena Rodriguez-Falcon left the organisation in September 2022. James Newby was promoted to the position of CEO in September 2022 having previously held the position of NMITE's Chief Operating Officer.

The Nominations Committee defines the make-up of the Board and its committees, balancing age, availability, gender, professional expertise, and public and private sector industry experience to deliver a rounded leadership to NMITE.

The committee, in seeking to fill places on the Board and any committee, publishes a job and person specification and invites applicants to complete an application form for appointment and the Company Secretary is responsible for managing declarations of interests and fit and proper declarations.

There have been no changes to the Board membership after the period covered by this review.

Induction and training of new trustees

Trustees are provided with structured induction training to familiarise them with NMITE's mission and the various operational workstreams which advance it. They are also provided with the Charities Commission Guide "The Essential Trustee" and are recipients of governance sector bulletins through NMITE's associate membership of Advance HE and professional advice through NMITE's auditors and legal counsel.

Trustees have undertaken training in PREVENT/ Safeguarding and GDPR; and on the Board responsibilities as a Regulated Body under the OfS.

The Executive

A Chief Executive Officer is appointed by the Trustees to manage the day-to-day operations of the charity. To facilitate effective operations the Chief Executive Officer has delegated authority for operational matters such as finance, employment, and academic programme activities.

The Chief Executive Officer is the Accountable Officer for OfS purposes.

Key management remuneration

The Trustees review the pay and remuneration of key management staff annually and normally increase pay levels in accordance with average earnings which have been benchmarked in the sector. Senior staff, including the CEO, play no part in these decisions.

Related parties

NMITE was validated by the Open University for the full duration of the year under review. This arrangement will cease on the 1 September 2023 when NMITE's New Degree Awarding Powers take effect.. During the 2022.23 year, The Open University therefore exerted considerable influence over NMITE's academic quality and assurance matters.

Risk management

The Trustees have a duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error.

The Audit and Risk Committee oversees the Corporate Risk Register, which is updated on a bi-monthly basis. Where appropriate, systems or procedures have been established to mitigate the risks that NMITE faces, including external risks to funding. Internal control risks are minimised by the implementation of procedures for authorisation of all transactions and projects. Procedures are in place to ensure compliance with health and safety of staff, volunteers, and visitors to NMITE locations.

Statement of Internal Control

The Board has responsibility for maintaining a sound system of internal control that supports the achievement of the Institution's objectives whilst maintaining adherence to its policies and operating procedures. The controls also ensure compliance with the Office for Students conditions of registration and all charity regulation requirements.

The system of internal control is based on an ongoing process designed to identify the principal risks to the achievement of policies, aims and objectives, to evaluate the nature and extent of those risks and to manage them efficiently, effectively, and economically. It is designed to manage rather than eliminate risks and can therefore only provide reasonable and not absolute assurance of effectiveness against material losses.

An institutional Risk Register is maintained, which is presented at every meeting of the Audit and Risk Committee and to the Board of Trustees. Individual risk registers are maintained for all major organisational projects and all significant building projects

The Board's oversight of the effectiveness of the system of internal controls is informed directly by the work of the Internal Auditors and the Institution's senior management team. The SLT maintains a system of internal committees to ensure that policy creation and approval is consistent and transparent and to ensure that all activities are aligned to organisational strategy. Feedback is also provided by the External Auditors in their management letter and in other reports to the Audit Committee. The Internal Audit Strategy, approved by the Audit Committee, sets out priorities for the coming year based on institutional developments and risks and a wider view of the HE sector.

The Board of Trustees has approved a "governance handbook" which includes schedules of delegation which are reviewed from time to time. The Schedule includes the key responsibilities of the Executive relating to the operation of the internal control environment. The Board of Trustees receives a report from the President and Chief Executive at each meeting concerning the operation of the Institution and emerging risks and opportunities affecting it.

Volunteers and Donors

The Board of Trustees would like to pay tribute to volunteers and donors who give generously of their time and support in support of the work of NMITE.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also the directors of New Model Institute for Technology and Engineering for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

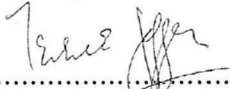
The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding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

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website.

Approved by order of the board of trustees on13th December 2023..... and signed on its behalf by:



.....
Mr T Jagger - Chair of Trustees



Mr J WELBY, CEO

New Model Institute for Technology and Engineering

Independent auditors' report to the New Model Institute for Technology and Engineering (a company limited by guarantee)

Year Ended 31 July 2023

Opinion

We have audited the financial statements of New Model Institute for Technology and Engineering (the 'Institute') for the year ended 31 July 2023 which comprise the Statement of Comprehensive Income, the Statement of Financial position, the Statement of Changes in Reserves, the Statement of Cash Flows and the notes to the financial statements, including a **summary of significant accounting policies**. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice), the Statement of Recommended Practice: Accounting for Further and Higher Education (the 'FE HE SORP') and the Office for Students Accounts Direction (OfS 2019.41).

In our opinion, the financial statements:

- give a true and fair view of the state of the Institute's affairs as at 31 July 2023 and of the Institute's surplus of income against expenditure, gains and losses, changes in reserves and cash flows for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the FE HE SORP and the Office for Students' Accounts Direction (OfS 2019.41); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Institute 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.

Conclusion relating to going concern

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

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

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

Other information

The other information comprises the information included in the Report of Trustees, Statement of Governance and Internal Control and Statement on Responsibilities of Trustee for the Year Ended 31 July 2023, other than the financial statements and our auditor's report thereon. The Board of Trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Opinions on matters prescribed by the Companies Act 2006

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

- the information given in the Report of Trustees, Statement of Governance and Internal Control and Statement on Responsibilities of Trustee for the financial year for which the statements are prepared is consistent with the financial statements; and
- **report of Trustees, Statement of Governance and Internal Control and Statement on Responsibilities of Trustee** have been prepared in accordance with applicable legal requirements.

Opinion on other matters prescribed by the Office for Students' Accounts Direction (OfS 2019.41)

In our opinion:

- funds from whatever source administered by the Institute for the specific purposes have been applied to those purposes and managed in accordance with relevant legislation; and
- funds provided by the Office for Students ('OfS'), the Education and Skills Funding Agency and Department for Education have been applied in accordance with the relevant terms and conditions attached to them.

We have nothing to report in respect of the following matters in relation to which the Office for Students' Accounts Direction requires us to report to you if, in our opinion:

- the Institute's grant and fee income, as disclosed in the notes to the financial statements, has been materially misstated; or
- the Institute's expenditure on access and participation activities for the financial year has been materially misstated.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the University and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees, Statement of Governance and Internal Control and **Statement on Responsibilities of Trustees**.

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

- **adequate accounting records have not been kept; or**
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of the Board of Trustees

As explained more fully in the Statement of Responsibilities of the Board of Trustees set out on Page 7, the Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees 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 Board of Trustees is responsible for assessing the Institute'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 Board of Trustees either intend to liquidate the Institute or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- the nature of the sector, control environment and the Institute's performance;
- results of our enquires of management and the Trustees, including the committees charged with governance over the Institute's finance and control, about their own identification and assessment of the risks of irregularities;
- any matters we identified having obtained and reviewed the Institute's documentation of their policies and procedures relating to: identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance; detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations;
- how the Institute ensured it met its obligations arising from it being financed by and subject to the governance requirements of the OfS, and as such material compliance with these obligations is required to ensure the Institute will continue to receive its public funding and be authorised to operate, including around ensuring there is no material unauthorised use of funds and expenditure; and
- the matters discussed among the audit engagement team and involving relevant internal Institute specialists regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the Institute for fraud, which included incorrect recognition of revenue and management override of controls using manual journal entries and these were identified as having the greatest potential for fraud.

In common with all audits under ISA's (UK), we are also required to perform procedures to respond to the risk of management override. We also obtained an understanding of the legal and regulatory frameworks that the Institute operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the Office for Students' Accounts Direction (OfS 2019.41) and the FE HE SORP.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the Institute's ability to operate or to avoid a material penalty. These included safeguarding regulations, data protection regulations, occupational health and safety regulations, education and inspections legislation, and employment legislation.

Our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- reviewing the financial statement disclosures and testing to supporting documentation to assess the recognition of revenue;
- enquiring of the Institute's management and Trustees concerning actual and potential litigation and claims;
- performing procedures to confirm material compliance with the requirements of the OfS;

New Model Institute for Technology and Engineering

Independent auditors' report to the New Model Institute for Technology and Engineering (a company limited by guarantee)

Year Ended 31 July 2023

(Continued)

- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of the Trustees and reviewing internal control reports; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments;
- and assessing whether the judgements made in making accounting estimates are indicative of a potential bias.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

Use of our report

This report is made solely to the Institute's Trustees, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Institute's Trustees 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 Institute's Trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Lisa Weaver FCCA (Senior Statutory Auditor)

Thorne Widgery Accountancy Ltd
Chartered Accountants
2 Wyevale Business Park
Kings Acre
Hereford
Herefordshire
HR4 7BS

Date:19/12/23.....

New Model Institute for Technology and Engineering

Statement of Comprehensive Income
Year Ended 31 July 2023

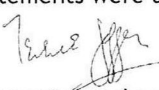
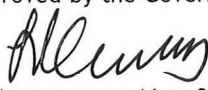
	Notes	Year ended 31 July 2023	Year ended 31 July 2022
		£'000	£'000
Income			
Tuition fees and education contracts	1	307	120
Funding body grants	1	645	892
Other income	2	813	5,279
Investment income	5	21	-
Donations and endowments	3	3,182	2,844
Total income		4,968	9,135
Expenditure			
Staff costs	4	2,933	2,878
Restructuring costs	4	-	171
Other operating expenses		4,456	4,495
Depreciation and amortisation	8	652	499
Interest and other finance costs	5	122	65
Total expenditure		8,163	8,108
Surplus/(deficit) before other gains/(losses)		(3,195)	1,027
Gain/(loss) on disposal of tangible assets		-	-
Surplus / (Deficit) before tax		(3,195)	1,027
Taxation	8	-	-
Surplus / (Deficit) for the year		(3,195)	1,027
Total comprehensive income for the year		(3,195)	1,027
Represented by:			
Restricted comprehensive income for the year		(1,681)	(175)
Unrestricted comprehensive income for the year		(1,514)	1,202
		(3,195)	1,027

All items of income and expenditure relate to continuing activities.

The accompanying notes and policies on pages 16 to 31 form part of these financial statements.

Statement of Financial Position
Year Ended 31 July 2023

	Notes	As at 31 July 2023	As at 31 July 2022
		£'000	£'000
Non-current assets			
Tangible assets	8	<u>11,728</u>	<u>11,765</u>
Current assets			
Trade and other receivables	9	776	751
Cash and cash equivalents	15	<u>2,226</u>	<u>2,716</u>
		3,002	3,467
Less: Creditors; amounts falling due within one year	10	<u>(1,315)</u>	<u>(1,742)</u>
Net current (liabilities)/assets		1,687	1,725
Total assets less current liabilities		<u>13,415</u>	<u>13,490</u>
Creditors: amounts falling due after more than one year	11	<u>(7,464)</u>	<u>(4,344)</u>
Total net assets		<u><u>5,951</u></u>	<u><u>9,146</u></u>
Restricted Reserves			
Capital reserve	13	-	506
Income and expenditure reserve	13	904	2,079
Unrestricted Reserves			
Income and expenditure reserve	14	<u>5,047</u>	<u>6,561</u>
		5,951	9,146
Non-controlling interest			-
Total Reserves		<u><u>5,951</u></u>	<u><u>9,146</u></u>

The financial statements were approved by the Governing Body on 13th December 2023 and were signed on its behalf on that date by:  

The accompanying notes and policies on pages 16 to 31 form part of these financial statements.

Statement of Changes in Reserves
Year Ended 31 July 2023

	Income and expenditure reserve		Total
	Restricted £'000	Unrestricted £'000	£'000
Balance at 1 August 2021	2,760	5,359	8,119
Surplus/(deficit) for the year	5,061	(4,034)	1,027
Transfer between funds	(5,236)	5,236	-
Total comprehensive income for the year	(175)	1,202	1,027
Balance at 1 August 2022	2,585	6,561	9,146
Surplus/(deficit) for the year	(1,681)	(1,514)	(3,195)
Transfer between funds	-	-	-
Total comprehensive income for the year	(1,681)	(1,514)	(3,195)
Balance at 31 July 2023	904	5,047	5,951

Statement of Cash Flows
Year Ended 31 July 2023

	Notes	Year ended 31 July 2023 £'000	Year ended 31 July 2022 £'000
Cash flow from operating activities			
Surplus for the year before tax		(3,195)	1,027
Adjustment for non-cash items			
Depreciation	9	652	499
Decrease/(increase) in debtors	10	(25)	(508)
Increase/(decrease) in creditors	11	(327)	1,382
Adjustment for investing or financing activities			
Interest payable	6	122	65
(Gain)/loss on the sale of tangible assets	9	-	-
Capital grant income	3	(238)	(5,150)
Cash flows from operating activities		<u>(3,011)</u>	<u>(2,685)</u>
Taxation		-	-
Net cash outflow from operating activities		<u>(3,011)</u>	<u>(2,685)</u>
Cash flows from investing activities			
Proceeds from sales of tangible assets		-	-
Capital grants receipts	3	238	5,150
Payments made to acquire tangible assets	9	(615)	(5,477)
		<u>(377)</u>	<u>(327)</u>
Cash flows from financing activities			
Interest paid	6	(122)	(65)
New secured loans		3,120	4,344
Repayments of amounts borrowed	12	(100)	-
		<u>2,898</u>	<u>4,279</u>
(Decrease)/increase in cash and cash equivalents in the year		<u>(490)</u>	<u>1,267</u>
Cash and cash equivalents at beginning of the year	16	<u>2,716</u>	<u>1,449</u>
Cash and cash equivalents at end of the year	16	<u><u>2,226</u></u>	<u><u>2,716</u></u>

Statement of Principal Accounting Policies
Year Ended 31 July 2023

1 General information

The Institution of New Model Institute for Technology and Engineering is registered with the Office for Students in England and is a registered Company and Charity. The address of the registered office is NMITE, Blackfriars Street, Hereford, England, HR4 9HS.

2 Statement of compliance

The financial statements have been prepared in accordance with United Kingdom Accounting Standards, including Financial Reporting Standard 102 (FRS 102) and the Statement of Recommended Practice (SORP): Accounting for Further and Higher Education (2019 edition). They have also been prepared in accordance with the 'carried forward' powers and duties of previous legislation (Further and Higher Education Act 1992 and the Higher Education Act 2004), the Royal Charter, the Accounts Direction issued by the Office for Students (OfS), the terms and conditions of funding for higher education students (OfS), the terms and conditions of funding for higher education institutions issued by the Office for Students and the terms and conditions of Research England Grant. The entity previously followed a charity SORP up until the registration with OfS, there has been no change on income and surpluses previously reported.

The Institution is a public benefit entity and therefore has applied the relevant public benefit requirement of the applicable UK laws and accounting standards.

3 Basis of preparation

The Institution's activities, together with the factors likely to affect its future development, performance and position, are set out in the operational and financial review which forms part of the Board of Governors' Report. The Board of Governors' Report also describes the financial position of the Institution, its cash flows, liquidity position and borrowing facilities.

The financial statements are prepared in sterling which is the functional currency and rounded to the nearest £'000.

4 Going Concern

The activities of the institute, together with the factors likely to affect its future development and performance are set out in the Members Report. The financial position of the institute, its cash flow, liquidity, and borrowings are presented in the Financial Statements and accompanying notes.

The financial statements have been prepared on a going concern basis. The Trustees have considered the level of reserves held and the expected level of income and expenditure for 12 months from authorising these financial statements.

Detailed reviews of the institution's financial position have been undertaken - see the trustees report for further information.

The Institution continues to receive financial support from the Department for Education which ensures that sufficient working capital is available to continue operations until NMITE can generate surpluses from its own activities.

NMITE also has access to further funding facilities if required. These are currently not used and there is no prospect of us needing to take these up in the foreseeable future.

Based on these factors, the trustees believe it is appropriate to prepare the financial statements on a going concern basis.

5 Income recognition

Income from the sale of goods or services is credited to the Statement of Comprehensive Income when the goods or services are supplied to the external customers or the terms of the contract have been satisfied.

Tuition fee income is stated gross of any expenditure which is not a discount and credited to the Statement of Comprehensive Income over the period in which students are studying. Where the amount of the tuition fee is reduced, by a discount for prompt payment, income receivable is shown net of the discount. Bursaries and scholarships are accounted for gross as expenditure and not deducted from income. Education contracts are recognised when the Institution is entitled to the income, which is period in which students are studying, or where relevant, when performance conditions have been met.

Grant funding

NMITE has adopted the performance model for government revenue grants.

Grant funding including research grants from government sources, grants (including research grants) from non-government sources are recognised as income when the Institution 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 in the Statement of Financial Position and released to income as the conditions are met.

Donations

Non-exchange transactions without performance related conditions are donations. Donations with donor imposed restrictions are recognised in income when the Institution is entitled to the funds. Income is retained within the restricted reserve until such time that it is utilised in line with such restrictions at which point the income is released.

Donations with no restrictions are recognised in income when the Institution is entitled to the funds.

Donations of tangible assets are included within income. The income recognised is valued using a reasonable estimate of their gross value or the amount actually realised. Donated tangible assets are valued and accounted for as tangible assets under the appropriate asset category.

Donated goods and professional services are recognised as income when the institution has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit for use by the institution of the item is probable and that economic benefit can be measured reliably.

Capital grants

The Institution has adopted the performance model for government capital grants.

Capital grants are recognised in income when the Institution is entitled to the funds subject to any performance related conditions being met.

Investment Income

Investment income is credited to the statement of income and expenditure on a receivable basis and as either restricted or unrestricted income according to the terms or other restriction applied to the individual fund.

6 Accounting for retirement benefits

Defined Contribution Plan

A defined contribution plan is a post-employment benefit plan under which the company pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the income statement in the periods during which services are rendered by employees.

7 Employment benefits

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

8 Operating leases

Costs in respect of operating leases are charged on a straight-line basis over the lease term. Any lease premiums or incentives are spread over the lease term.

9 Property, plant and equipment

Land and buildings

Land and buildings are capitalised at cost on initial recognition.

After initial recognition land and buildings are subsequently measured at cost less accumulated depreciation and accumulated impairment losses.

Costs incurred in relation to land and buildings after initial purchase or construction, are capitalised to the extent that they increase the expected future benefits to the Institution.

Freehold land is not depreciated as it is considered to have an indefinite useful life. Freehold buildings are depreciated on a straight line basis over their expected useful lives as follows:

Leasehold Land and Buildings	50 - 99 years
------------------------------	---------------

Where lease is less than 50 years, the asset should be depreciated over the length of the lease.

