

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

Report of the Trustees and
Financial Statements
for the Year Ended 31 July 2020
for
New Model Institute for Technology and
Engineering

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



New Model Institute for Technology and
Engineering

Contents of the Financial Statements
for the Year Ended 31 July 2020

	Page
Report of the Trustees	1 to 8
Report of the Independent Auditors	9 to 11
Statement of Financial Activities	12
Balance Sheet	13
Cash Flow Statement	14
Notes to the Cash Flow Statement	15
Notes to the Financial Statements	16 to 25
Detailed Statement of Financial Activities	26 to 27

New Model Institute for Technology and Engineering

Report of the Trustees
for the Year Ended 31 July 2020

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 2020. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

OBJECTIVES AND ACTIVITIES

Objectives and Activities

NMITE exists to address the UK's shortage of work-ready graduate engineers and will focus 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 believes that engineering is an exciting and varied career path, its students will learn what an engineer does and how she or he can make life better and plans to develop graduates who will make a positive impact on quality of life, the environment and industry.

To attract students from a variety of backgrounds and at differing life stages, NMITE will consider every application individually and irrespective of the path they 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 and 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 explains that they are looking for entrepreneurial and socially-minded individuals who want to change the world for the better. As part of the admissions process, NMITE will be evaluating a person's attitude, mindset and passion for engineering alongside 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 by establishing, maintaining, developing, and running in or near the City of Hereford and elsewhere In the County of Herefordshire a tertiary education centre with a view to it obtaining university status, and
- to advance such other exclusively charitable purposes compatible with the advancement of a tertiary education centre seeking to obtain university status as the Trustees in their absolute discretion determine

ACHIEVEMENT AND PERFORMANCE

Prior to the pandemic and lockdown in March 2020, NMITE was preparing to conclude its validation process with the Open University, finalise its registration as an approved higher education provider with the Office for Students and launch its student recruitment campaign. Covid-19 suspended various external stakeholder engagements, most particularly around validation so that they remained suspended or still on progress as at the date of this report. As for all organisations, this led to a review by NMITE across all areas of activity. The Board and Senior Leadership Team put in place a range of measures to ensure business continuity, close control of expenditure, and appropriate risk management and these reflected in the description of key achievements and performance below.

Despite the impact of Covid, because of the measures put in place and building upon the progress which had been made prior to the onset of Covid, the Trustees can report that, shortly after the date of this report, NMITE was successfully listed as an Approved Provider of Higher Education on the Office for Students Register on 26th August 2020. Whilst the Higher Education and Research Act (2017) permits the OfS to impose specific conditions of registration for an individual provider, NMITE was registered without any specific ongoing conditions being imposed. The Trustees can further report that NMITE's Master's in Integrated Engineering was successfully Validated on 20th November 2020), and NMITE officially launched on 1st December 2020. Taking account of the further Covid restrictions announced since early January 2021 and with the interests of its first cohort of students paramount, NMITE has now set September 2021 as the date on which it will welcome its first students.

During the year, the final payment was received from the Department of Education of the £4,780,000 grant. This has supported NMITE through the development phase up until we admit our first students in September 2021. We are appreciative of this continuing financial support and encouragement from the UK Government.

Estates and Infrastructure

With part of the funding awarded by the Ministry of Housing, Communities and Local Government via the Marches LEP Growth Fund, NMITE transformed the vacant, city centre Hereford School for Boys into NMITE Blackfriars, NMITE's first purpose-configured learning space to deliver its excitingly different learning programme. The remaining £5.66m of funding has been confirmed and NMITE has been awarded a further £1.6m to accelerate the development of our upcoming Skylon Park Campus, which will be home to the Centre for Advanced Timber Technology, Centre for Automated Manufacture and Centre for Future Skills. Construction will begin in 2021 and the first facilities will open in 2022.

NMITE has entered into a sub-nominations agreement with Herefordshire Council to secure 89 student bedrooms in the Council's new Station Approach purpose-built student accommodation development, which will provide a home for part of NMITE's first student cohort.

With regard to NMITE's operations as at and going forward from the date of this report, new Covid safe operational procedures are implemented in all buildings.

