

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

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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 Gorringer (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 Liqueste (Appointed 9 May 2023)
Mr J Emmet (Appointed 22 May 2023)
Mr D Hughes (Appointed 23 May 2023)

Company Secretary
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

Chief Academic Officer

Chief Operating Officer

Finance Director

Prof Elena Rodriguez- Falcon (resigned 15 September 2022)
Mr James Newby (appointed 1 September 2022)
Prof Beverley Gibbs (resigned 1 September 2023)
Mr James Newby (post ended 1 September 2022)
Mrs Terri Stevenson (resigned 29 September 2023)
Mr Robert Jenkins (appointed 25 September 2023)

Report of the Trustees for the Year Ended 31 July 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 Gorrington 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.

Statement of Corporate Governance and Internal Control for the Year Ended 31 July 2023
(Continued)

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 WEBB, 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

Statement of Comprehensive Income
Year Ended 31 July 2023

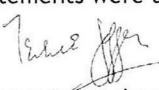
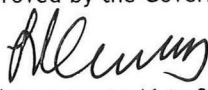
		Year ended 31 July 2023	Year ended 31 July 2022
	Notes	£'000	£'000
Income			
Tuition fees and education contracts	1	307	120
Funding body grants	1	645	892
Other income	2	813	5,279
Investment income	5	21	-
Donations and endowments	3	3,182	2,844
Total income		4,968	9,135
Expenditure			
Staff costs	4	2,933	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

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

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	2,716	1,449
Cash and cash equivalents at end of the year	16	<u>2,226</u>	<u>2,716</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.

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

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.

Statement of Principal Accounting Policies
Year Ended 31 July 2023 (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.

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.

Statement of Principal Accounting Policies
Year Ended 31 July 2023 (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.

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	<u>59</u>	<u></u>
	<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	<u>479</u>	<u>21</u>
	<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	<u>2,469</u>	<u>1,108</u>
	<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 No.	Year Ended 31 July 2022 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 No.	Year Ended 31 July 2022 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 No.	Year Ended 31 July 2022 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>

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	1,181	2,334	1,506	8,126	13,147
Depreciation					
At 1 August 2022	66	670	31	-	767
Charge for the year	22	451	32	147	652
At 31 July 2023	88	1,121	63	147	1,419
Carrying amount					
At 31 July 2023	1,093	1,213	1,443	7,979	11,728
At 31 July 2022	1,115	1,569	1,475	7,606	11,765

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	247	117
	776	751

Notes to the financial statements

Year Ended 31 July 2023 (Continued)

10	Creditors: amounts falling due within one year	Year Ended	Year Ended
		31 July 2023	31 July 2022
		£'000	£'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	Year Ended
		31 July 2023	31 July 2022
		£'000	£'000
	Secured loans	-	-
12	Loans	Year Ended	Year Ended
		31 July 2023	31 July 2022
		£'000	£'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	-	-

Notes to the financial statements
Year Ended 31 July 2023 (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 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
	2,716	(490)	2,226

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
	2,755	3,350
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
	8,720	5,989

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 £'000	31 July 2023 IT Equipment £'000	Total £'000	31 July 2022 £'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	-	3	3	83
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).