Where an item of land and buildings comprise two or more major components with substantially different useful economic lives (UELs), each component is accounted for separately and depreciated over its individual UEL. Expenditure relating to subsequent replacement of components is capitalised as incurred.

No depreciation is charged on assets in the course of construction. On completion the assets are assessed and any projects not going ahead are released to the Statement of Other Comprehensive Income.

Depreciation methods, useful lives and residual values are reviewed at the date of preparation of each Statement of Financial Position.

Statement of Principal Accounting Policies
Year Ended 31 July 2023 (Continued)

9 Property, plant and equipment (continued)

Equipment

Equipment is capitalised at cost on initial recognition and then subsequently at cost less accumulated depreciation and accumulated impairment losses.

Equipment, including computers and software, costing less than £1,000 per individual item is recognised as expenditure. All other equipment is capitalised.

Capitalised equipment is stated at cost and depreciated over its expected useful life as follows:

Computer Equipment	25% reducing balance
Fixtures and fittings	Straight line over 5 years

Where an item of equipment comprises two or more major components with substantially different UELs, each component is accounted for separately and depreciated over its individual UEL. Expenditure relating to subsequent replacement of components is capitalised as incurred.

Depreciation methods, useful lives and residual values are reviewed at the date of preparation of each Statement of Financial Position.

Impairment

A review for impairment of property, plant and equipment is carried out if events or changes in circumstances indicate that the carrying amount of the property, plant and equipment may not be recoverable.

10 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 (maturity being less than three months from the placement date), highly liquid investments that are readily convertible to known amounts of cash with insignificant risk of change in value.

11 Provisions, contingent liabilities and contingent assets

Provisions are recognised in the financial statements when:

- (a) the Institution has a present obligation (legal or constructive) as a result of a past event;
- (b) it is probable that an outflow of economic benefits will be required to settle the obligation; and
- (c) a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is determined by discounting the expected future cash flows at a pre-tax rate that reflects risks specific to the liability.

A contingent liability arises from a past event that gives the Institution 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 Institution. 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.

A contingent asset arises where an event has taken place that gives the Institution a possible asset whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the Institution. Contingent assets and liabilities are not recognised in the Statement of Financial Position but are disclosed in the notes.

12 Taxation

The Institution is an exempt charity within the meaning of Part 3 of the Charities Act 2011. It is therefore a charity within the meaning of Para 1 of schedule 6 to the Finance Act 2010 and accordingly, the Institution is potentially exempt from UK Corporation Tax in respect of income or capital gains received within categories covered by section 478-488 of the Corporation Tax Act 2010 (CTA 2010) or section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied to exclusively charitable purposes.

The Institution receives no similar exemption in respect of Value Added Tax (VAT). Irrecoverable VAT on expenditure (revenue and capital) is included in the costs of such expenditure. Any irrecoverable VAT allocated to fixed assets is included in their cost.

13 Financial instruments

The Institution has elected to adopt Sections 11 and 12 of FRS 102 in respect of the recognition, measurement, and disclosure of financial instruments. Financial assets and liabilities are recognised when the Institution becomes party to the contractual provision of the instrument and they are classified according to the substance of the contractual arrangements entered into.

A financial asset and a financial liability are offset only when there is a legally enforceable right to set off the recognised amounts and an intention either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial assets

Basic financial assets include trade and other receivables, cash and cash equivalent. These assets are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Such assets are subsequently carried at amortised cost using the effective interest rate method. Financial assets are assessed for indicators of impairment at each reporting date. If there is objective evidence of impairment, an impairment loss is recognised in the statement of comprehensive income.

Financial assets are de-recognised when the contractual rights to the cash flows from the asset expire or are settled or substantially all of the risks and rewards of the ownership of the asset are transferred to another party.

Financial liabilities

Basic financial liabilities include trade and other payables and bank loans. These liabilities are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Debt instruments are subsequently carried at amortised cost using the effective interest rate method.

Trade payables are obligations to pay for goods and services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest rate method.

Financial liabilities are de-recognised when the liability is discharged, cancelled, or expires.

14 Reserves

Reserves are classified as restricted or unrestricted. Restricted funds included in the financial statements are:

- DfE Capital Grant - this relates to capital assets purchased with the income received from the Department for Education restricted for this purpose.
- DfE Revenue Grant - this relates to the general running of the organisation in to meet its objectives with the income received from the Department for Education restricted for this purpose.
- **Garfield Weston Donation - this relates to the establishment of an ingenuity studio.**
- Pioneer Fund - this relates to the Pioneer Cohort.
- Other restricted - includes balances where the donor has designated a specific purpose and therefore NMITE is restricted in the use of these funds.

15 Critical Accounting estimates and judgements

The preparation of the Institution's financial statements requires management to make judgements, estimates, and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities, income, and expenses. These judgements, estimates, and associated assumptions are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The resulting accounting estimates will, by definition, seldom equal the related actual results.

Critical judgements and assumptions

Income recognition - Judgement is applied in determining the value and timing of certain income items to be recognised in the financial statements. This includes determining when performance related conditions have been met.

Impairment of assets - At each reporting date fixed assets are reviewed to determine whether there is any indication that those assets have suffered an impairment loss as a result of any indications. If there is an indication of impairment, the recoverable amount of any affected asset is estimated and compared with its carrying amount. **If estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in surplus or deficit in the period it arises.**

If an impairment loss subsequently reverses, the carry amount of the asset is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in surplus or deficit in the period it arises.

Useful lives of property, plant and equipment - Property, plant and equipment represent a significant proportion of the Institution's total assets. Therefore, the estimated useful lives can have a significant impact on the depreciation charged and the Institution's reported performance. Useful lives are determined at the time the asset is acquired and reviewed regularly for appropriateness. The lives are based on historical experience with similar assets as well as anticipation of future events. Details of the carrying values of property, plant and equipment are shown in note 8.

Notes to the financial statements
Year Ended 31 July 2023

	Year Ended 31 July 2023 £'000	Year Ended 31 July 2022 £'000
1 Tuition fees and education contracts		
Full-time home and EU students	307	120
	<u>307</u>	<u>120</u>
	Year Ended 31 July 2023 £'000	Year Ended 31 July 2022 £'000
2 Funding body grants		
Other Bodies		
Office for Students	168	103
Specific grants		
European Social Fund	377	260
Department for Work - Kickstart scheme	41	529
HCI Grant	59	
	<u>645</u>	<u>892</u>

Note: The source of grant and fee income, included in note 2 is as follows:

	Year Ended 31 July 2023 £'000	Year Ended 31 July 2022 £'000
2a Grant and Fee income		
Grant income from the OfS	168	103
Grant income from other bodies	477	789
	Year Ended 31 July 2023 £'000	Year Ended 31 July 2022 £'000
3 Other income		
Other revenue grants	96	108
Other capital grants	238	5,150
Other income	479	21
	<u>813</u>	<u>5,279</u>

Capital grants were provided in prior the year by The Marches Local Enterprise Partnership to fund the construction of Skylon Park campus. The grants have been fully recognised in the year, as their conditions have been met.

	Year Ended 31 July 2023 £'000	Year Ended 31 July 2022 £'000
4 Donations and endowments		
Donations with restrictions	713	1,736
Unrestricted donations	2,469	1,108
	<u>3,182</u>	<u>2,844</u>

Notes to the financial statements
Year Ended 31 July 2023 (Continued)

	Year Ended 31 July 2023 £'000	Year Ended 31 July 2022 £'000
5 Staff costs		
Staff Costs :		
Salaries	2,463	2,371
Social security costs	250	271
Other pension costs	220	236
Sub-total	2,933	2,878
Restructuring costs	-	171
Total	2,933	3,049
	Year Ended 31 July 2023 £'000	Year Ended 31 July 2022 £'000
Total remuneration of the head of the institution		
Basic salary	133	166
Performance-related pay and other bonuses	-	-
Sums paid under any pension scheme in relation to employment with the Institution	16	20
	149	186

Justification for the President/Chief Executive Officer

The Remuneration Committee has direct responsibility for determining reward and remuneration related matters for both the **President/Chief Executive Officer and other members of NMITE's Senior Leadership Team**. The Remuneration Committee has confirmed continued compliance with the CUC's Higher Education Senior Staff Remuneration Code and, accordingly, the 2021/22 Annual Reward and Remuneration Report to the Board of Governors will be published by Spring 2023.

The Remuneration Committee considers a variety of factors when deciding remuneration for NMITE's President/CEO and Senior Leadership Team which includes comparative benchmarking data for similar sized institutions (primarily HESA, CUC and other relevant data); the national pay award for other University staff; financial sustainability; individual performance; organisational performance; internal equity and external market factors. Further details relating to the Remuneration Committee's decisions on senior pay will be contained in their Annual Report to the Board of Governors.

In considering pay for the President/CEO and the Senior Leadership Team in October of the previous year, the Remuneration Committee considered both the individual and organisational performance against predetermined performance measures, including but not limited to:

- a) Performance in support of the institution's strategic objectives in areas such as:
 - Validation
 - Management & Leadership of Staff
 - **Partnerships and external relations internationally, nationally, and locally**
 - Development of organisational culture
 - Major initiatives and projects
- b) the size, growth and complexity of the institution;
- c) the nature of the HE markets and issues of recruitment and retention;
- d) the institution's objectives in relation to the diversity of the workforce;

Notes to the financial statements
Year Ended 31 July 2023 (Continued)

5 Staff Costs (Continued)

The Remuneration Committee concluded that the President/CEO was performing at a high level, providing clear leadership to the University in a challenging context resulting from the wide range of external factors impacting on the HE sector. However, given the financial context within which NMITE was operating it was agreed that the President/CEO's and the Senior Leadership Team would not receive an increase in pay for the year ending 31st July 2023, and no incremental pay rises were received other staff members.

Pay ratios

Total remuneration includes employer pension contributions/allowance in lieu of employer pension contributions and taxable benefits. Pay for part-time and hourly paid workers have been pro-rated up to the full-time equivalent.

- i. The head of the provider's basic salary is 3.6 times the median pay of staff (2022: 4.1 times), where the median pay is calculated on a full-time equivalent basis for the salaries paid by the provider to its staff.
- ii. The head of the provider's total remuneration is 3.8 times the median total remuneration of staff (2022: 4.2 times), where the median total remuneration is calculated on a full-time equivalent basis for the total remuneration by the provider of its staff.

The number of staff with a basic salary of over £100,000 per annum has been included below:

	Year Ended 31 July 2023	Year Ended 31 July 2022
	No.	No.
Basic salary per annum		
£110,000 - £114,999	-	2
£120,000 - £124,999	1	-
£130,000 - £134,999	1	-
£165,000 - £169,999	-	1
	<u>2</u>	<u>3</u>

	Year Ended 31 July 2023	Year Ended 31 July 2022
	No.	No.
Average staff full time equivalents by major category :		
Academic	27	24
Administration and central services	17	16
Premises	2	3
Other	5	6
Total number of staff	<u>51</u>	<u>49</u>

	Year Ended 31 July 2023	Year Ended 31 July 2022
	No.	No.
Average staff headcount by major category :		
Academic	27	26
Administration and central services	17	16
Premises	2	3
Other	5	7
Total number of staff	<u>51</u>	<u>52</u>

Notes to the financial statements
Year Ended 31 July 2023 (Continued)

Compensation for loss of office

NMITE paid £nil in compensation for loss of office for staff members during the year. (2022: £171,318 for six staff members).

Key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the University. Staff costs includes compensation paid to key management personnel. Details of the key management personnel can be found on page 1.

	£'000	£'000
Key management personnel compensation	429	656

	Year Ended 31 July 2023	Year Ended 31 July 2022
	£'000	£'000
5 Interest and other finance costs		
Loan interest	120	56
Bank charges	<u>2</u>	<u>9</u>
	<u>122</u>	<u>65</u>

	Year Ended 31 July 2023	Year Ended 31 July 2022
	£'000	£'000
6 Analysis of total expenditure by activity		
Academic and related expenditure	1,564	1,597
Administration and central services	1,845	2,242
Premises (including service concession cost)	1,238	927
Other expenses	<u>3,307</u>	<u>3,277</u>
	<u>7,954</u>	<u>8,043</u>

Other operating expenses include:

Operating lease rentals

Land and buildings	16	16
Software/licenses (donated)	1,669	1,633
Depreciation	652	499

External auditors remuneration in respect of audit services

Audit related assurance services	22	26
Other non-audit services	<u>-</u>	<u>-</u>
Total non-audit services	<u>22</u>	<u>26</u>

New Model Institute for Technology and Engineering

Notes to the financial statements

Year Ended 31 July 2023 (Continued)

7 Taxation

There are no tax charges for the New Model Institute for Technology & Engineering in 2022/23 (2021/22: £Nil)

8 Tangible Assets

Property, plant and equipment

	Leasehold Buildings	Fixtures, Fittings and Equipment	Improvements to property	Assets in the Course of Construction	Total
	£'000	£'000	£'000	£'000	£'000
Cost and valuation					
At 1 August 2022	1,181	2,239	1,506	7,606	12,532
Additions	-	95	-	520	615
Reclassification	-	-	-	-	-
At 31 July 2023	<u>1,181</u>	<u>2,334</u>	<u>1,506</u>	<u>8,126</u>	<u>13,147</u>
Depreciation					
At 1 August 2022	66	670	31	-	767
Charge for the year	<u>22</u>	<u>451</u>	<u>32</u>	<u>147</u>	<u>652</u>
At 31 July 2023	<u>88</u>	<u>1,121</u>	<u>63</u>	<u>147</u>	<u>1,419</u>
Carrying amount					
At 31 July 2023	<u>1,093</u>	<u>1,213</u>	<u>1,443</u>	<u>7,979</u>	<u>11,728</u>
At 31 July 2022	<u>1,115</u>	<u>1,569</u>	<u>1,475</u>	<u>7,606</u>	<u>11,765</u>

9 Trade and other receivables

	Year Ended 31 July 2023 £'000	Year Ended 31 July 2022 £'000
Amounts falling due within one year:		
Other trade receivables	182	85
Accrued income	347	549
Prepayments	<u>247</u>	<u>117</u>
	<u>776</u>	<u>751</u>

New Model Institute for Technology and Engineering

Notes to the financial statements

Year Ended 31 July 2023 (Continued)

10	Creditors: amounts falling due within one year	Year Ended 31 July 2023 £'000	Year Ended 31 July 2022 £'000
	Trade payables	833	256
	Social security and other taxation payable	99	94
	Other creditors	10	3
	Accruals and deferred income	373	1,289
	Unsecured loans	-	100
		<u>1,315</u>	<u>1,742</u>
11	Creditors: amounts falling due after more than one year	Year Ended 31 July 2023 £'000	Year Ended 31 July 2022 £'000
	Secured loans	-	-
12	Loans	Year Ended 31 July 2023 £'000	Year Ended 31 July 2022 £'000
	Analysis of secured and unsecured loans:		
	Due within one year or on demand	-	100
	Due between two and five years	-	161
	Due in five years	7,464	4,183
	Due after more than one year	7,464	4,344
	Total secured and unsecured loans	<u>7,464</u>	<u>4,444</u>
	Unsecured loans repayable by 2024 or earlier	-	-

14 Restricted Reserves

Reserves with restrictions are as follows:

	Unspent capital grants £'000	Unspent other grants £'000	Donations £'000	Total £'000
Balances at 1 August 2021	506	31	2,223	2,760
New grants	5,143	529	-	5,672
New donations	-	-	882	882
Capital grants utilised in the year	(5,143)	-	-	(5,143)
Expenditure	-	(560)	(933)	(1,493)
Transfers between funds	-	-	(93)	(93)
Total restricted comprehensive income for the year	-	(31)	(144)	(175)
Balances at 1 August 2022	506	-	2,079	2,585
New grants	-	238	-	238
New donations	-	-	934	934
Capital grants utilised in the year	-	(238)	-	(238)
Expenditure	-	-	(1,981)	(1,981)
Transfers between funds	(506)	-	(128)	(634)
Total restricted comprehensive income for the year	(506)	-	(1,175)	(1,681)
At 31 July 2023	-	-	904	904

Analysis of other restricted funds /donations by type of purpose:

	2023 Total £'000	2022 Total £'000
Scholarships and bursaries	376	485
General	528	2,100
	904	2,585

14 Unrestricted Reserves

	Total £'000
Balances at 1 August 2021	5,359
Surplus/(deficit) for the year	(4,034)
Transfer to/from restricted funds	5,236
Total unrestricted comprehensive income for the year	1,202
Balances at 1 August 2022	6,561
Surplus/(deficit) for the year	(2,386)
Transfer to/from restricted funds	872
Total unrestricted comprehensive income for the year	(1,514)
At 31 July 2023	5,047

Notes to the financial statements
Year Ended 31 July 2023 (Continued)

15 Cash and cash equivalents

	At 1st August 2022 £'000	Cash Flows £'000	At 31st July 2023 £'000
Cash and cash equivalents	2,716	(490)	2,226
	<u>2,716</u>	<u>(490)</u>	<u>2,226</u>

16 Financial instruments

	Year Ended 31 July 2023 £'000	Year Ended 31 July 2022 £'000
Financial assets		
<i>Financial assets that are debt instruments measured at amortised cost</i>		
Cash and cash equivalents	2,226	2,716
Other trade receivables	182	85
Accrued income	347	549
	<u>2,755</u>	<u>3,350</u>
Financial liabilities		
<i>Financial liabilities at fair value through Statement of Comprehensive Income</i>		
<i>Financial liabilities measured at amortised cost</i>		
Loans	7,464	4,444
Trade creditors	883	256
Accruals	373	1,289
	<u>8,720</u>	<u>5,989</u>

17 Capital and other commitments

Provision has not been made for the following capital commitments at 31 July:

	31 July 2023	31 July 2022
	£'000	£'000
Capital commitments	-	971
	<u>-</u>	<u>971</u>

At the year-end 31 July 2023, a large capital project had been awarded to NMITE which will be started in 2023/24 and is expected to be completed by March 2025, the project will be fully funded.

Regarding the capital commitment in the prior year, NMITE entered into a contract with The Marches Local Enterprise Partnership before the end of the 2023 financial year end regarding the construction of the Skylon Campus, the contract had a total value of £7.26 million. At 31 July 2022 there were capital commitments outstanding of a value of £971k. See below for information regarding the future of NMITE's Skylon Park.

Future facilities for learning and industry partnerships will be enabled by the development of NMITE's new advanced centres, the Centre for Advanced Timber Technology, and the Centre for Automated Manufacturing. Both centres are housed in a new purpose-built facility on NMITE Skylon Campus.