Fundraising

NMITE received cash donations of £837,000 and pledges worth £2.5 million. Payroll Giving was launched to give staff the opportunity to make a regular, tax-efficient gift to NMITE from their payroll. Around half of our staff have signed up to the scheme, demonstrating the team's commitment to, and belief in, NMITE's mission.

NMITE has further developed and restated its Institutional Case for Support, and, working with employers, has undertaken further work to develop its proposals for a Scholarship Programme.

From the March lockdown, the team worked to ensure that communication with external stakeholders was consistently and regularly provided to keep them updated on progress.

Recognition

NMITE received numerous accreditations and awards, both at an institutional and an individual level, including:

- o The Armed Forces Covenant Employer Recognition Scheme Gold Award
- o Recognition as a Disability Confident Employer
- o Small Enterprise Partner of the Women's Engineering Society

Partnerships

30 new organisations were recruited as Partners, meaning that NMITE is now partnered with 60 businesses who will provide real-life engineering challenges (or Sprints) for its learners. Through the Covid lockdown NMITE has worked hard to move all external engagement online, so ensuring that all current partners remain connected with NMITE and able to support its learning and other activities.

New Model Institute for Technology and Engineering

Report of the Trustees for the Year Ended 31 July 2020

NMITE and Herefordshire Council have a common goal for Herefordshire which is to continue to support Herefordshire's ambition to be a great place to study, work live and an exemplar for 21st Century rural living. Stretching for that goal will help make NMITE and Herefordshire an attractive place to come and study, where students can become part of the community, and where many will want and find good opportunities to remain after graduation. During 2019/20, NMITE and the Council renewed their commitment to work together closely on matters of shared strategic importance.

Title, Brand and Marketing

NMITE became the New Model Institute for Technology and Engineering in December 2019. The change in title, from New Model in Technology & Engineering, more appropriately reflects NMITE's purpose as a higher education institution and the permission to take the title of "Institute" was given in recognition of the research content which is embedded in NMITE's pedagogical model.

In preparation for opening, NMITE worked on developing a new brand identity, which will be further refined in the coming year, including a full web-site review, social media marketing strategy and launch.

Assurance

NMITE's audit regime has been one of regular audit since the first Department for Education (DfE) drawdown was paid in January 2018, and which has been administered through Herefordshire Council acting as the Publicly Accountable Body. During 2019/20, this oversight regime came to an end with the final drawdown of funding in April 2020 and NMITE, as part of preparation for its registration with the OfS, appointed Uniac, a specialist provider of internal audit services highly experienced in the higher education sector, to provide an internal audit service and advise on the development of the metrics and data capture, reporting and other processes needed to support compliance with NMITE's obligations as a regulated higher education provider, for a period of three years, with effect from August 2021 onwards.

In preparation for Validation and Registration, the Board commissioned an external review of its governance arrangements by an expert in governance of higher education institutions to ensure that the arrangements (i) met the requirements of the Office for Students ("OfS") and its Regulatory Framework for Higher Education in England and (ii) are fit for purpose and enable NMITE to meet its ongoing conditions of registration. As NMITE now moves towards academic delivery, particular focus was given to the effectiveness of the academic governance arrangements.

The recommendations of the review were approved by the Board in July 2020 and actions, including the appointment of the Chief Executive Officer to the Board of Trustees, are being and will be implemented by early 2021.

COVID: Governance and Controls

To ensure oversight of the COVID impact, the Board, the Chief Executive Officer, and Senior Leadership Team met more frequently than anticipated and to ensure business continuity, all meetings of the Board of Trustees and its sub-Committees were converted to remote meetings, including the Annual Board and Senior Leadership Team Retreat. The Corporate Risk Register was reviewed to ensure it appropriately captured the impact of COVID and the mitigations in place to address emerging risks. The Audit and Risk Committee met regularly to review the register and to escalate matters to the Board, as required. A range of measures were considered and enacted to manage impact across all activities.

Up to March 2020, in preparation for launch and in line with existing plans, NMITE recruited 17 key staff, including the Chief Operating Officer, the Chief Academic Officer, and the Finance Director. The impact of COVID meant that the use of consultants was reviewed in full and, where appropriate, contracts were brought to an end by end May 2020. A freeze on all new recruitment was implemented unless posts were externally funded. A remote working policy was implemented, with activity moving online. This was enabled by earlier investments in the IT infrastructure, a full assessment and updating of working from home policies and procedures and new communication measures.