18 Lease obligations

Total rentals payable under operating leases:

	Land and Buildings	31 July 2023 IT Equipment	Total	31 July 2022
	£'000	£'000	£'000	£'000
Payable during the year	16	43	59	65
Future minimum lease payments due:				
Not later than 1 year	1	29	30	53
Later than 1 year and not later than 5 years	<u>-</u>	<u>3</u>	<u>3</u>	<u>83</u>
Total lease payments due	<u>1</u>	<u>32</u>	<u>33</u>	<u>136</u>

NMITE has a sub-nominations agreement in regard to Station Approach site which is based on the ability to nominate students to utilise the accommodation. NMITE is liable to pay for any unoccupied rooms during a given period, this is based on the price of £143 per room for 46 weeks of the year applicable to 89 rooms. Due to the occupancy levels being unknown, the lease commitment is unable to be reliably calculated.

20 Related party transactions

During the year the institute entered into transactions, in the ordinary course of business, with other related parties. Transactions entered into, and balances outstanding at 31 July 2023, are as follows:

Due to the nature of the Institution's operations and the compositions of the Council, being drawn from local public and private sector organisations, it is inevitable that transactions will take place with organisations in which a member of the board of Governors may have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Institution's Financial Regulations and usual procurement procedures.

No Governor has received any remuneration/waived payments from the institution during the year (2022 - none).

The total expenses paid to or on behalf of the Governors was £3,583 to 7 governors (2022 - £3,359 to 6 governors). This represents travel and subsistence expenses incurred in attending meetings and costs incurred on behalf of the institution.

During the year NMITE received cash donations from trustees totalling £8,055 (2022 - £3,764 however £3,200 of this related to future periods therefore was included as a creditor (deferred income) at the year end).

New Model Institute for Technology and Engineering

England & Wales - Charity number 1176550

Accounts

REGISTERED COMPANY NUMBER: 08800142 (England and Wales)
REGISTERED CHARITY NUMBER: 1176550

Report of the Trustees and
Financial Statements
for the Year Ended 31 July 2022
for
New Model Institute for Technology and
Engineering

NMITE
Blackfriars Street
Hereford
England
HR4 9HS

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for the Year Ended 31 July 2022

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New Model Institute for Technology and Engineering

Reference and Administrative Details
For the Year Ended 31 July 2022
(Continued)

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number
08800142 (England and Wales)

Registered Charity number
1176550

Registered office

NMITE
Blackfriars Street
Hereford
England
HR4 9HS

Trustees

Mr I M Falconer (resigned 16 September 2021)
Ms K S Usher (resigned 20 September 2021)
Mr P Scott (resigned 20 September 2021)
Mr J Gorringe
Ms R D Innocent (resigned 30 June 2022)
Mr R Lindsay-Davies (resigned 23 November 2021)
Mr M J Hitchin (Vice Chair)
Mr T Jagger (Chair)
Miss A Clark (appointed 20 September 2021)
Dr W Finlay (appointed 20 September 2021)
Mr S Heidari-Robinson (appointed 20 September 2021, resigned 22 November 2021)
Mr M Leppard (appointed 20 September 2021)
Prof. E Rodriguez-Falcon (appointed 20 September 2021, resigned September 2022)
Dr M Shah (appointed 20 September 2021, resigned 10 April 2022)
Prof. N Lieven (appointed 23 November 2021)
Mr S Whitby (appointed 15 March 2022)

Company Secretary

S Lewis

Auditors

Bishop Fleming LLP
Chartered Accountants
Statutory Auditors
Salt Quay House
4 North East Quay
Sutton Harbour
Plymouth
PL4 0BN

Advisers

Bankers

HSBC Bank plc
35 High St
Hereford
HR1 2AQ

Key Management personnel:

Chief Executive Officer	Prof Elena Rodriguez- Falcon
Chief of External Engagement	Prof David Langley
Chief Academic Officer	Prof Beverley Gibbs
Chief Operating Officer	Mr James Newby
Finance Director	Mrs Terri Stevenson

New Model Institute for Technology and Engineering

Report of the Trustees
For the Year Ended 31 July 2022

The trustees, who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 July 2022. The trustees have adopted the provisions of Accounting and Reporting by Higher Education: Statement of Recommended Practice applicable to institutions preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

OBJECTIVES AND ACTIVITIES

Objectives and activities

NMITE exists to address the UK's shortage of work-ready graduate engineers and focuses on an integrated approach to engineering that trains and nurtures learners with meaningful skills and capabilities as well as knowledge. NMITE graduates will be ready to add economic, environmental and social value to a range of community and global challenges. Through their studies they work with a variety of stakeholders including industrial engineers, community groups, business owners and people with specific healthcare requirements, and they learn to scope, create and validate solution designs to a range of real challenges. NMITE believes that engineering is an exciting and varied career path which should be freely open to young people from all parts of society. NMITE's students will learn what engineers do, how they can have a positive impact on quality of life, the environment and industry.

To attract students from a variety of backgrounds, at differing stages of life, and different educational and experiential backgrounds, NMITE will consider every application individually and irrespective of the path prospective students have travelled to get where they are today. Engineers-in-training will experience NMITE's "learning by doing" with regular real-life projects and no lectures or traditional exams; unlike other engineering institutions they will not be required to have a Maths or Physics A-level as these subjects will be taught within the curriculum. NMITE is looking for entrepreneurial and socially-minded individuals who want to change the world for the better, and all experience is valuable. As part of the admissions process, NMITE evaluates a person's attitude, team-working skills, and mind-set and passion for designing engineering solutions to today's problems as well as their qualifications.

Public benefit and charitable objects

All our charitable activities are undertaken to further our charitable purposes for the public benefit. These are:

- to advance education, with a particular focus on engineering and related business skills, and to widen participation in higher education by underrepresented groups and those who are socially excluded; and
- to promote research for the public benefit and to publish the useful results.

ACHIEVEMENT AND PERFORMANCE

The previous year to July 2021 focused on recruiting the first cohorts following the disruption of the Covid pandemic. NMITE successfully completed all the necessary regulatory processes necessary to launch the institute and recruit students. The institute secured full registration with the primary HE regulator, the Office for Students, and is now included in its list of approved providers. Its flagship engineering programme continues to be validated by the Open University but the process of applying for New Degree Awarding Powers from the Office for Students was started in early 2022. The outcome of this process will be confirmed in early 2023.

NMITE welcomed two intakes of students during the 2021/22 year including its Pioneer Cohort in September 2021 and another smaller cohort in January 2022. The student population continues to build with another intake joining after the year under review in September 2022.

New Model Institute for Technology and Engineering

Report of the Trustees **For the Year Ended 31 July 2022** **(Continued)**

Estates and Infrastructure

NMITE continued to provide the facilities needed to ensure an excellent experience for its students. Including the technical infrastructure to support its learners and staff. New systems were installed, tested and brought into service to manage and secure student records, support student and staff working and to equip the learning studios with cutting-edge audio-visual support.

Its main city centre site, the Blackfriars campus, is in full operational use as a learning and administration hub. The learning and teaching building is equipped with a range of teaching and pilot scale equipment that underpins NMITE's studio pedagogy and the ability to relate theoretical concepts, practical demonstration and applied challenge work in a dedicated studio space. A well-equipped factory space gives learners the opportunity to use a wide range of engineering operations with a range of materials.

The development of this site was financed by grants awarded by the Marches LEP who have continued to play an active role in supporting NMITE.

New advanced centres

Future facilities for learning and industry partnerships will be enabled by the development of NMITE's new advanced centres, the Centre for Advanced Timber Technology (CATT), and the Centre for Automated Manufacturing. Both centres are housed in a new purpose-built facility on NMITE Skylon Campus which was completed in September 2022.

The building has achieved the highest level of attainment in the Enterprise Zone's "three apples" sustainability scheme with an emphasis on a fabric first approach (low thermal conductivity, reduced cold bridging and airtightness) in a hybrid structure that utilises advanced low carbon timber technologies where possible, incorporating renewable options and energy saving measures to ensure a reduced carbon footprint. NMITE's aim is that the building acts as an exemplar in the region by aspiring to net zero carbon targets aligned with UKRI's Industrial Decarbonisation Strategy. CATT has an educational and knowledge transfer strategy with explicit industrial support, and is now fully operational.

This building is also home to the Centre for Automated Manufacturing, a project aimed at amplifying innovative automation technologies for enhanced productivity for regional manufacturers. An industrial steering group has been established to follow on from last year's roundtable consultations, and work continues to nurture and co-ordinate a group of local employers who will collaborate on the development of the centre.

Fundraising

NMITE's mission continues to inspire donors and partners to support us. Substantial grants were secured during the year which increases the impact the institution can deliver and strengthens its partnerships with local institutions, engineering employers, and a range of other institutions.

Notable grants received include the Stronger Towns award to the City of Hereford. The grant aims to advance the government's "Levelling Up" agenda by investing in the development of towns to stimulate economic regeneration and enhance the lives of residents. NMITE played a leading role in the bid and was successful in securing grants for two projects which will advance its mission to enhance the skills of people of all ages and to remove the barriers that prevent local people from accessing further and higher education or from advancing their careers because of skills gaps.

New Model Institute for Technology and Engineering

Report of the Trustees For the Year Ended 31 July 2022 (Continued)

Academic Development

NMITE welcomed student cohorts to the unique MEng Integrated Engineering (accelerated) in September 2021 and January 2022. Students have settled in well, are making a vibrant contribution to the institution, and the NMITE pedagogy is now tested in earnest after an extended period of planning and preparation. Whilst there was a COVID outbreak amongst students in September 2021, they were able to continue learning at home through remote synchronous/asynchronous means and equipment packs delivered to student accommodation, and assessments were not disrupted.

The academic and support teams have completed a considerable amount of work over the year to prepare for a transition from being a single programme to a portfolio institution. This work has been in four main strands:

- under the auspices of our Validating Partner the Open University, a major programme change to the MEng Integrated Engineering (Accelerated) was successfully completed. This change included a standardisation of module lengths that will facilitate a portfolio environment, and introduced a fast-track Bachelors in Integrated Engineering that can be completed in 26 months.
- over the year, preparation for New Degree Awarding Powers (Taught) was completed. This work has progressed according to schedule and, if successful, will come to fruition in 2023. This is NMITE's preferred route to the introduction of new awards that would include a Foundation year pathway and a BSc Sustainable Built Environment to support our CATT mission from September 2023.
- Home Office approval to sponsor student visas was secured, facilitating the recruitment of international students
- The new 'Springboard' course was launched, a year-long part-time early career leadership scheme, equipping early career professionals from across Herefordshire to develop their leadership capability and personal effectiveness. This programme is funded by the European Social Fund through the Herefordshire Skills for the Future programme.
- Two 12-week short courses in timber engineering and design, targeting built environment professionals looking to upskill, were designed and prepared ready for a launch in September 2022.

Over the year, NMITE's impact was realised locally, nationally, and globally. Highlights include:

- academic thought leadership through invited participated and keynotes in events sponsored or organised by: the European Society for Engineering Education, the Royal Academy of Engineering, the British Council, the Engineering Professors' Council, the Quality Assurance Agency, the Times Higher Education Student Festival UK, the UK & Ireland Engineering Education Research Network, and the Association of University Administrators.
- co-hosting the Timber Development UK Uni Design Challenge 2022, where more than 150 students from 57 universities took on the challenge of designing a low-carbon, safe and high quality building in Hereford's southside. The challenge reflected a real need and real project in Hereford's Towns Fund development plans. The winning team was selected at a live two-day event at NMITE.
- academic contribution to a joint Summer School with INTI International University & College in Malaysia facilitated by NMITE's Pooh Ling E, a Visiting Professor with INTI. A team of NMITE staff worked with INTI students on presentation skills and personal statements, and NMITE's academic leadership ran a mentoring session with INTI staff looking to implement state-of-the-art engineering pedagogies.

FINANCIAL REVIEW

Financial Position

NMITE shows an operating surplus for the year end 31 July 2022 of £1.03m (2021 deficit £1.42m). The funding provided by the Department of Education in the form of restricted capital and revenue grants have been fully utilised or committed. The financial support agreed with the DfE resulted in loan funding to provide working capital support with tranches received in February 2022 and a further tranche of £3m confirmed for receipt in the following financial year in January 2023. Further restricted donations and grants in year totalling £1.4m were received and in addition a capital grant of £5.15m from the Marches Local Enterprise Partnership for the construction of the Centre for Advanced Timber Technology (CATT) and Centre for Automated Manufacturing (CAM). The construction of the building is underway and is due for completion in September 2022. The new building and centres will provide education and training in specialist areas of engineering.

NMITE also secured income of £84k as part of the Governments 'Kickstart' initiative which focuses on employment and employability for 18-25-year-olds. A new contract was awarded from the European Social Fund to support outreach which secured income of £260k and will continue until December 2023.

The balance carried forward at the year-end for all unrestricted funds was £6.56m (2021: £5.36m).

Under HE SORP it is not permissible to defer revenue grant income from government or other funders unless there is a specific performance requirement. Both the Department for Education and the Garfield Weston grants do not have this formal requirement but are deemed to cover future periods of expenditure beyond 31 July 2022.

New Model Institute for Technology and Engineering

Report of the Trustees For the Year Ended 31 July 2022 (Continued)

Investment policy and investments

NMITE currently does not have an investment policy, but this will be developed by the trustees to ensure the safe and effective use of funds in due course.

Reserves policy

NMITE has unrestricted reserves valued at £6.56m (2021: £5.36m), this includes cash reserves and funds spent on capital assets. Other reserves held are restricted and capital funds that are not available for general use. See notes to the financial statements 14 and 15 for further information.

Impact of Covid-19

Before NMITE was able to obtain its validation and registration, the UK entered its first national lockdown in March 2020. This delayed the processes with the Open University and Office for Students and consequently NMITE was not able to recruit its first cohort for September 2020 as planned.

Validation and registration were secured in Aug-20 and Nov-20 respectively. Allowing a Pioneer Cohort to start their programme in September 2021. This delay in launching adversely affected NMITE's financial position significantly with the following key impacts arising:

- Tuition fee income generation has been delayed
- A-level assessments, rather than exams, reduced the pool of candidates that might have been secured through UCAS clearing reducing the size of the first cohort
- Potential supporters considering donating to NMITE have delayed donations during a highly uncertain financial context.

Going Concern

The Institution continues to receive financial support from the Department for Education which ensures that sufficient working capital is available to continue operations until NMITE can generate surpluses from its own activities. Based on these factors, the trustees believe it is appropriate to prepare the financial statements on a going concern basis.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The New Model Institute for Technology and Engineering (NMITE) was incorporated as a private company limited by guarantee without share capital on 3 December 2013 and registered as a charity with the Charity Commission on 5 January 2018. NMITE is self-governing and legally independent but regulated as a public body.

NMITE is governed by its Articles of Association.

NMITE has adopted the Committee of University Chairs' Higher Education Code of Governance and is subject to the Office for Students' Regulatory Framework.

The Board of Trustees and its Committees

The Board of Trustees, which had 9 members at the end of 2021-22, administers the charity and meets bi-monthly. There are sub committees covering matters including Finance and Resources, Property and Infrastructure, Audit and Risk, Nominations and Remuneration. Sub committees normally meet bi-monthly and The Audit and Risk Committee normally meets quarterly.

The Board is NMITE's supreme governing body, responsible for setting its strategic direction and policies, and for NMITE's finances and assets. The Academic Council is the highest academic body, reporting to the Board of Trustees and responsible for NMITE's academic policies and for regulating academic work and standards.

New Model Institute for Technology and Engineering

Report of the Trustees For the Year Ended 31 July 2022 (Continued)

Recruitment and appointment of new trustees

During the year under review, the following changes to the Board of Trustees took place:

- Ms Karen Usher and Prof Peter Scott stood down following the expiry of their terms of office
- Mr. Ian Falconer and Mr. Richard Lindsay-Davies resigned from the board for other reasons
- Ms Kieran Shah, Dr. Wendy Finlay, Ms Aimee Clark, Mr. Marc Leppard and Mr. Stephen Heidari-Robinson were appointed to the board in September 2021 and Mr. Nicholas Lieven in November 2021.
- Mrs Rowena Innocent stood down following the expiry of her term of office.
- Since their appointment Ms Kierann Shah and Mr. Stephen Heidari-Robinson stood down, due to personal time commitments.
- Mr. Samuel Whitby appointed as a student trustee in February 2022.
- The President and Chief Executive was appointed as a trustee (ex officio).

The Nominations Committee defines the make-up of the Board and its committees, balancing age, availability, gender, professional expertise, and public and private sector industry experience to deliver a rounded leadership to NMITE.

The committee, in seeking to fill places on the Board and any committee, publishes a job and person specification and invites applicants to complete an application form for appointment and the Company Secretary is responsible for managing declarations of interests and fit and proper declarations.

The following changes to the Board took place after the period covered by this review:

- Mr. Christopher Courtney was appointed to the Board in August 2022.
- The President and Chief Executive Officer, Professor Elena Rodriguez-Falcon left the organisation to take up a senior leadership post at another institution in September 2022. The Board wishes to place on record its thanks for her significant contribution to building the institution and for creating the foundations for future success. A new CEO was also appointed and took office in September 2022.
- Ms Yasmin Ali has been appointed to the Board with effect from November 2022.

Induction and training of new trustees

Trustees are provided with structured induction training to familiarise them with NMITE's mission and the various operational workstreams which advance it. They are also provided with the Charities Commission Guide 'The Essential Trustee' and are recipients of governance sector bulletins through NMITE's associate membership of Advance HE and professional advice through NMITE's auditors and legal counsel.

Trustees have undertaken training in PREVENT/ Safeguarding and GDPR; and on the Board responsibilities as a Regulated Body under the OfS.

The Executive

A Chief Executive Officer is appointed by the Trustees to manage the day-to-day operations of the charity. To facilitate effective operations the Chief Executive Officer has delegated authority for operational matters such as finance, employment, and academic programme activities.

The Chief Executive Officer is the Accountable Officer for OfS purposes.

Key management remuneration

The Trustees review the pay and remuneration of key management staff annually and normally increase pay levels in accordance with average earnings which have been benchmarked in the sector. Senior staff, including the CEO, play no part in these decisions.

Related parties

NMITE is validated by the Open University who therefore exert considerable influence over NMITE's academic quality and assurance matters.

New Model Institute for Technology and Engineering

Report of the Trustees
For the Year Ended 31 July 2022
(Continued)

Risk management

The Trustees have a duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error.

The Audit and Risk Committee oversees the Corporate Risk Register, which is updated on a bi-monthly basis. Where appropriate, systems or procedures have been established to mitigate the risks that NMITE faces, including external risks to funding. Internal control risks are minimised by the implementation of procedures for authorisation of all transactions and projects. Procedures are in place to ensure compliance with health and safety of staff, volunteers, and visitors to NMITE locations.

Statement of Internal Control

The Board has responsibility for maintaining a sound system of internal control that supports the achievement of the Institution's objectives whilst maintaining adherence to its policies and operating procedures. The controls also ensure compliance with the Office for Students conditions of registration and all charity regulation requirements.

The system of internal control is based on an ongoing process designed to identify the principal risks to the achievement of policies, aims and objectives, to evaluate the nature and extent of those risks and to manage them efficiently, effectively, and economically. It is designed to manage rather than eliminate risks can therefore only provide reasonable and not absolute assurance of effectiveness against material losses.

An institutional Risk Register is maintained, which is presented at every meeting of the Audit and Risk Committee and to the Board of Trustees. Individual risk registers are maintained for all major organisational projects and all significant building projects

The Board's oversight of the effectiveness of the system of internal controls is informed directly by the work of the Internal Auditors and the Institution's senior management team. The SLT maintains a system of internal committees to ensure that policy creation and approval is consistent and transparent and to ensure that all activities are aligned to organisational strategy. Feedback is also provided by the External Auditors in their management letter and in other reports to the Audit Committee. The Internal Audit Strategy, approved by the Audit Committee, sets out priorities for the coming year based on institutional developments and risks and a wider view of the HE sector.

The Board of Trustees has approved a "governance handbook" which includes schedules of delegation which are reviewed from time to time. The Schedule includes the key responsibilities of the Executive relating to the operation of the internal control environment. The Board of Trustees receives a report from the President and Chief Executive at each meeting concerning the operation of the Institution and emerging risks and opportunities affecting it.

Volunteers and Donors

The Board of Trustees would like to pay tribute to volunteers and donors who give generously of their time and support in support of the work of NMITE.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also the directors of New Model Institute for Technology and Engineering for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

New Model Institute for Technology and Engineering

Report of the Trustees
For the Year Ended 31 July 2022
(Continued)

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website.

AUDITORS

NMITE shall tender for the external audit service in line with its policy.

Approved by order of the board of trustees on 13th February 2023 and signed on its behalf by:



.....
Mr T Jagger - Chair of Trustees

New Model Institute for Technology and Engineering

Independent auditors' report to the Board of Trustees of New Model Institute for Technology and Engineering Year Ended 31 July 2022

Opinion

We have audited the financial statements of New Model Institute for Technology and Engineering (the 'Institute') for the year ended 31 July 2022 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Reserves, the Statement of Cash Flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice), the Statement of Recommended Practice: Accounting for Further and Higher Education (the 'FE HE SORP') and the Office for Students Accounts Direction (OfS 2019.41).

In our opinion, the financial statements:

- give a true and fair view of the state of the Institute's affairs as at 31 July 2022 and of the Institute's surplus of income against expenditure, gains and losses, changes in reserves and cash flows for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the FE HE SORP and the Office for Students' Accounts Direction (OfS 2019.41); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Institute 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.

Conclusion relating to going concern

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

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

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

Other information

The other information comprises the information included in the Report of Trustees, Statement of Governance and Internal Control and Statement on Responsibilities of Trustee for the Year Ended 31 July 2022, other than the financial statements and our auditor's report thereon. The Board of Trustees are responsible for the other information. 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.

New Model Institute for Technology and Engineering

**Independent auditors' report to the Board of Trustees of New Model Institute for Technology and Engineering
Year Ended 31 July 2022
(Continued)**

Opinions on matters prescribed by the Companies Act 2006

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

- the information given in the Report of Trustees, Statement of Governance and Internal Control and Statement on Responsibilities of Trustee for the financial year for which the statements are prepared is consistent with the financial statements; and
- Report of Trustees, Statement of Governance and Internal Control and Statement on Responsibilities of Trustee have been prepared in accordance with applicable legal requirements.

Opinion on other matters prescribed by the Office for Students' Accounts Direction (OfS 2019.41)

In our opinion:

- Funds from whatever source administered by the Institute for the specific purposes have been applied to those purposes and managed in accordance with relevant legislation; and
- Funds provided by the Office for Students ('OfS'), the Education and Skills Funding Agency and Department for Education have been applied in accordance with the relevant terms and conditions attached to them.

We have nothing to report in respect of the following matters in relation to which the Office for Students' Accounts Direction requires us to report to you if, in our opinion:

- the Institute's grant and fee income, as disclosed in the notes to the financial statements, has been materially misstated; or
- the Institute's expenditure on access and participation activities for the financial year has been materially misstated.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the University and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of Trustees, Statement of Governance and Internal Control and Statement on Responsibilities of Trustees.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of the Board of Trustees

As explained more fully in the Statement of Responsibilities of the Board of Trustees set out on page X, the Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees 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 Board of Trustees is responsible for assessing the Institute'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 Board of Trustees either intend to liquidate the Institute or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- the nature of the sector, control environment and the Institute's performance;
- results of our enquiries of management and the Trustees, including the committees charged with governance over the Institute 's finance and control, about their own identification and assessment of the risks of irregularities;
- any matters we identified having obtained and reviewed the Institute's documentation of their policies and procedures relating to: identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance; detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations;
- how the Institute ensured it met its obligations arising from it being financed by and subject to the governance requirements of the OfS, and as such material compliance with these obligations is required to ensure the Institute will continue to receive its public funding and be authorised to operate, including around ensuring there is no material unauthorised use of funds and expenditure; and
- the matters discussed among the audit engagement team and involving relevant internal Institute specialists regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the Institute for fraud, which included incorrect recognition of revenue and management override of controls using manual journal entries and these were identified as having the greatest potential for fraud.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. We also obtained an understanding of the legal and regulatory frameworks that the Institute operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the Office for Students' Accounts Direction (OfS 2019.41) and the FE HE SORP.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the Institute's ability to operate or to avoid a material penalty. These included safeguarding regulations, data protection regulations, occupational health and safety regulations, education and inspections legislation, and employment legislation.

Our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- reviewing the financial statement disclosures and testing to supporting documentation to assess the recognition of revenue;
- enquiring of the Institute's management and Trustees concerning actual and potential litigation and claims;
- performing procedures to confirm material compliance with the requirements of the OfS;

New Model Institute for Technology and Engineering

**Independent auditors' report to the Board of Trustees of New Model Institute for Technology and Engineering
Year Ended 31 July 2022
(Continued)**

- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of the Trustees and reviewing internal control reports; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments;
- and assessing whether the judgements made in making accounting estimates are indicative of a potential bias.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

Use of our report

This report is made solely to the Institute's Trustees, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Institute's Trustees 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 Institute's Trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Nathan Coughlin FCA (Senior Statutory Auditor)
For and on behalf of
Bishop Fleming LLP
Chartered Accountants
Statutory Auditors
Salt Quay House
4 North East Quay
Sutton Harbour
Plymouth
PL4 0BN

Date: 21 February 2023

New Model Institute for Technology and Engineering

Statement of Comprehensive Income
Year Ended 31 July 2022

	Notes	Year ended 31 July 2022	Year ended 31 July 2021
		£'000	£'000
Income			
Tuition fees and education contracts	1	120	-
Funding body grants	2	892	89
Other income	3	5,279	2,407
Donations and endowments	4	2,844	3,067
Total income		9,135	5,563
Expenditure			
Staff costs	5	2,878	2,968
Restructuring costs	5	171	39
Other operating expenses		4,495	3,809
Depreciation and amortisation	9	499	110
Interest and other finance costs	6	65	32
Total expenditure		8,108	6,958
Surplus/(deficit) before other gains/(losses)		1,027	(1,395)
Gain/(loss) on disposal of tangible assets		-	(26)
Surplus / (Deficit) before tax		1,027	(1,421)
Taxation	8	-	-
Surplus / (Deficit) for the year		1,027	(1,421)
Total comprehensive income for the year		1,027	(1,421)
Represented by:			
Restricted comprehensive income for the year		(175)	(2,219)
Unrestricted comprehensive income for the year		1,202	798
		1,027	(1,421)

All items of income and expenditure relate to continuing activities.

The accompanying notes and policies on pages 17 to 32 form part of these financial statements.

New Model Institute for Technology and Engineering

Statement of Financial Position
Year Ended 31 July 2022

	Notes	As at 31 July 2022	As at 31 July 2021
		£'000	£'000
Non-current assets			
Tangible assets	9	<u>11,765</u>	<u>6,787</u>
Current assets			
Trade and other receivables	10	751	243
Cash and cash equivalents	16	<u>2,716</u>	<u>1,449</u>
		3,467	1,692
Less: Creditors; amounts falling due within one year	11	<u>(1,742)</u>	<u>(360)</u>
Net current (liabilities)/assets		1,725	1,332
Total assets less current liabilities		<u>13,490</u>	<u>8,119</u>
Creditors: amounts falling due after more than one year	12	(4,344)	-
Total net assets		<u><u>9,146</u></u>	<u><u>8,119</u></u>
Restricted Reserves			
Capital reserve	14	506	506
Income and expenditure reserve	14	2,079	2,254
Unrestricted Reserves			
Income and expenditure reserve	15	<u>6,561</u>	<u>5,359</u>
		9,146	8,119
Non-controlling interest		-	-
Total Reserves		<u><u>9,146</u></u>	<u><u>8,119</u></u>

The financial statements were approved by the Governing Body on 13th February 2023 and were signed on its behalf on that date by:



The accompanying notes and policies on pages 17 to 32 form part of these financial statements.

New Model Institute for Technology and Engineering

Statement of Changes in Reserves
Year Ended 31 July 2022

	Income and expenditure reserve		Total
	Restricted £'000	Unrestricted £'000	£'000
Balance at 1 August 2020	4,979	4,561	9,540
Surplus/(deficit) for the year	(226)	(1,195)	(1,421)
Transfer between funds	(1,993)	1,993	-
Total comprehensive income for the year	<u>(2,219)</u>	<u>798</u>	<u>(1,421)</u>
Balance at 1 August 2021	<u>2,760</u>	<u>5,359</u>	<u>8,119</u>
Surplus/(deficit) for the year	5,061	(4,034)	1,027
Transfer between funds	(5,236)	5,236	-
Total comprehensive income for the year	<u>(175)</u>	<u>1,202</u>	<u>1,027</u>
Balance at 31 July 2022	<u><u>2,585</u></u>	<u><u>6,561</u></u>	<u><u>9,146</u></u>

Statement of Cash Flows
Year Ended 31 July 2022

	Notes	Year ended 31 July 2022 £'000	Year ended 31 July 2021 £'000
Cash flow from operating activities			
Surplus for the year before tax		1,027	(1,421)
Adjustment for non-cash items			
Depreciation	9	499	110
Decrease/(increase) in debtors	10	(508)	211
Increase/(decrease) in creditors	11	1,382	29
Adjustment for investing or financing activities			
Interest payable	6	65	32
(Gain)/loss on the sale of tangible assets	9	-	26
Capital grant income	3	(5,150)	(2,279)
Cash flows from operating activities		<u>(2,685)</u>	<u>(3,292)</u>
Taxation		-	-
Net cash inflow from operating activities		<u>(2,685)</u>	<u>(3,292)</u>
Cash flows from investing activities			
Proceeds from sales of tangible assets		-	-
Capital grants receipts	3	5,150	2,279
Payments made to acquire tangible assets	9	(5,477)	(2,319)
		<u>(327)</u>	<u>(40)</u>
Cash flows from financing activities			
Interest paid	6	(65)	(32)
New secured loans		4,344	-
Repayments of amounts borrowed	12	-	(200)
		<u>4,279</u>	<u>(232)</u>
(Decrease)/increase in cash and cash equivalents in the year		<u>1,267</u>	<u>(3,564)</u>
Cash and cash equivalents at beginning of the year	16	<u>1,449</u>	<u>5,013</u>
Cash and cash equivalents at end of the year	16	<u>2,716</u>	<u>1,449</u>

1 General information

The Institution of New Model Institute for Technology and Engineering is registered with the Office for Students in England and is a registered Company and Charity. The address of the registered office is NMITE, Blackfriars Street, Hereford, England, HR4 9HS.

2 Statement of compliance

The financial statements have been prepared in accordance with United Kingdom Accounting Standards, including Financial Reporting Standard 102 (FRS 102) and the Statement of Recommended Practice (SORP): Accounting for Further and Higher Education (2019 edition). They have also been prepared in accordance with the 'carried forward' powers and duties of previous legislation (Further and Higher Education Act 1992 and the Higher Education Act 2004), the Royal Charter, the Accounts Direction issued by the Office for Students (OfS), the terms and conditions of funding for higher education students (OfS), the terms and conditions of funding for higher education institutions issued by the Office for Students and the terms and conditions of Research England Grant. The entity previously followed a charity SORP up until the registration with OfS, there has been no change on income and surpluses previously reported.

The Institution is a public benefit entity and therefore has applied the relevant public benefit requirement of the applicable UK laws and accounting standards.

3 Basis of preparation

The Institution's activities, together with the factors likely to affect its future development, performance and position, are set out in the operational and financial review which forms part of the Board of Governors' Report. The Board of Governors' Report also describes the financial position of the Institution, its cash flows, liquidity position and borrowing facilities.

The financial statements are prepared in sterling which is the functional currency and rounded to the nearest £'000.

4 Going Concern

The activities of the institute, together with the factors likely to affect its future development and performance are set out in the Members Report. The financial position of the institute, its cash flow, liquidity, and borrowings are presented in the Financial Statements and accompanying notes.

The financial statements have been prepared on a going concern basis. The Trustees have considered the level of reserves held and the expected level of income and expenditure for 12 months from authorising these financial statements.

Detailed reviews of the institution's financial position have been undertaken and remain ongoing and these have led to a number of post-year interventions.

The Institution continues to receive financial support from the Department for Education which ensures that sufficient working capital is available to continue operations until NMITE can generate surpluses from its own activities. Based on these factors, the trustees believe it is appropriate to prepare the financial statements on a going concern basis.

5 Income recognition

Income from the sale of goods or services is credited to the Statement of Comprehensive Income when the goods or services are supplied to the external customers or the terms of the contract have been satisfied.

Tuition fee income is stated gross of any expenditure which is not a discount and credited to the Statement of Comprehensive Income over the period in which students are studying. Where the amount of the tuition fee is reduced, by a discount for prompt payment, income receivable is shown net of the discount. Bursaries and scholarships are accounted for gross as expenditure and not deducted from income. Education contracts are recognised when the Institution is entitled to the income, which is period in which students are studying, or where relevant, when performance conditions have been met.

Grant funding

NMITE has adopted the performance model for government revenue grants.

Grant funding including research grants from government sources, grants (including research grants) from non-government sources are recognised as income when the Institution 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 in the Statement of Financial Position and released to income as the conditions are met.

Donations

Non-exchange transactions without performance related conditions are donations. Donations with donor imposed restrictions are recognised in income when the Institution is entitled to the funds. Income is retained within the restricted reserve until such time that it is utilised in line with such restrictions at which point the income is released.

Donations with no restrictions are recognised in income when the Institution is entitled to the funds.

Donations of tangible assets are included within income. The income recognised is valued using a reasonable estimate of their gross value or the amount actually realised. Donated tangible assets are valued and accounted for as tangible assets under the appropriate asset category.

Donated goods and professional services are recognised as income when the institution has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit for use by the institution of the item is probable and that economic benefit can be measured reliably.

Capital grants

The Institution has adopted the performance model for government capital grants.

Capital grants are recognised in income when the Institution is entitled to the funds subject to any performance related conditions being met.

Investment Income

Investment income is credited to the statement of income and expenditure on a receivable basis and as either restricted or unrestricted income according to the terms or other restriction applied to the individual fund.

6 Accounting for retirement benefits

Defined Contribution Plan

A defined contribution plan is a post-employment benefit plan under which the company pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the income statement in the periods during which services are rendered by employees.

7 Employment benefits

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

8 Operating leases

Costs in respect of operating leases are charged on a straight-line basis over the lease term. Any lease premiums or incentives are spread over the lease term.

9 Property, plant and equipment

Land and buildings

Land and buildings are capitalised at cost on initial recognition.

After initial recognition land and buildings are subsequently measured at cost less accumulated depreciation and accumulated impairment losses.

Costs incurred in relation to land and buildings after initial purchase or construction, are capitalised to the extent that they increase the expected future benefits to the Institution.

Freehold land is not depreciated as it is considered to have an indefinite useful life. Freehold buildings are depreciated on a straight line basis over their expected useful lives as follows:

Leasehold Land and Buildings	50 - 99 years
------------------------------	---------------

Where lease is less than 50 years, the asset should be depreciated over the length of the lease.

Where an item of land and buildings comprise two or more major components with substantially different useful economic lives (UELs), each component is accounted for separately and depreciated over its individual UEL. Expenditure relating to subsequent replacement of components is capitalised as incurred.

No depreciation is charged on assets in the course of construction. On completion the assets are assessed and any projects not going ahead are released to the Statement of Other Comprehensive Income.

Depreciation methods, useful lives and residual values are reviewed at the date of preparation of each Statement of Financial Position.

9 Property, plant and equipment (continued)

Equipment

Equipment is capitalised at cost on initial recognition and then subsequently at cost less accumulated depreciation and accumulated impairment losses.

Equipment, including computers and software, costing less than £1,000 per individual item is recognised as expenditure. All other equipment is capitalised.

Capitalised equipment is stated at cost and depreciated over its expected useful life as follows:

Computer Equipment	25% reducing balance
Fixtures and fittings	Straight line over 5 years

Where an item of equipment comprises two or more major components with substantially different UELs, each component is accounted for separately and depreciated over its individual UEL. Expenditure relating to subsequent replacement of components is capitalised as incurred.

Depreciation methods, useful lives and residual values are reviewed at the date of preparation of each Statement of Financial Position.

Impairment

A review for impairment of property, plant and equipment is carried out if events or changes in circumstances indicate that the carrying amount of the property, plant and equipment may not be recoverable.

10 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 (maturity being less than three months from the placement date), highly liquid investments that are readily convertible to known amounts of cash with insignificant risk of change in value.

11 Provisions, contingent liabilities and contingent assets

Provisions are recognised in the financial statements when:

- (a) the Institution has a present obligation (legal or constructive) as a result of a past event;
- (b) it is probable that an outflow of economic benefits will be required to settle the obligation; and
- (c) a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is determined by discounting the expected future cash flows at a pre-tax rate that reflects risks specific to the liability.

A contingent liability arises from a past event that gives the Institution 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 Institution. 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.

A contingent asset arises where an event has taken place that gives the Institution a possible asset whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the Institution. Contingent assets and liabilities are not recognised in the Statement of Financial Position but are disclosed in the notes.