Statutory Reporting

There has been no delay in progressing internal audit arrangements, or external audit arrangements, in submissions to the Regulator or submission of the annual return of reporting statements.

FINANCIAL REVIEW

Financial position

NMITE shows a surplus for the year end 31st July 2020 of £6,433,089. The funding is being provided by the Department for Education in the form of restricted grants totalling £220,000 of capital, and revenue of £4,560,000. Further restricted donations and grants in year totalling £7,284,450 were received, including a capital grant of £2,566,505 from the Marches Local Enterprise Partnership for the development of NMITE's flagship student teaching and learning accommodation 'Blackfriars' which is in the centre of Hereford. Further unrestricted amounts of £72,815 were achieved in year through CPD and other income generating activities. The balance carried forward at the year-end for all funds was £9,539,140 (2019: £3,106,131).

Under the Charities SORP it is not permissible to defer income from government or other funders unless there is a specific performance requirement. Both the Department for Education and Garfield Weston grants do not have this formal requirement but are deemed to cover future periods of expenditure beyond 31 July 2020.

Investment policy and objectives

NMITE currently does not have an Investment Policy but will be developed by the trustees to ensure safe and effective use of funds once there are funds available for investment.

Reserves policy

NMITE has small unrestricted reserves valued at £42,920. The majority of its reserves are restricted and capital funds that are not for general use. The day-to-day operations of NMITE were met from use of the restricted Department for Education monies.

Going concern

The final tranche of DfE funding was received in April 2020. Rigorous financial planning has been undertaken and continues to be updated to ensure that the funds will meet the on-going obligations of NMITE until its first fee paying cohort of students are recruited.

NMITE has also secured short-term support from their bankers in the form of an overdraft facility.

In depth in-year reviews of the institution's financial position were undertaken in response to the first Covid lockdown to ensure that lockdown-caused delays to the recruitment of income generating students and constraints on the income earning capacity of its commercial operations (including CPD sales) did not significantly affect the financial health of the institution. As a result, some budgeted expenditure and the planned recruitment of some staff have been deferred to the following year.

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

New Model Institute for Technology and Engineering

Report of the Trustees for the Year Ended 31 July 2020

FUTURE PLANS

In partnership with industry and our community and taking account of the further impact of Covid-related delays, NMITE now expects to enrol its first learners on its MEng in Integrated Engineering in September 2021. Alongside and integrated with engineering, they will learn and develop associated knowledge and skills including creativity, resilience, communications, sustainability, management, ethics, and leadership which are vital to deliver the new class of rounded and more broadly capable engineers which employers so badly need. They will be ready and able to make a difference from the moment they graduate from NMITE.

We shall develop degree apprenticeships, scholarships and continuing professional development (CPD) programmes that attract a larger and more diverse cohort and give NMITE learners every opportunity to be, and work alongside, lifelong learners, and remain highly skilled, relevant and in demand.

We will continue to build the Centres for Advanced Timber Technology, Automated Manufacturing and Future Skills at Skylon Park, driving its growth and showcasing the most advanced and sustainable design and construction methods available. We will support the continued employability of the local workforce by helping to equip them with skills and knowledge that are most in demand for a successful and sustainable future in a very fast-changing work environment and broader world.

Together with the people of Hereford, we will create an integrated NMITE library and resource centre. We will work with the community, local businesses, and Herefordshire Council to repurpose redundant areas, such as empty retail sites, into attractive and innovative places to work, learn, live and share. We aim to be an exemplar in civic engagement, working together to transform our community.

The NMITE campus will expand through the acquisition of new sites and the redevelopment of existing buildings in the City of Hereford and the market towns of Herefordshire. These sites will be used to provide additional student accommodation, new learner studio capacity and the ancillary facilities required to support learners, staff and the local community.

NMITE will continue fundraising to actively pursue additional funding opportunities and investment through its Institutional Case for Support. A particular focus of its fundraising mission will be to build on the success of its Pioneer Fund, which will support the academic and living costs of its Pioneer Cohort, to raise further funds to provide financial support for learners from Herefordshire and from groups under-represented in higher education.