12 Taxation

The Institution is an exempt charity within the meaning of Part 3 of the Charities Act 2011. It is therefore a charity within the meaning of Para 1 of schedule 6 to the Finance Act 2010 and accordingly, the Institution is potentially exempt from UK Corporation Tax in respect of income or capital gains received within categories covered by section 478-488 of the Corporation Tax Act 2010 (CTA 2010) or section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied to exclusively charitable purposes.

The Institution receives no similar exemption in respect of Value Added Tax (VAT). Irrecoverable VAT on expenditure (revenue and capital) is included in the costs of such expenditure. Any irrecoverable VAT allocated to fixed assets is included in their cost.

13 Financial instruments

The Institution has elected to adopt Sections 11 and 12 of FRS 102 in respect of the recognition, measurement, and disclosure of financial instruments. Financial assets and liabilities are recognised when the Institution becomes party to the contractual provision of the instrument and they are classified according to the substance of the contractual arrangements entered into.

A financial asset and a financial liability are offset only when there is a legally enforceable right to set off the recognised amounts and an intention either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial assets

Basic financial assets include trade and other receivables, cash and cash equivalent. These assets are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Such assets are subsequently carried at amortised cost using the effective interest rate method. Financial assets are assessed for indicators of impairment at each reporting date. If there is objective evidence of impairment, an impairment loss is recognised in the statement of comprehensive income.

Financial assets are de-recognised when the contractual rights to the cash flows from the asset expire or are settled or substantially all of the risks and rewards of the ownership of the asset are transferred to another party.

Financial liabilities

Basic financial liabilities include trade and other payables and bank loans. These liabilities are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Debt instruments are subsequently carried at amortised cost using the effective interest rate method.

Trade payables are obligations to pay for goods and services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest rate method.

Financial liabilities are de-recognised when the liability is discharged, cancelled, or expires.

14 Reserves

Reserves are classified as restricted or unrestricted. Restricted funds included in the financial statements are:

- DfE Capital Grant - this relates to capital assets purchased with the income received from the Department for Education restricted for this purpose.
- DfE Revenue Grant - this relates to the general running of the organisation in to meet its objectives with the income received from the Department for Education restricted for this purpose.
- Garfield Weston Donation - this relates to the establishment of an ingenuity studio.
- Pioneer Fund - this relates to the Pioneer Cohort.
- Other restricted - includes balances where the donor has designated a specific purpose and therefore NMITE is restricted in the use of these funds.

15 Critical Accounting estimates and judgements

The preparation of the Institution's financial statements requires management to make judgements, estimates, and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities, income, and expenses. These judgements, estimates, and associated assumptions are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The resulting accounting estimates will, by definition, seldom equal the related actual results.

Critical judgements and assumptions

Income recognition - Judgement is applied in determining the value and timing of certain income items to be recognised in the financial statements. This includes determining when performance related conditions have been met.

Impairment of assets - At each reporting date fixed assets are reviewed to determine whether there is any indication that those assets have suffered an impairment loss as a result of any indications. If there is an indication of impairment, the recoverable amount of any affected asset is estimated and compared with its carrying amount. If estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in surplus or deficit in the period it arises.

If an impairment loss subsequently reverses, the carry amount of the asset is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in surplus or deficit in the period it arises.

Useful lives of property, plant and equipment - Property, plant and equipment represent a significant proportion of the Institution's total assets. Therefore, the estimated useful lives can have a significant impact on the depreciation charged and the Institution's reported performance. Useful lives are determined at the time the asset is acquired and reviewed regularly for appropriateness. The lives are based on historical experience with similar assets as well as anticipation of future events. Details of the carrying values of property, plant and equipment are shown in note 8.

New Model Institute for Technology and Engineering

Notes to the financial statements
Year Ended 31 July 2022

	Year Ended 31 July 2022 £'000	Year Ended 31 July 2021 £'000
1 Tuition fees and education contracts		
Full-time home and EU students	120	-
	<u>120</u>	<u>-</u>
	Year Ended 31 July 2022 £'000	Year Ended 31 July 2021 £'000
2 Funding body grants		
Other Bodies		
Office for Students	103	-
Specific grants		
European Social Fund	260	-
Department for Work - Kickstart scheme	529	89
	<u>892</u>	<u>89</u>

Note: The source of grant and fee income, included in note 2 is as follows:

	Year Ended 31 July 2022 £'000	Year Ended 31 July 2021 £'000
2a Grant and Fee income		
Grant income from the OfS	103	-
Grant income from other bodies	789	89
	Year Ended 31 July 2022 £'000	Year Ended 31 July 2021 £'000
3 Other income		
Other revenue grants	108	-
Other capital grants	5,150	2,279
Other income	21	128
	<u>5,279</u>	<u>2,407</u>

Capital grants have been provided in the year by The Marches Local Enterprise Partnership to fund the construction of Skylon Park campus (2021: capital improvements to Blackfriars Education and Conference Centre which the entity is committed to a long-term lease). The grants have been fully recognised in the year, as their conditions have been met.

	Year Ended 31 July 2022 £'000	Year Ended 31 July 2021 £'000
4 Donations and endowments		
Donations with restrictions	1,736	3,027
Unrestricted donations	1,108	40
	<u>2,844</u>	<u>3,067</u>

	Year Ended 31 July 2022	Year Ended 31 July 2021
	£'000	£'000
5 Staff costs		
Staff Costs:		
Salaries	2,371	2,467
Social security costs	271	265
Other pension costs	236	236
Sub-total	2,878	2,968
Restructuring costs	171	39
Total	<u>3,049</u>	<u>3,007</u>
	Year Ended 31 July 2022	Year Ended 31 July 2021
	£'000	£'000
Total remuneration of the head of the institution		
Basic salary	166	180
Performance-related pay and other bonuses	-	-
Sums paid under any pension scheme in relation to employment with the Institution	20	22
	<u>186</u>	<u>202</u>

Justification for the President/Chief Executive Officer

The Remuneration Committee has direct responsibility for determining reward and remuneration related matters for both the President/Chief Executive Officer and other members of NMITE's Senior Leadership Team. The Remuneration Committee has confirmed continued compliance with the CUC's Higher Education Senior Staff Remuneration Code and, accordingly, the 2020/21 Annual Reward and Remuneration Report to the Board of Governors will be published by Spring 2022.

The Remuneration Committee considers a variety of factors when deciding remuneration for NMITE's President/CEO and Senior Leadership Team which includes comparative benchmarking data for similar sized institutions (primarily HESA, CUC and other relevant data); the national pay award for other University staff; financial sustainability; individual performance; organisational performance; internal equity and external market factors. Further details relating to the Remuneration Committee's decisions on senior pay will be contained in their Annual Report to the Board of Governors.

In considering pay for the President/CEO and the Senior Leadership Team in October of the previous year, the Remuneration Committee considered both the individual and organisational performance against predetermined performance measures, including but not limited to:

- a) Performance in support of the institution's strategic objectives in areas such as:
 - Validation
 - Management & Leadership of Staff
 - Partnerships and external relations internationally, nationally, and locally
 - Development of organisational culture
 - Major initiatives and projects
- b) the size, growth and complexity of the institution;
- c) the nature of the HE markets and issues of recruitment and retention;
- d) the institution's objectives in relation to the diversity of the workforce;

5 Staff Costs (Continued)

The Remuneration Committee concluded that the President/CEO was performing at a high level, providing clear leadership to the University in a challenging context resulting from the wide range of external factors impacting on the HE sector. However, given the financial context within which NMITE was operating it was agreed that the President/CEO's and the Senior Leadership Team would not receive an increase in pay for the year ending 31st July 2022, and no incremental pay rises were received other staff members.

Pay ratios

Total remuneration includes employer pension contributions/allowance in lieu of employer pension contributions and taxable benefits. Pay for part-time and hourly paid workers have been pro-rated up to the full-time equivalent.

- i. The head of the provider's basic salary is 4.1 times the median pay of staff (2021: 4.3 times), where the median pay is calculated on a full-time equivalent basis for the salaries paid by the provider to its staff.
- ii. The head of the provider's total remuneration is 4.2 times the median total remuneration of staff (2021: 4.4 times), where the median total remuneration is calculated on a full-time equivalent basis for the total remuneration by the provider of its staff.

The number of staff with a basic salary of over £100,000 per annum has been included below:

	Year Ended 31 July 2022 No.	Year Ended 31 July 2021 No.
Basic salary per annum		
£110,000 - £114,999	2	-
£120,000 - £124,999	-	2
£135,000 - £139,999	-	1
£165,000 - £169,999	1	-
£175,000 - £179,999	-	1
	<u>3</u>	<u>4</u>

	Year Ended 31 July 2022 No.	Year Ended 31 July 2021 No.
Average staff full time equivalents by major category:		
Academic	24	16
Administration and central services	16	21
Premises	3	3
Other	6	6
Total number of staff	<u>49</u>	<u>46</u>

	Year Ended 31 July 2022 No.	Year Ended 31 July 2021 No.
Average staff headcount by major category:		
Academic	26	17
Administration and central services	16	21
Premises	3	3
Other	7	6
Total number of staff	<u>52</u>	<u>47</u>

Compensation for loss of office

NMITE paid £171,318 in compensation for loss of office for six staff members during the year. (2020: £38,750 for two staff members).

Key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the University. Staff costs includes compensation paid to key management personnel. In the year, the key management consisted of Chief Executive Officer, Chief of External Engagement (until November 2021), Chief Academic Officer, Chief Operating Officer & Finance Director (from January 2022).

Key management personnel compensation	£'000 656	£'000 684
	Year Ended 31 July 2022	Year Ended 31 July 2021
6 Interest and other finance costs	£'000	£'000
Loan interest	56	29
Bank charges	9	3
	65	32
	Year Ended 31 July 2022	Year Ended 31 July 2021
7 Analysis of total expenditure by activity	£'000	£'000
Academic and related expenditure	1,597	1,017
Administration and central services	2,242	2,417
Premises (including service concession cost)	927	421
Other expenses	3,277	3,071
	8,043	6,926
Other operating expenses include:		
Operating lease rentals		
Land and buildings	16	21
Equipment and service provided (donated)	300	300
Software/licenses (donated)	3,505	1,732
Depreciation	499	110
External auditors remuneration in respect of audit services		
Audit related assurance services	26	20
Other non-audit services	-	-
Total non-audit services	26	20

8 Taxation

There are no tax charges for the New Model Institute for Technology & Engineering in 2021/22 (2020/21: £Nil)

9 Tangible Assets

Property, plant and equipment

	Leasehold Buildings	Fixtures, Fittings and Equipment	Improvements to property	Assets in the Course of Construction	Total
	£'000	£'000	£'000	£'000	£'000
Cost and valuation					
At 1 August 2021	1,181	398	-	5,476	7,055
Additions	-	8	-	5,469	5,477
Reclassification		1,833	1,506	(3,339)	-
At 31 July 2022	1,181	2,239	1,506	7,606	12,532
Depreciation					
At 1 August 2021	45	223	-	-	268
Charge for the year	21	447	31	-	499
At 31 July 2022	66	670	31	-	767
Carrying amount					
At 31 July 2022	1,115	1,569	1,475	7,606	11,765
At 31 July 2021	1,136	175	-	5,476	6,787

10 Trade and other receivables

	Year Ended 31 July 2022 £'000	Year Ended 31 July 2021 £'000
Amounts falling due within one year:		
Other trade receivables	85	25
Accrued income	549	13
Prepayments	117	205
	751	243

New Model Institute for Technology and Engineering

Notes to the financial statements
Year Ended 31 July 2022 (Continued)

11 Creditors: amounts falling due within one year	Year Ended 31 July 2022 £'000	Year Ended 31 July 2021 £'000
Trade payables	256	34
Social security and other taxation payable	94	86
Other creditors	3	-
Accruals and deferred income	1,289	140
Unsecured loans	<u>100</u>	<u>100</u>
	<u>1,742</u>	<u>360</u>
12 Creditors: amounts falling due after more than one year	Year Ended 31 July 2022 £'000	Year Ended 31 July 2021 £'000
Secured loans	4,344	-
13 Loans	Year Ended 31 July 2022 £'000	Year Ended 31 July 2021 £'000
Analysis of secured and unsecured loans:		
Due within one year or on demand	100	100
Due between two and five years	161	-
Due in five years	<u>4,183</u>	<u>-</u>
Due after more than one year	<u>4,344</u>	<u>-</u>
Total secured and unsecured loans	<u>4,444</u>	<u>100</u>
Unsecured loans repayable by 2023 or earlier	<u>100</u>	<u>100</u>

Council Loan:- Interest accrues at the council's weighted average interest rate at the time the amount is drawn down (3.42% per year for FY16/17) and from the date that the amount is drawn down. Interest compounds monthly until repayment. The loan is repayable in financial year 2022/23.

A charge has been registered with Companies House regarding the fixed and floating charges which secure the DFE loan issued during the year. Interest is payable at a rate of 1.98% per annum.

14 Restricted Reserves

Reserves with restrictions are as follows:

	Unspent capital grants £'000	Unspent other grants £'000	Donations £'000	Total £'000
Balances at 1 August 2020	-	3,575	1,404	4,979
New grants	2,279	89	-	2,368
New donations	-	-	3,027	3,027
Capital grants utilised in the year	(1,993)	-	-	(1,993)
Expenditure	-	(3,413)	(2,208)	(5,621)
Transfers between funds	220	(220)	-	-
Total restricted comprehensive income for the year	506	(3,544)	819	(2,219)
Balances at 1 August 2021	506	31	2,223	2,760
New grants	5,143	529	-	5,672
New donations	-	-	882	882
Capital grants utilised in the year	(5,143)	-	-	(5,143)
Expenditure	-	(560)	(933)	(1,493)
Transfers between funds	-	-	(93)	(93)
Total restricted comprehensive income for the year	-	(31)	(144)	(175)
At 31 July 2022	506	-	2,079	2,585

	2022 Total £'000	2021 Total £'000
Analysis of other restricted funds /donations by type of purpose:		
Scholarships and bursaries	485	543
General	2,100	2,217
	2,585	2,760

15 Unrestricted Reserves

	Total £'000
Balances at 1 August 2020	4,561
Surplus/(deficit) for the year	(1,195)
Transfer to/from restricted funds	1,993
Total unrestricted comprehensive income for the year	798
Balances at 1 August 2021	5,359
Surplus/(deficit) for the year	(4,034)
Transfer to/from restricted funds	5,236
Total unrestricted comprehensive income for the year	1,202
At 31 July 2022	6,561

16 Cash and cash equivalents

	At 1st August 2021 £'000	Cash Flows £'000	At 31st July 2022 £'000
Cash and cash equivalents	1,449	1,267	2,716
	<u>1,449</u>	<u>1,267</u>	<u>2,716</u>

17 Financial instruments

	Year Ended 31 July 2022 £'000	Year Ended 31 July 2021 £'000
Financial assets		
<i>Financial assets that are debt instruments measured at amortised cost</i>		
Cash and cash equivalents	2,716	1,449
Other trade receivables	85	49
Accrued income	<u>549</u>	<u>102</u>
	<u>3,350</u>	<u>1,600</u>
Financial liabilities		
<i>Financial liabilities at fair value through Statement of Comprehensive Income</i>		
<i>Financial liabilities measured at amortised cost</i>		
Loans	4,444	100
Trade creditors	256	34
Accruals	<u>1,289</u>	<u>140</u>
	<u>5,989</u>	<u>274</u>

18 Capital and other commitments

Provision has not been made for the following capital commitments at 31 July:

	31 July 2022	31 July 2021
	£'000	£'000
Capital commitments	971	7,260
	<u>971</u>	<u>7,260</u>

NMITE entered into a contract with The Marches Local Enterprise Partnership before the end of the 2021 financial year end regarding the construction of the Skylon Campus, the contract has a total value of £7.26 million. At 31 July 2022 there are capital commitments outstanding of a value of £971k. NMITE is due to receive £361k from The Marches Local Enterprise Partnership in respect of this contract. See below for information regarding the future of NMITE's Skylon Park.

Future facilities for learning and industry partnerships will be enabled by the development of NMITE's new advanced centres, the Centre for Advanced Timber Technology, and the Centre for Automated Manufacturing. Both centres will be housed in a new purpose-built facility on NMITE Skylon Campus. Construction started during the year ending 31 July 2021 with delivery to NMITE planned for mid-2022.

19 Lease obligations

Total rentals payable under operating leases:

	Land and Buildings £'000	31 July 2022 IT Equipment £'000	Total £'000	Restated 31 July 2021 £'000
Payable during the year	16	49	65	34
Future minimum lease payments due:				
Not later than 1 year	7	46	53	63
Later than 1 year and not later than 5 years	<u>-</u>	<u>30</u>	<u>30</u>	<u>83</u>
Total lease payments due	<u>7</u>	<u>76</u>	<u>83</u>	<u>146</u>

NMITE has a sub-nominations agreement in regard to Station Approach site which is based on the ability to nominate students to utilise the accommodation. NMITE is liable to pay for any unoccupied rooms during a given period, this is based on the price of £143 per room for 46 weeks of the year applicable to 89 rooms. Due to the occupancy levels being unknown, the lease commitment is unable to be reliably calculated.

20 Related party transactions

During the year the institute entered into transactions, in the ordinary course of business, with other related parties. Transactions entered into, and balances outstanding at 31 July 2022, are as follows:

Due to the nature of the Institution's operations and the compositions of the Council, being drawn from local public and private sector organisations, it is inevitable that transactions will take place with organisations in which a member of the board of Governors may have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Institution's Financial Regulations and usual procurement procedures.

No Governor has received any remuneration/waived payments from the institution during the year (2021 - none)

The total expenses paid to or on behalf of the Governors was £3,359 to 6 governors (2021 - £515 to 2 governors). This represents travel and subsistence expenses incurred in attending meetings and costs incurred on behalf of the institution.

During the year NMITE received cash donations from trustees totalling £3,764 (2021: £5,384 however £3,200 of this related to future periods therefore was included as a creditor (deferred income) at the year end).

New Model Institute for Technology and Engineering

England & Wales - Charity number 1176550

Accounts

REGISTERED COMPANY NUMBER: 08800142 (England and Wales)
REGISTERED CHARITY NUMBER: 1176550

Report of the Trustees and
Financial Statements
for the Year Ended 31 July 2021
for
New Model Institute for Technology and
Engineering

NMITE
Blackfriars Street
Hereford
England
HR4 9HS

New Model Institute for Technology and
Engineering

Contents of the Financial Statements
for the Year Ended 31 July 2021

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New Model Institute for Technology and Engineering

Report of the Trustees **For the Year Ended 31 July 2021**

The trustees, who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 July 2021. The trustees have adopted the provisions of Accounting and Reporting by Higher Education: Statement of Recommended Practice applicable to institutions preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

OBJECTIVES AND ACTIVITIES

Objectives and activities

NMITE exists to address the UK's shortage of work-ready graduate engineers and focuses on an integrated engineering programme to train and nurture learners ready to tackle global challenges - such as sustainable food production, access to safe water, and clean energy - which do not fall neatly into traditional mechanical, electrical or materials engineering boxes. NMITE's students will learn what an engineer does and how she or he can make life better and make a positive impact on quality of life, the environment and industry.

NMITE exists to address the UK's shortage of work-ready graduate engineers and focuses on an integrated approach to engineering that trains and nurtures learners with meaningful skills and capabilities as well as knowledge. NMITE graduates are ready to add economic, environmental and social value to a range of community and global challenges. Through their studies they work with a variety of stakeholders including industrial engineers, community groups, business owners and people with specific healthcare requirements, and they learn to scope, create and validate solution designs to a range of real challenges. NMITE believes that engineering is an exciting and varied career path which should be freely open to young people from all parts of society. NMITE's students will learn what engineers do, how they can have a positive impact on quality of life, the environment and industry.

To attract students from a variety of backgrounds, at differing stages of life, and different educational and experiential backgrounds, NMITE will consider every application individually and irrespective of the path prospective students have travelled to get where they are today. Engineers-in-training will experience NMITE's "learning by doing" with regular real-life projects and no lectures or traditional exams; unlike other engineering institutions they will not be required to have a Maths or Physics A-level as these subjects will be taught within the curriculum. NMITE is looking for entrepreneurial and socially-minded individuals who want to change the world for the better, and all experience is valuable. As part of the admissions process, NMITE evaluates a person's attitude, team-working skills, and mind-set and passion for designing engineering solutions to today's problems as well as their qualifications.

Public benefit and charitable objects

All our charitable activities are undertaken to further our charitable purposes for the public benefit. These are:

- to advance education, with a particular focus on engineering and related business skills, and to widen participation in higher education by underrepresented groups and those who are socially excluded; and
- to promote research for the public benefit and to publish the useful results.

ACHIEVEMENT AND PERFORMANCE

The year to July 2021 was heavily disrupted by the Covid pandemic but NMITE successfully completed all the necessary regulatory processes necessary to launch the institute and recruit students. The institute secured full registration with the primary HE regulator, the Office for Students, and is now included in its list of approved providers. NMITE also secured institutional and programme validation from the Open University in November 2020 for its ground-breaking MEng course.

NMITE publicly launched in December 2021, enjoying significant media coverage and inviting its first applications from students for its Pioneer Cohort. During the year, in spite of substantial covid disruption to society and the process of applying for university for all UK students, around 150 people made applications to study in the first intake, and some 30 of them were selected to start in September 2021. All applications were received directly but future cohorts will also be able to access NMITE's application processes via the more standard UCAS route. These students started their programme on time and on plan.

The students taking advantage of NMITE's new purpose-built student accommodation, built in partnership with Herefordshire Council and operating by CityHeart, have taken up residence, and by the end of October our first cohort will have completed their first toolbox and be mid-way through their second engineering sprint. They are making good use of support services provided by our Student Support team. Our first learners have seized the mantle of 'Pioneers' and are proving to be enthusiastic members of the NMITE community.

New Model Institute for Technology and Engineering

Report of the Trustees **For the Year Ended 31 July 2021** **(Continued)**

Estates and Infrastructure

NMITE continued to provide the facilities needed to ensure an excellent experience for its first cohorts of students. Including the technical infrastructure to support its learners and staff. New systems were installed, tested and brought into service to manage and secure student records, support student and staff working and to equip the learning studios with cutting-edge audio-visual support.

Its main city centre site, the Blackfriars campus, was extensively refurbished and is now in full operational use as a learning and administration hub. The learning and teaching building is equipped with a range of teaching and pilot scale equipment that underpins NMITE's studio pedagogy and the ability to relate theoretical concepts, practical demonstration and applied challenge work in a dedicated studio space. A well-equipped factory space gives learners the opportunity to use a wide range of engineering operations with a range of materials.

The development of this site was financed by grants awarded by the Marches LEP who have continued to play an active role in supporting NMITE.

New advanced centres

Future facilities for learning and industry partnerships will be enabled by the development of NMITE's new advanced centres, the Centre for Advanced Timber Technology, and the Centre for Automated Manufacturing. Both centres will be housed in a new purpose-built facility on NMITE Skylon Campus. Construction started during the year with delivery to NMITE planned for mid-2022.

A Director for the Centre for Advanced Timber Technology (CATT) - Professor Robert Hairstans - came into post in February 2021. Via the CATT, NMITE agreed a Memorandum of Understanding with Edinburgh Napier University (Scotland's leading sustainable built environment centre); we envisage this leading to a synergistic offer that spans the whole of the UK. The CATT has established a strategic relationship with Timber Development UK, the UK's leading trade association with a base of over 1500 members across the 'seed-to-building' supply chain.

The building is targeting the highest level of attainment in the Enterprise Zone's "three apples" sustainability scheme with an emphasis on a fabric first approach (low thermal conductivity, reduced cold bridging and airtightness) in a hybrid structure that utilises advanced low carbon timber technologies where possible, incorporating renewable options and energy saving measures to ensure a reduced carbon footprint. NMITE's aim is that the building acts as an exemplar in the region by aspiring to net zero carbon targets aligned with UKRI's Industrial Decarbonisation Strategy.

CATT has an educational and knowledge transfer strategy with explicit industrial support, and is now in operational phases. The purpose-built facility ('NMITE Skylon Campus') is conceptualised and is being constructed as a 'living lab', with an array of sensors across the CLT and steel structure. NMITE will collate and codify information during the building delivery and post occupancy phases (including user occupant behaviours) to enrich a Building Information Model (BIM) and correlate it with predicted performance via a feedback loop in accordance with digital twinning approaches and the "Gemini Principles". This will be a rich and unique teaching resource in the UK. We envisage the building as the hub of an ecosystem of assets capable of demonstrating the virtues of utilising advanced timber technologies for built environment with an emphasis on regenerative design, circularity, social / economic impact and health and wellbeing.

This building is also home to the Centre for Automated Manufacturing, a project aimed at amplifying innovative automation technologies for enhanced productivity for regional manufacturers. An industrial steering group has been established to follow on from last year's roundtable consultations, and work continues to nurture and co-ordinate a group of local employers who will employ NMITE Manufacturing Degree Apprentices. The degree apprenticeship course has been scoped and specified, and delivery formats tested with local employers. Throughout this reporting period the Register of Apprenticeship Training Providers was closed, so NMITE was not able to make an application.

Fundraising

NMITE's mission continues to inspire donors and partners to support us. Substantial grants were secured during the year which increases the impact the institution can deliver and strengthens its partnerships with local institutions, engineering employers, and a range of other institutions.

Notable grants received include the Stronger Towns award to the City of Hereford. The grant aims to advance the government's "Levelling Up" agenda by investing in the development of towns to stimulate economic regeneration and enhance the lives of residents. NMITE played a leading role in the bid and its own contribution to the strategy, proposals for a new Skills Foundry in the city were a key element of the bid's success. The grant awarded to NMITE projects will be c£7m. Other grants were received from the European Social Fund (£0.9m) and several other donors to support a range of projects.

New Model Institute for Technology and Engineering

Report of the Trustees **For the Year Ended 31 July 2021** **(Continued)**

NMITE has always been able to inspire support from partners for its mission and operates with a “giving culture”. This is led by its staff, more than half of whom donate via salary giving - an exceptionally high rate of staff engagement which resulted in NMITE staff receiving the highest payroll giving accolade, the Platinum Award.

Recognition and new accreditations

During the year, NMITE achieved a raft of new accreditations and external recognitions as it continued to establish its role as an HE innovator and influencer. The CEO, Prof Elena Rodriguez Falcon received the following awards; Executive Leader of the Year in 2020 in the Engineering Talent Awards, Distinguished Mexican in the UK, Instituto de Mexicanos en el Exterior, Secretaría de Relaciones Exteriores, México, 2020, Executive Leader of the Year, Engineering Talent Awards, Equal Engineers/Royal Academy of Engineering, 2020 and Woman of the Year in Technology, FDM Every Woman, 2020. The Chief Academic Officer, Prof Beverley Gibbs, was elected as a Fellow of the Institute of Engineering and Technology (FIET). Locally, NMITE was named as winner in the Chamber of Commerce Awards for Health and Wellbeing in the workplace.

Academic Development

NMITE’s academic team completed the preparation of the institution’s new flagship Integrated Master’s in Engineering (the MEng) programme. This innovative three-year degree provides an accelerated route for students to complete a programme of both undergraduate and postgraduate study in a single, accelerated programme delivered in three years.

Work progressed on creating the capacity and capability to deliver a broader academic curriculum including the development of new programmes at undergraduate and postgraduate level and the design of new Degree Apprenticeship programmes. These new programmes will start to be introduced to the curriculum from 2022. In parallel to NMITE’s association with the Open University as its programme validation partner, it will advance its plans during the months following this report to secure its own degree awarding powers by applying for the necessary accreditation from the Office for Students.

NMITE’s experience in pedagogical innovation and leadership was recognised when it was co-awarded - with UCL - development and delivery of the Safety Champions in Engineering Education course, developing educational leaders in 6 hubs from countries in Africa and South East Asia.

During the Covid lockdown and subsequent delay in NMITE’s launch, the academic team deployed their skills to a programme of engineering related community education events. This “Summer of Discovery” included 16 online and in-person events drawing large audiences of school children, prospective future students and the general public, including appearances by Brian Cox and Kate Bingham. There were 559 registrations in total, in addition to the recruitment ‘Meet us online’ events.

Regulation and Assurance

As registered Higher Education Provider, NMITE must have in place appropriate governance and oversight mechanisms to ensure it meets the conditions of registration imposed by the Office for Students, the quality control requirements of its validating partner as well as the normal corporate governance standards arising from its charitable status.

Under the supervision of its Board of Trustees the institution reviewed its academic governance mechanisms resulting in the implementation of a new academic standards and oversight committee structure, reporting to the main board. A review of internal governance was also completed and implemented resulting in a new internal committee structure to oversee the allocation of resources, and the development of key strategies including infrastructure investments, student recruitment and the coordination of reporting to external regulatory bodies. Amended articles have also been produced and accepted by the Charities commission and Companies House.

A new internal auditor, University Internal Audit Services (UNIAC) was also appointed, and an annual schedule of audit assignments agreed.

FINANCIAL REVIEW

Financial Position

NMITE shows an operating deficit for the year end 31 July 2021 of £1.42m (2020 surplus £6.43m). The funding provided by the Department of Education in the form of restricted capital and revenue grants have been fully utilised or committed. Further restricted donations and grants in year totalling £3.116m were received and in addition a capital grant of £2.2m from the Marches Local Enterprise Partnership for the development of NMITE’s flagship teaching and learning accommodation ‘Blackfriars’, which is in the centre of Hereford, and to support the construction of the Centre for Advanced Timber Technology (CATT) and Centre for Automated Manufacturing (CAM). The construction of the building is underway and is due for completion in June 2022. The new building and centres will provide education and training in specialist areas of engineering.

New Model Institute for Technology and Engineering

Report of the Trustees **For the Year Ended 31 July 2021** **(Continued)**

NMITE has also secured income of £89k as part of the Governments 'Kickstart' initiative which focuses on employment and employability for 18-25year-olds.

Further unrestricted income of £168k (2020: £72k) were achieved in year through CPD and other income generating activities. The balance carried forward at the year-end for all unrestricted funds was £5,359k (2020: £4,561k).

Under HE SORP it is not permissible to defer revenue grant income from government or other funders unless there is a specific performance requirement. Both the Department for Education and the Garfield Weston grants do not have this formal requirement but are deemed to cover future periods of expenditure beyond 31 July 2021.

Investment policy and investments

NMITE currently does not have an investment policy, but this will be developed by the trustees to ensure the safe and effective use of funds in due course.

Reserves policy

NMITE has unrestricted reserves valued at £5,359k (2020: £4,561k), this includes cash reserves and funds spent on capital assets. Other reserves held are restricted and capital funds that are not available for general use. See notes to the financial statements 14 and 15 for further information.

Impact of Covid-19

Before NMITE was able to obtain its validation and registration, the UK entered its first national lockdown in March 2020. This delayed the processes with the Open University and Office for Students and consequently NMITE was not able to recruit its first cohort for September 2020 as planned.

Validation and registration were secured in Aug-20 and Nov-20 respectively. Allowing a Pioneer Cohort to start their programme in September 2021. This delay in launching adversely affected NMITE's financial position significantly with the following key impacts arising:

- Tuition fee income generation has been delayed
- A-level assessments, rather than exams, reduced the pool of candidates that might have been secured through UCAS clearing reducing the size of the first cohort
- Potential supporters considering donating to NMITE have delayed donations during a highly uncertain financial context.

Going Concern

The full financial impacts of the Covid pandemic and the associated delays in opening will extend beyond the period covered by this report. Detailed reviews of the institution's financial position have been undertaken and remain ongoing and these have led to a number of post-year interventions including:

- An organisational restructure to reduce costs and re-shape the organisation to leave it better equipped for its fully operational phase
- A reduction in planned expenditure across most cost categories which will remain in place for the following year
- The production of a revised "sustainability plan" which charts a new path to long term financial sustainability. This plan incorporates the development of new programmes, a re-set student population growth trajectory and revised plans for investment in marketing and student recruitment activities.

In addition to these interventions, additional financial investment from government was secured in February 2022 to cover the full working capital requirements of the new sustainability plan.

Based on the above factors, the Trustees believe it is appropriate to prepare the financial statement on a going concern basis.

New Model Institute for Technology and Engineering

Report of the Trustees **For the Year Ended 31 July 2021** **(Continued)**

Structure, governance and management

Governing document

The New Model Institute for Technology and Engineering (NMITE) was incorporated as a private company limited by guarantee without share capital on 3 December 2013 and registered as a charity with the Charity Commission on 5 January 2018. NMITE is self-governing and legally independent but regulated as a public body.

NMITE is governed by its Articles of Association.

NMITE has adopted the Committee of University Chairs' Higher Education Code of Governance and is subject to the Office for Students' Regulatory Framework.

The Board of Trustees and its Committees

The Board of Trustees, which had 8 members at the end of 2020-21, administers the charity and meets monthly. There are sub committees covering matters including Finance and Resources, Property and Infrastructure, Audit and Risk, Nominations and Remuneration. Sub committees normally meet bi-monthly and The Audit and Risk Committee normally meets quarterly, but with short more frequent interim meetings to review the Corporate Risk Register.

The Board is NMITE's supreme governing body, responsible for setting its strategic direction and policies, and for NMITE's finances and assets. The Academic Council is the highest academic body, reporting to the Board of Trustees and responsible for NMITE's academic policies and for regulating academic work and standards.

Recruitment and appointment of new trustees

During the year under review The Chair, Dame Fiona Kendrick and the Vice Chair Professor Sir Eric Thomas stood down from their roles on the expiry of their terms of office. A new Chair Mr Terence Jagger was appointed and took office in April 2021. The Nominations Committee defines the make-up of the Board and its committees, balancing age, availability, gender, professional expertise, and public and private sector industry experience to deliver a rounded leadership to NMITE.

The committee, in seeking to fill places on the Board and any committee, publishes a job and person specification and invites applicants to complete an application form for appointment and the Company Secretary is responsible for managing declarations of interests and fit and proper declarations.

The following changes to the Board took place after the period covered by this review:

- Ms Karen Usher and Prof Peter Scott stood down following the expiry of their terms of office
- Mr. Ian Falconer and Mr. Richard Lindsay-Davies resigned from the board for other reasons
- Ms Kieran Shah, Dr. Wendy Finlay, Ms Aimee Clark, Mr. Marc Leppard and Mr. Stephen Heidari-Robinson were appointed to the board in September 2021 and Mr. Nicholas Lieven in November 2021 to ensure a full trustee team is in place for the forthcoming year.
- The President and Chief Executive was appointed as a trustee (ex officio).

Induction and training of new trustees

Trustees are provided with structured induction training to familiarise them with NMITE's mission and the various operational workstreams which advance it. They are also provided with the

Charities Commission Guide "The Essential Trustee" and are recipients of governance sector bulletins through NMITE's associate membership of Advance HE and professional advice through NMITE's auditors and legal counsel.

Trustees have undertaken training in PREVENT/ Safeguarding and GDPR; and on the Board responsibilities as a Regulated Body under the OfS.

The Executive

A Chief Executive Officer is appointed by the Trustees to manage the day-to-day operations of the charity. To facilitate effective operations the Chief Executive Officer has delegated authority for operational matters such as finance, employment, and academic programme activities.

The Chief Executive Officer is the Accountable Officer for OfS purposes and is the Chair of Academic Council.

New Model Institute for Technology and Engineering

Report of the Trustees
For the Year Ended 31 July 2021
(Continued)

Key management remuneration

The Trustees review the pay and remuneration of key management staff annually and normally increase pay levels in accordance with average earnings which have been benchmarked in the sector. Senior staff, including the CEO, play no part in these decisions.

Related parties

NMITE is validated by the Open University who therefore exert considerable influence over NMITE's academic quality and assurance matters.

Risk management

The Trustees have a duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error.

The Audit and Risk Committee oversees the Corporate Risk Register, which is updated on a bi-monthly basis. Where appropriate, systems or procedures have been established to mitigate the risks that NMITE faces, including external risks to funding. Internal control risks are minimised by the implementation of procedures for authorisation of all transactions and projects. Procedures are in place to ensure compliance with health and safety of staff, volunteers, and visitors to NMITE locations.

Statement of Internal Control

The Board has responsibility for maintaining a sound system of internal control that supports the achievement of the Institution's objectives whilst maintaining adherence to its policies and operating procedures. The controls also ensure compliance with the Office for Students conditions of registration and all charity regulation requirements.

The system of internal control is based on an ongoing process designed to identify the principal risks to the achievement of policies, aims and objectives, to evaluate the nature and extent of those risks and to manage them efficiently, effectively, and economically. It is designed to manage rather than eliminate risks can therefore only provide reasonable and not absolute assurance of effectiveness against material losses.

An institutional Risk Register is maintained, which is presented at every meeting of the Audit and Risk Committee and to the Board of Trustees. Individual risk registers are maintained for all major organisational projects and all significant building projects

The Board's oversight of the effectiveness of the system of internal controls is informed directly by the work of the Internal Auditors and the Institution's senior management team. The SLT maintains a system of internal committees to ensure that policy creation and approval is consistent and transparent and to ensure that all activities are aligned to organisational strategy. Feedback is also provided by the External Auditors in their management letter and in other reports to the Audit Committee. The Internal Audit Strategy, approved by the Audit Committee, sets out priorities for the coming year based on institutional developments and risks and a wider view of the HE sector.

The Board of Trustees has approved a "governance handbook" which includes schedules of delegation which are reviewed from time to time. The Schedule includes the key responsibilities of the Executive relating to the operation of the internal control environment. The Board of Trustees receives a report from the President and Chief Executive at each meeting concerning the operation of the Institution and emerging risks and opportunities affecting it

Governance Developments in 2020/21

As a result of the Covid-19 pandemic the arrangements for both Board and Committee meetings switched to virtual meetings with additional support provided to ensure all members could participate. Scheduled meetings continued with a monthly frequency throughout the year.

Volunteers and Donors

The Board of Trustees would like to pay tribute to volunteers and donors who give generously of their time and support in support of the work of NMITE.

New Model Institute for Technology and Engineering

Report of the Trustees
For the Year Ended 31 July 2021
(Continued)

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number
08800142 (England and Wales)

Registered Charity number
1176550

Registered office

NMITE
Blackfriars Street
Hereford
England
HR4 9HS

Trustees

Mr I M Falconer (resigned 16 September 2021)
Ms K S Usher (resigned 20 September 2021)
Dame F M Kendrick (Chair) (resigned 31 March 2021)
Sir E J Thomas (Vice Chair) (resigned 31 March 2021)
Mr P Scott (resigned 20 September 2021)
Mr J Gorringe
Ms R D Innocent
Mr R Lindsay-Davies
Mr M J Hitchin (Vice Chair from 1 April 2021)
Mr T Jagger (Chair) (appointed 1 April 2021)
Miss A Clark (appointed 20 September 2021)
Dr W Finlay (appointed 20 September 2021)
Mr S Heidari-Robinson (appointed 20 September 2021)
Mr M Leppard (appointed 20 September 2021)
Prof. E Rodriguez-Falcon (appointed 20 September 2021)
Dr M Shah (appointed 20 September 2021)

Company Secretary

C McCauley (resigned 30 June 2021)
S Lewis (appointed 13 July 2021)

Auditors

Bishop Fleming LLP
Chartered Accountants
Statutory Auditors
Salt Quay House
4 North East Quay
Sutton Harbour
Plymouth
PL4 0BN

Advisers

Bankers
HSBC Bank plc
35 High St
Hereford
HR1 2AQ

Key Management personnel:

Chief Executive Officer	Prof Elena Rodriguez-Falcon
Chief of External Engagement	Prof David Langley
Chief Academic Officer	Prof Beverley Gibbs
Chief Operating Officer	Mr James Newby

New Model Institute for Technology and Engineering

Report of the Trustees
For the Year Ended 31 July 2021
(Continued)

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also the directors of New Model Institute for Technology and Engineering for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website.

AUDITORS

NMITE shall tender for the external audit service in line with its policy.

Approved by order of the board of trustees on 1 March 2022 and signed on its behalf by:



.....
Mr T Jagger - Chair of Trustees

New Model Institute for Technology and Engineering

Independent auditors' report to the New Model Institute for Technology and Engineering (a company limited by guarantee)

Opinion

We have audited the financial statements of the New Model Institute for Technology and Engineering (the 'Institute') for the year ended 31 July 2021 which comprise the Statement of Comprehensive Income and Expenditure, the Statement of Changes in Reserves, the Statement of Financial Position, the Statement of Cash Flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice), the Statement of Recommended Practice: Accounting for Further and Higher Education (the 'FE HE SORP') and the Office for Students Accounts Direction (OfS 2019.41).

In our opinion, the financial statements:

- give a true and fair view of the state of the Institute's affairs as at 31 July 2021 and of the Institute's deficit of income against expenditure, gains and losses, changes in reserves and cash flows for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the FE HE SORP and the Office for Students' Accounts Direction (OfS 2019.41).
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the Report of the Trustees and Financial Statements, other than the financial statements and our auditor's report thereon. The Board of Governors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

New Model Institute for Technology and Engineering

Independent auditors' report to the New Model Institute for Technology and Engineering (a company limited by guarantee)

Opinion on other matters prescribed by the Office for Students' Accounts Direction (OfS 2019.41)

In our opinion:

- Funds from whatever source administered by the Institute for the specific purposes have been applied to those purposes and managed in accordance with relevant legislation; and
- Funds provided by the Office for Students ('OfS'), UK Research and Innovation (including Research England), the Education and Skills Funding Agency and Department for Education have been applied in accordance with the relevant terms and conditions attached to them.

We have nothing to report in respect of the following matters in relation to which the Office for Students' Accounts Direction requires us to report to you if, in our opinion:

- the Institute's grant and fee income, as disclosed in the notes to the financial statements, has been materially misstated; or
- the Institute's expenditure on access and participation activities for the financial year has been materially misstated.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the Institute and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of the Board of Trustees

As explained more fully in the Statement of Responsibilities of the Board of Trustees set out on page 7, the Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors 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 Board of Trustees is responsible for assessing the Institute'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 Board of Trustees either intend to liquidate the Institute or to cease operations, or have no realistic alternative but to do so.

New Model Institute for Technology and Engineering

Independent auditors' report to the New Model Institute for Technology and Engineering (a company limited by guarantee)

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:

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- the nature of the sector, control environment and the Institute's performance;
- results of our enquiries of management and the Trustees including the committees charged with governance over the Institute's finance and control, about their own identification and assessment of the risks of irregularities;
- any matters we identified having obtained and reviewed the Institute's documentation of their policies and procedures relating to: identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance; detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations;
- how the Institute ensured it met its obligations arising from it being financed by and subject to the governance requirements of the OfS, and as such material compliance with these obligations is required to ensure the Institute will continue to receive its public funding and be authorised to operate, including around ensuring there is no material unauthorised use of funds and expenditure; and
- the matters discussed among the audit engagement team and involving relevant internal Institute specialists regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the Institute for fraud, which included incorrect recognition of revenue and management override of controls using manual journal entries and these were identified as having the greatest potential for fraud. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory frameworks that the Institute operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the Office for Students' Accounts Direction (OfS 2019.41), the Companies Act 2006, Financial Reporting Standard 102 and the FE HE SORP.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the Institute's ability to operate or to avoid a material penalty. These included safeguarding regulations, data protection regulations, occupational health and safety regulations, education and inspections legislation, employment legislation and Charity law.

Our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- reviewing the financial statement disclosures and testing to supporting documentation to assess the recognition of revenue;
- enquiring of the Institute's management and Trustees concerning actual and potential litigation and claims;
- performing procedures to confirm material compliance with the requirements of the OfS;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of the Trustees and reviewing internal control reports; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; and assessing whether the judgements made in making accounting estimates are indicative of a potential bias.

New Model Institute for Technology and Engineering

Independent auditors' report to the New Model Institute for Technology and Engineering (a company limited by guarantee)

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

Use of our report

This report is made solely to the Institute's Trustees, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Institute's Trustees 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 Institute and the Institute's Trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Nathan Coughlin FCA (Senior statutory auditor)
for and on behalf of
Bishop Fleming LLP
Chartered Accountants
Statutory Auditors
Salt Quay House
4 North East Quay
Sutton Harbour
Plymouth
PL4 0BN

Date: 1 March 2022

New Model Institute for Technology and Engineering

Statement of Comprehensive Income
Year Ended 31 July 2021

	Notes	Year ended 31 July 2021	Year ended 31 July 2020
		£'000	£'000
Income			
Funding body grants	1	89	6,128
Other income	2	2,407	2,646
Donations and endowments	3	3,067	3,365
Total income		<u>5,563</u>	<u>12,139</u>
Expenditure			
Staff costs	4	2,968	2,366
Restructuring costs	4	39	-
Other operating expenses		3,809	3,228
Depreciation and amortisation	8	110	108
Interest and other finance costs	5	32	2
Total expenditure	6	<u>6,958</u>	<u>5,705</u>
Surplus/(deficit) before other gains/(losses)		<u>(1,395)</u>	<u>6,434</u>
Gain/(loss) on disposal of tangible assets		(26)	-
Surplus / (Deficit) before tax		<u>(1,421)</u>	<u>6,434</u>
Taxation	7	-	-
Surplus / (Deficit) for the year		<u>(1,421)</u>	<u>6,434</u>
Total comprehensive income for the year		<u><u>(1,421)</u></u>	<u><u>6,434</u></u>
Represented by:			
Restricted comprehensive income for the year		(2,219)	2,666
Unrestricted comprehensive income for the year		798	3,668
		<u>(1,421)</u>	<u>6,434</u>

All items of income and expenditure relate to continuing activities.

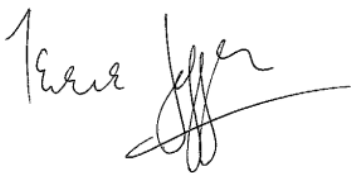
The accompanying notes and policies on pages 17 to 32 form part of these financial statements.

New Model Institute for Technology and Engineering

Statement of Financial Position
Year Ended 31 July 2021

	Notes	As at 31 July 2021	As at 31 July 2020
		£'000	£'000
Non-current assets			
Tangible assets	8	<u>6,787</u>	<u>4,604</u>
Current assets			
Trade and other receivables	9	243	454
Cash and cash equivalents	15	<u>1,449</u>	<u>5,013</u>
		1,692	5,467
Less: Creditors; amounts falling due within one year	10	<u>(360)</u>	<u>(431)</u>
Net current (liabilities)/assets		1,332	5,036
Total assets less current liabilities		<u>8,119</u>	<u>9,640</u>
Creditors: amounts falling due after more than one year	11	-	(100)
Total net assets		<u><u>8,119</u></u>	<u><u>9,540</u></u>
Restricted Reserves			
Capital reserve	13	506	-
Income and expenditure reserve	13	2,254	4,979
Unrestricted Reserves			
Income and expenditure reserve	14	<u>5,359</u>	<u>4,561</u>
		8,119	9,540
Non-controlling interest		-	-
Total Reserves		<u><u>8,119</u></u>	<u><u>9,540</u></u>

The financial statements were approved by the Governing Body on 1 March 2022 and were signed on its behalf on that date by:



.....
Mr T Jagger - Chair of Trustees

The accompanying notes and policies on pages 17 to 32 form part of these financial statements.

New Model Institute for Technology and Engineering

Statement of Changes in Reserves
Year Ended 31 July 2021

	Income and expenditure reserve		Total
	Restricted £'000	Unrestricted £'000	£'000
Balance at 1 August 2019	2,213	893	3,106
Surplus/(deficit) for the year	6,506	(72)	6,434
Transfer between funds	(3,740)	3,740	-
Total comprehensive income for the year	<u>2,766</u>	<u>3,668</u>	<u>6,434</u>
Balance at 1 August 2020	<u>4,979</u>	<u>4,561</u>	<u>9,540</u>
Surplus/(deficit) for the year	(238)	(1,183)	(1,421)
Transfer between funds	(1,993)	1,993	-
Total comprehensive income for the year	<u>(2,219)</u>	<u>798</u>	<u>(1,421)</u>
Balance at 31 July 2021	<u><u>2,760</u></u>	<u><u>5,359</u></u>	<u><u>8,119</u></u>

New Model Institute for Technology and Engineering

Statement of Cash Flows
Year Ended 31 July 2021

	Notes	Year ended 31 July 2021 £'000	Year ended 31 July 2020 £'000
Cash flow from operating activities			
Surplus for the year before tax		(1,421)	6,434
Adjustment for non-cash items			
Depreciation	8	110	108
Decrease/(increase) in debtors	9	211	(124)
Increase/(decrease) in creditors	10	29	(348)
Adjustment for investing or financing activities			
Interest payable	5	32	2
(Gain)/loss on the sale of tangible assets	8	26	-
Capital grant income	2	<u>(2,279)</u>	<u>(2,738)</u>
Cash flows from operating activities		<u>(3,292)</u>	<u>3,334</u>
Taxation		-	-
Net cash inflow from operating activities		<u>(3,292)</u>	<u>3,334</u>
Cash flows from investing activities			
Proceeds from sales of tangible assets		-	182
Capital grants receipts	2	2,279	2,738
Payments made to acquire tangible assets	8	<u>(2,319)</u>	<u>(4,007)</u>
		<u>(40)</u>	<u>(1,087)</u>
Cash flows from financing activities			
Interest paid	5	(32)	(2)
Repayments of amounts borrowed	11	<u>(200)</u>	-
		<u>(232)</u>	<u>(2)</u>
(Decrease)/increase in cash and cash equivalents in the year		<u>(3,564)</u>	<u>2,245</u>
Cash and cash equivalents at beginning of the year	15	<u>5,013</u>	<u>2,768</u>
Cash and cash equivalents at end of the year	15	<u>1,449</u>	<u>5,013</u>

1 General information

The Institution of New Model Institute for Technology and Engineering is registered with the Office for Students in England and is a registered Company and Charity. The address of the registered office is NMITE, Blackfriars Street, Hereford, England, HR4 9HS.

2 Statement of compliance

The financial statements have been prepared in accordance with United Kingdom Accounting Standards, including Financial Reporting Standard 102 (FRS 102) and the Statement of Recommended Practice (SORP): Accounting for Further and Higher Education (2019 edition). They have also been prepared in accordance with the 'carried forward' powers and duties of previous legislation (Further and Higher Education Act 1992 and the Higher Education Act 2004), the Royal Charter, the Accounts Direction issued by the Office for Students (OfS), the terms and conditions of funding for higher education students (OfS), the terms and conditions of funding for higher education institutions issued by the Office for Students and the terms and conditions of Research England Grant. The entity previously followed a charity SORP up until the registration with OfS, there has been no change on income and surpluses previously reported.

The Institution is a public benefit entity and therefore has applied the relevant public benefit requirement of the applicable UK laws and accounting standards.

3 Basis of preparation

The Institution's activities, together with the factors likely to affect its future development, performance and position, are set out in the operational and financial review which forms part of the Board of Governors' Report. The Board of Governors' Report also describes the financial position of the Institution, its cash flows, liquidity position and borrowing facilities.

The financial statements are prepared in sterling which is the functional currency and rounded to the nearest £'000.

4 Going Concern

The activities of the institute, together with the factors likely to affect its future development and performance are set out in the Members Report. The financial position of the institute, its cash flow, liquidity, and borrowings are presented in the Financial Statements and accompanying notes.

The financial statements have been prepared on a going concern basis. The Trustees have considered the level of reserves held and the expected level of income and expenditure for 12 months from authorising these financial statements.

The full financial impacts of the Covid pandemic and the associated delays in opening will extend beyond the period covered by this report. Detailed reviews of the institution's financial position have been undertaken and remain ongoing and these have led to a number of post-year interventions. See the trustees report for further information.

In addition to these interventions, additional financial investment from government was secured in February 2022 to cover the full working capital requirements of the new sustainability plan.

Based on the above factors, the Trustees believe it is appropriate to prepare the financial statement on a going concern basis.

5 Income recognition

Income from the sale of goods or services is credited to the Statement of Comprehensive Income when the goods or services are supplied to the external customers or the terms of the contract have been satisfied.

Tuition fee income is stated gross of any expenditure which is not a discount and credited to the Statement of Comprehensive Income over the period in which students are studying. Where the amount of the tuition fee is reduced, by a discount for prompt payment, income receivable is shown net of the discount. Bursaries and scholarships are accounted for gross as expenditure and not deducted from income. Education contracts are recognised when the Institution is entitled to the income, which is period in which students are studying, or where relevant, when performance conditions have been met.

Grant funding

NMITE has adopted the performance model for government revenue grants.

Grant funding including research grants from government sources, grants (including research grants) from non-government sources are recognised as income when the Institution 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 in the Statement of Financial Position and released to income as the conditions are met.

Donations

Non-exchange transactions without performance related conditions are donations. Donations with donor imposed restrictions are recognised in income when the Institution is entitled to the funds. Income is retained within the restricted reserve until such time that it is utilised in line with such restrictions at which point the income is released.

Donations with no restrictions are recognised in income when the Institution is entitled to the funds.

Donations of tangible assets are included within income. The income recognised is valued using a reasonable estimate of their gross value or the amount actually realised. Donated tangible assets are valued and accounted for as tangible assets under the appropriate asset category.

Donated goods and professional services are recognised as income when the institution has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit for use by the institution of the item is probable and that economic benefit can be measured reliably.

Capital grants

The Institution has adopted the performance model for government capital grants.

Capital grants are recognised in income when the Institution is entitled to the funds subject to any performance related conditions being met.

Investment Income

Investment income is credited to the statement of income and expenditure on a receivable basis and as either restricted or unrestricted income according to the terms or other restriction applied to the individual fund.

6 Accounting for retirement benefits

Defined Contribution Plan

A defined contribution plan is a post-employment benefit plan under which the company pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the income statement in the periods during which services are rendered by employees.

7 Employment benefits

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

8 Operating leases

Costs in respect of operating leases are charged on a straight-line basis over the lease term. Any lease premiums or incentives are spread over the lease term.

9 Property, plant and equipment

Land and buildings

Land and buildings are capitalised at cost on initial recognition.

After initial recognition land and buildings are subsequently measured at cost less accumulated depreciation and accumulated impairment losses.

Costs incurred in relation to land and buildings after initial purchase or construction, are capitalised to the extent that they increase the expected future benefits to the Institution.

Freehold land is not depreciated as it is considered to have an indefinite useful life. Freehold buildings are depreciated on a straight line basis over their expected useful lives as follows:

Leasehold Land and Buildings	50 - 99 years
------------------------------	---------------

Where lease is less than 50 years, the asset should be depreciated over the length of the lease.

Where an item of land and buildings comprise two or more major components with substantially different useful economic lives (UELs), each component is accounted for separately and depreciated over its individual UEL. Expenditure relating to subsequent replacement of components is capitalised as incurred.

No depreciation is charged on assets in the course of construction. On completion the assets are assessed and any projects not going ahead are released to the Statement of Other Comprehensive Income.

Depreciation methods, useful lives and residual values are reviewed at the date of preparation of each Statement of Financial Position.

9 Property, plant and equipment (continued)

Equipment

Equipment is capitalised at cost on initial recognition and then subsequently at cost less accumulated depreciation and accumulated impairment losses.

Equipment, including computers and software, costing less than £1,000 per individual item is recognised as expenditure. All other equipment is capitalised.

Capitalised equipment is stated at cost and depreciated over its expected useful life as follows:

Computer Equipment	25% reducing balance
Fixtures and fittings	Straight line over 5 years

Where an item of equipment comprises two or more major components with substantially different UELs, each component is accounted for separately and depreciated over its individual UEL. Expenditure relating to subsequent replacement of components is capitalised as incurred.

Depreciation methods, useful lives and residual values are reviewed at the date of preparation of each Statement of Financial Position.

Impairment

A review for impairment of property, plant and equipment is carried out if events or changes in circumstances indicate that the carrying amount of the property, plant and equipment may not be recoverable.

10 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 (maturity being less than three months from the placement date), highly liquid investments that are readily convertible to known amounts of cash with insignificant risk of change in value.

11 Provisions, contingent liabilities and contingent assets

Provisions are recognised in the financial statements when:

- (a) the Institution has a present obligation (legal or constructive) as a result of a past event;
- (b) it is probable that an outflow of economic benefits will be required to settle the obligation; and
- (c) a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is determined by discounting the expected future cash flows at a pre-tax rate that reflects risks specific to the liability.

A contingent liability arises from a past event that gives the Institution 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 Institution. 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.

A contingent asset arises where an event has taken place that gives the Institution a possible asset whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the Institution. Contingent assets and liabilities are not recognised in the Statement of Financial Position but are disclosed in the notes.

12 Taxation

The Institution is an exempt charity within the meaning of Part 3 of the Charities Act 2011. It is therefore a charity within the meaning of Para 1 of schedule 6 to the Finance Act 2010 and accordingly, the Institution is potentially exempt from UK Corporation Tax in respect of income or capital gains received within categories covered by section 478-488 of the Corporation Tax Act 2010 (CTA 2010) or section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied to exclusively charitable purposes.

The Institution receives no similar exemption in respect of Value Added Tax (VAT). Irrecoverable VAT on expenditure (revenue and capital) is included in the costs of such expenditure. Any irrecoverable VAT allocated to fixed assets is included in their cost.

13 Financial instruments

The Institution has elected to adopt Sections 11 and 12 of FRS 102 in respect of the recognition, measurement, and disclosure of financial instruments. Financial assets and liabilities are recognised when the Institution becomes party to the contractual provision of the instrument and they are classified according to the substance of the contractual arrangements entered into.

A financial asset and a financial liability are offset only when there is a legally enforceable right to set off the recognised amounts and an intention either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial assets

Basic financial assets include trade and other receivables, cash and cash equivalent. These assets are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Such assets are subsequently carried at amortised cost using the effective interest rate method. Financial assets are assessed for indicators of impairment at each reporting date. If there is objective evidence of impairment, an impairment loss is recognised in the statement of comprehensive income.

Financial assets are de-recognised when the contractual rights to the cash flows from the asset expire or are settled or substantially all of the risks and rewards of the ownership of the asset are transferred to another party.

Financial liabilities

Basic financial liabilities include trade and other payables and bank loans. These liabilities are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Debt instruments are subsequently carried at amortised cost using the effective interest rate method.

Trade payables are obligations to pay for goods and services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest rate method.

Financial liabilities are de-recognised when the liability is discharged, cancelled, or expires.

14 Reserves

Reserves are classified as restricted or unrestricted. Restricted funds included in the financial statements are:

- DfE Capital Grant - this relates to capital assets purchased with the income received from the Department for Education restricted for this purpose.
- DfE Revenue Grant - this relates to the general running of the organisation in to meet its objectives with the income received from the Department for Education restricted for this purpose.
- Garfield Weston Donation - this relates to the establishment of an ingenuity studio.
- Pioneer Fund - this relates to the Pioneer Cohort.
- Other restricted - includes balances where the donor has designated a specific purpose and therefore NMITE is restricted in the use of these funds.

15 Critical Accounting estimates and judgements

The preparation of the Institution's financial statements requires management to make judgements, estimates, and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities, income, and expenses. These judgements, estimates, and associated assumptions are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The resulting accounting estimates will, by definition, seldom equal the related actual results.

Critical judgements and assumptions

Income recognition - Judgement is applied in determining the value and timing of certain income items to be recognised in the financial statements. This includes determining when performance related conditions have been met.

Impairment of assets - At each reporting date fixed assets are reviewed to determine whether there is any indication that those assets have suffered an impairment loss as a result of any indications. If there is an indication of impairment, the recoverable amount of any affected asset is estimated and compared with its carrying amount. If estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in surplus or deficit in the period it arises.

If an impairment loss subsequently reverses, the carry amount of the asset is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in surplus or deficit in the period it arises.

Useful lives of property, plant and equipment - Property, plant and equipment represent a significant proportion of the Institution's total assets. Therefore, the estimated useful lives can have a significant impact on the depreciation charged and the Institution's reported performance. Useful lives are determined at the time the asset is acquired and reviewed regularly for appropriateness. The lives are based on historical experience with similar assets as well as anticipation of future events. Details of the carrying values of property, plant and equipment are shown in note 8.

New Model Institute for Technology and Engineering

Notes to the financial statements
Year Ended 31 July 2021

	Year Ended 31 July 2021 £'000	Year Ended 31 July 2020 £'000
1 Funding body grants		
Other Bodies		
Specific grants		
Department for Education - capital grant	-	167
Department for Education - other	-	5,961
Department for Work - Kickstart scheme	89	-
	<u>89</u>	<u>6,128</u>

In the prior year, income was received from DfE in support of the founding of the Institution. Funding was subject to satisfactory performance and compliance with the criteria set out in the grant memorandum.

Note: The source of grant and fee income, included in note 1 is as follows:

	Year Ended 31 July 2021 £'000	Year Ended 31 July 2020 £'000
1a Grant and Fee income		
Grant income from other bodies	89	6,128

	Year Ended 31 July 2021 £'000	Year Ended 31 July 2020 £'000
2 Other income		
Residences, catering and conferences	-	5
Other capital grants	2,279	2,577
Other income	128	64
	<u>2,407</u>	<u>2,646</u>

Capital grants have been provided in the year by The Marches Local Enterprise Partnership to fund the capital improvements to Blackfriars Education and Conference Centre which the entity is committed to a long term lease. The grants have been fully recognised in the year, as their conditions have been met.

	Year Ended 31 July 2021 £'000	Year Ended 31 July 2020 £'000
3 Donations and endowments		
Donations with restrictions	3,027	3,362
Unrestricted donations	40	3
	<u>3,067</u>	<u>3,365</u>

New Model Institute for Technology and Engineering

Notes to the financial statements
Year Ended 31 July 2021 (Continued)

	Year Ended 31 July 2021 £'000	Year Ended 31 July 2020 £'000
4 Staff costs		
Staff Costs :		
Salaries	2,467	1,977
Social security costs	265	208
Other pension costs	236	181
Sub-total	<u>2,968</u>	<u>2,366</u>
Restructuring costs	39	-
Total	<u><u>3,007</u></u>	<u><u>2,366</u></u>
	Year Ended 31 July 2021 £'000	Year Ended 31 July 2020 £'000
Total remuneration of the head of the institution		
Basic salary	180	179
Performance-related pay and other bonuses	-	10
Sums paid under any pension scheme in relation to employment with the Institution	<u>22</u>	<u>23</u>
	<u><u>202</u></u>	<u><u>212</u></u>

Justification for the President/Chief Executive Officer

The Remuneration Committee has direct responsibility for determining reward and remuneration related matters for both the President/Chief Executive Officer and other members of NMITE's Senior Leadership Team. The Remuneration Committee has confirmed continued compliance with the CUC's Higher Education Senior Staff Remuneration Code and, accordingly, the 2020/21 Annual Reward and Remuneration Report to the Board of Governors will be published by Spring 2022.

The Remuneration Committee considers a variety of factors when deciding remuneration for NMITE's President/CEO and Senior Leadership Team which includes comparative benchmarking data for similar sized institutions (primarily HESA, CUC and other relevant data); the national pay award for other University staff; financial sustainability; individual performance; organisational performance; internal equity and external market factors. Further details relating to the Remuneration Committee's decisions on senior pay will be contained in their Annual Report to the Board of Governors.

In considering pay for the President/CEO and the Senior Leadership Team in October 2020, the Remuneration Committee considered both the individual and organisational performance against predetermined performance measures, including but not limited to:

- a) Performance in support of the institution's strategic objectives in areas such as:
 - Validation
 - Management & Leadership of Staff
 - Partnerships and external relations internationally, nationally, and locally
 - Development of organisational culture
 - Major initiatives and projects
- b) the size, growth and complexity of the institution;
- c) the nature of the HE markets and issues of recruitment and retention;
- d) the institution's objectives in relation to the diversity of the workforce;

4 Staff Costs (Continued)

The Remuneration Committee concluded that the President/CEO was performing at a high level, providing clear leadership to the University in a challenging context resulting from the wide range of external factors impacting on the HE sector. However, given the financial context within which NMITE was operating it was agreed that the President/CEO's and the Senior Leadership Team would not receive an increase in pay for the year ending 31st July 2021, all other staff received 1.5%, this was the first increase in 3 years.

Pay ratios

Total remuneration includes employer pension contributions/allowance in lieu of employer pension contributions and taxable benefits. Pay for part-time and hourly paid workers have been pro-rated up to the full-time equivalent.

- i. The head of the provider's basic salary is 4.3 times the median pay of staff (2020: 4.4 times), where the median pay is calculated on a full-time equivalent basis for the salaries paid by the provider to its staff.
- ii. The head of the provider's total remuneration is 4.4 times the median total remuneration of staff (2020: 4.8 times), where the median total remuneration is calculated on a full-time equivalent basis for the total remuneration by the provider of its staff.

The number of staff with a basic salary of over £100,000 per annum has been included below:

	Year Ended 31 July 2021 No.	Year Ended 31 July 2020 No.
Basic salary per annum		
£100,000 - £104,999	-	1
£105,000 - £109,999	-	1
£120,000 - £124,999	2	-
£135,000 - £139,999	1	-
£140,000 - £144,999	-	1
£175,000 - £179,999	1	-
£185,000 - £189,999	-	1
	<u>4</u>	<u>4</u>
	Year Ended 31 July 2021 No.	Year Ended 31 July 2020 No.
Average staff numbers by major category :		
Academic	16	15
Administration and central services	21	18
Premises	3	1
Other	6	4
Total number of staff	<u>46</u>	<u>38</u>

New Model Institute for Technology and Engineering

Notes to the financial statements
Year Ended 31 July 2021 (Continued)

Compensation for loss of office

NMITE paid £38,750 in compensation for loss of office for two staff members during the year. (2020: £Nil)

Key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the University. Staff costs includes compensation paid to key management personnel. In the year, the key management consisted of Chief Executive Officer, Chief of External Engagement, Chief Academic Officer, Chief Operating Officer.

Key management personnel compensation	£'000 684	£'000 597
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	Year Ended 31 July 2021 £'000	Year Ended 31 July 2020 £'000
5 Interest and other finance costs		
Loan interest	29	
Bank charges	3	2
	<u>32</u>	<u>2</u>

	Year Ended 31 July 2021 £'000	Year Ended 31 July 2020 £'000
6 Analysis of total expenditure by activity		
Academic and related expenditure	1,017	745
Administration and central services	2,417	2,072
Premises (including service concession cost)	421	481
Other expenses	3,071	2,405
	<u>6,926</u>	<u>5,703</u>

Other operating expenses include:

Operating lease rentals		
Land and buildings	21	77
Equipment and service provided (donated)	300	275
Software/licenses (donated)	1,732	1,185
Depreciation	110	108

External auditors remuneration in respect of audit services

Audit related assurance services	20	9
Other non-audit services	-	9
Total non-audit services	20	18

New Model Institute for Technology and Engineering

Notes to the financial statements
Year Ended 31 July 2021 (Continued)

7 Taxation

There are no tax charges for the New Model Institute for Technology & Engineering in 2020/21 (2019/20: £Nil)

8 Tangible Assets

Property, plant and equipment

	Leasehold Buildings	Fixtures, Fittings and Equipment	Assets in the Course of Construction	Total
	£'000	£'000	£'000	£'000
Cost and valuation				
At 1 August 2020	1,181	447	3,157	4,785
Additions	-		2,319	2,319
Disposals	-	(49)	-	(49)
At 31 July 2021	<u>1,181</u>	<u>398</u>	<u>5,476</u>	<u>7,055</u>
Depreciation				
At 1 August 2020	25	156	-	181
Charge for the year	20	90	-	110
Disposals	-	(23)	-	(23)
At 31 July 2021	<u>45</u>	<u>223</u>	<u>-</u>	<u>268</u>
Carrying amount				
At 31 July 2021	<u>1,136</u>	<u>175</u>	<u>5,476</u>	<u>6,787</u>
At 31 July 2020	<u>1,156</u>	<u>291</u>	<u>3,157</u>	<u>4,604</u>

9 Trade and other receivables

	Year Ended 31 July 2021 £'000	Year Ended 31 July 2020 £'000
Amounts falling due within one year:		
Other trade receivables	25	-
Other receivables	13	300
Prepayments and accrued income	<u>205</u>	<u>154</u>
	<u>243</u>	<u>454</u>

New Model Institute for Technology and Engineering

Notes to the financial statements
Year Ended 31 July 2021 (Continued)

10 Creditors: amounts falling due within one year	Year Ended 31 July 2021 £'000	Year Ended 31 July 2020 £'000
Trade payables	34	46
Social security and other taxation payable	86	69
Accruals and deferred income	140	116
Unsecured loans	100	200
	360	431
11 Creditors : amounts falling due after more than one year	Year Ended 31 July 2021 £'000	Year Ended 31 July 2020 £'000
Unsecured loans	-	100
12 Loans	Year Ended 31 July 2021 £'000	Year Ended 31 July 2020 £'000
Analysis of secured and unsecured loans:		
Due within one year or on demand	100	200
Due between one and two years	-	100
Due after more than one year	-	100
Total secured and unsecured loans	100	300
Unsecured loans repayable by 2022	-	100

Interest accrues at the council's weighted average interest rate at the time the amount is drawn down (3.42% per year for FY16/17) and from the date that the amount is drawn down. Interest compounds monthly until repayment. The due date of repayment is when the first of the following occur:

- 30 days after a written demand is issued by the lender
- or 5 years after the date of the agreement, i.e. repayable on 11/07/2022

13 Restricted Reserves

Reserves with restrictions are as follows:

	Unspent capital grants £'000	Unspent other grants £'000	Donations £'000	Total £'000
Balances at 1 August 2019	62	1,528	623	2,213
New grants	2,740	5,965	-	8,705
New donations	-	-	3,362	3,362
Capital grants utilised in the year	(2,802)	-	(938)	(3,740)
Expenditure	-	(3,918)	(1,643)	(5,561)
Transfers between funds				
Total restricted comprehensive income for the year	(62)	2,047	781	2,766
Balances at 1 August 2020	-	3,575	1,404	4,979
New grants	2,279	89	-	2,368
New donations	-	-	3,027	3,027
Capital grants utilised in the year	(1,993)	-	-	(1,993)
Expenditure	-	(3,413)	(2,208)	(5,621)
Transfers between funds	220	(220)	-	-
Total restricted comprehensive income for the year	506	(3,544)	819	(2,219)
At 31 July 2021	506	31	2,224	2,760

	2021 Total £'000	2020 Total £'000
Analysis of other restricted funds /donations by type of purpose:		
Scholarships and bursaries	543	497
General	2,217	4,482
	2,760	4,979

14 Unrestricted Reserves

	Total £'000
Balances at 1 August 2019	893
Surplus/(deficit) for the year	(72)
Transfer to/from restricted funds	3,740
Total unrestricted comprehensive income for the year	3,668
Balances at 1 August 2020	4,561
Surplus/(deficit) for the year	(1,195)
Transfer to/from restricted funds	1,993
Total unrestricted comprehensive income for the year	798
At 31 July 2021	5,359

15 Cash and cash equivalents

	At 1st August 2020 £'000	Cash Flows £'000	At 31st July 2021 £'000
Cash and cash equivalents	5,013	(3,564)	1,449
	<u>5,013</u>	<u>(3,564)</u>	<u>1,449</u>

16 Financial instruments

	Year Ended 31 July 2021 £'000	Year Ended 31 July 2020 £'000
Financial assets		
<i>Financial assets that are debt instruments measured at amortised cost</i>		
Cash and cash equivalents	1,449	5,013
Other trade receivables	49	-
Other receivables	102	300
	<u>1,600</u>	<u>5,313</u>
Financial liabilities		
<i>Financial liabilities at fair value through Statement of Comprehensive Income</i>		
<i>Financial liabilities measured at amortised cost</i>		
Loans	100	300
Trade creditors	34	46
Accruals	140	116
	<u>274</u>	<u>462</u>

17 Capital and other commitments

Provision has not been made for the following capital commitments at 31 July 2021:

	31 July 2021	31 July 2020
	£'000	£'000
Capital commitments	7,260	-
	<u>7,260</u>	<u>-</u>

NMITE entered into a contract with The Marches Local Enterprise Partnership before the year end regarding the construction of the Skylon Campus, the contract has a value of £7.26 million. See below for information regarding the future of NMITE's Skylon Park.

Future facilities for learning and industry partnerships will be enabled by the development of NMITE's new advanced centres, the Centre for Advanced Timber Technology, and the Centre for Automated Manufacturing. Both centres will be housed in a new purpose-built facility on NMITE Skylon Campus. Construction started during the year with delivery to NMITE planned for mid-2022.

18 Lease obligations

Total rentals payable under operating leases:

	31 July 2021			Total	31 July 2020
	Land and Buildings	Plant and Machinery	Other leases	£'000	£'000
	£'000	£'000	£'000	£'000	£'000
Payable during the year	21	21	-	42	77
Future minimum lease payments due:					
Not later than 1 year	16	40	-	56	21
Later than 1 year and not later than 5 years	<u>7</u>	<u>59</u>	<u>-</u>	<u>66</u>	<u>23</u>
Total lease payments due	<u>23</u>	<u>99</u>	<u>-</u>	<u>122</u>	<u>44</u>

19 Events after the reporting period

As discussed in the trustee's report, NMITE has secured long term financial support in the form of new loans from the Department for Education to cover the full working capital requirements of the new sustainability plan.

20 Related party transactions

During the year the institute entered into transactions, in the ordinary course of business, with other related parties. Transactions entered into, and balances outstanding at 31 July 2021, are as follows:

Due to the nature of the Institution's operations and the compositions of the Council, being drawn from local public and private sector organisations, it is inevitable that transactions will take place with organisations in which a member of the board of Governors may have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Institution's

Financial Regulations and usual procurement procedures.

Transactions totalling £Nil (2020: £178,318), relating to consultancy services took place with Nth Degree Consulting Limited, a company in which the Chief Operating Officer (until 29/05/2020) has a majority interest. There were no outstanding amounts.

No Governor has received any remuneration/waived payments from the institution during the year (2020 - none)

The total expenses paid to or on behalf of the Governors was £515 to 2 governors (2020 - £5,519 to 6 governors). This represents travel and subsistence expenses incurred in attending meetings and costs incurred on behalf of the institution.

During the year NMITE received cash donations from trustees totalling £5,384 (2020: £Nil) however £3,200 of this relates to future periods therefore has been included as a creditor (deferred income) at the year end.