Finally, NMITE shall adopt new Articles of Association, once approved by the Charities Commission, which reflect its standing as a higher education provider and during the coming year will undertake an externally facilitated Board Effectiveness Review and seek to appoint a new Chair and recruit a small number of new Board members.

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 has 9 members, administers the charity. The Board normally meets monthly. There are sub committees covering matters including Finance and Resources, Property and Infrastructure, Audit and Risk, and Nominations and Remuneration. Sub committees normally meet bi-monthly and Audit and Risk normally meets quarterly, but with short more frequent 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.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Recruitment and appointment of new trustees

The Nominations and Remuneration Committee defines the make-up of the Board and its committees, balancing age, availability, gender, professional expertise, public and private sector industry experience and representation of the membership of NMITE, taking account of its character as a members' organisation, 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.

Induction and training of new trustees

Trustees are familiar with the operational work of NMITE and meet with the NMITE staff informally on a periodic basis. All trustees are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Trustees via NMITE SharePoint.

Trustees are 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.

Every year (typically at the May/June retreat) the Board undertakes its annual self- reflection of the effectiveness of the Board and its committees. Every third year it shall arrange for an independent effectiveness review to be undertaken by an appropriately qualified person or organisation.

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.

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.

Related parties

Under the current system in the UK an education provider without degree awarding powers that wants to offer higher education programmes must have a validation agreement with a degree awarding body. Validation is the process where a degree-awarding body judges a module or programme developed and delivered by another organisation and approves it as being of an appropriate standard and quality to lead to one of its awards. NMITE is Validated by the Open University.

In so far as it is complementary to NMITE's objects, NMITE is guided by both local and national policy.

New Model Institute for Technology and
Engineering

Report of the Trustees
for the Year Ended 31 July 2020

STRUCTURE, GOVERNANCE AND MANAGEMENT

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.

Volunteers and Donors

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

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

08800142 (England and Wales)

Registered Charity number

1176550

Registered office

2 Wyevale Business Park
Kings Acre
Hereford
Herefordshire
HR4 7BS

Trustees

I M Falconer
Ms K S Usher
Dame F M Kendrick (Chair)
Sir E J Thomas (Vice Chair)
P Scott
J Gorringe
Ms R D Innocent
R Lindsay-Davies
M J Hitchin

Company Secretary

Ms C McCauley

Auditors

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

REFERENCE AND ADMINISTRATIVE DETAILS

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 - appointed 24 April 2020
Chief Operating Officer	Mr James Newby - appointed 1 April 2020

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 on10/02/2021..... and signed on its behalf by:


.....
Dame F M Kendrick - Trustee

Report of the Independent Auditors to the Members of
New Model Institute for Technology and
Engineering

Opinion

We have audited the financial statements of New Model Institute for Technology and Engineering (the 'charitable company') for the year ended 31 July 2020 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 July 2020 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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 the Trustees has been prepared in accordance with applicable legal requirements.

Report of the Independent Auditors to the Members of
New Model Institute for Technology and
Engineering

Matters on which we are required to report by exception

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

We have nothing to report in respect of the following matters where 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 trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Trustees.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

Report of the Independent Auditors to the Members of
New Model Institute for Technology and
Engineering

Use of our report

This report is made solely to the charitable company's members, 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 charitable company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Mr Kevin Tong FCCA ACA (Senior Statutory Auditor)
for and on behalf of Thorne Widgery Accountancy Ltd
Chartered Accountants
Statutory Auditors
2 Wyevale Business Park
Kings Acre
Hereford
Herefordshire
HR4 7BS

Date:12/02/2021.....

Note:

The maintenance and integrity of the New Model Institute for Technology and Engineering website is the responsibility of the trustees; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.

New Model Institute for Technology and Engineering

Statement of Financial Activities
for the Year Ended 31 July 2020

	Notes	Unrestricted fund £	Restricted funds £	31.7.20 Total funds £	31.7.19 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	2	3,527	3,362,088	3,365,615	281,587
Charitable activities	5				
Provision of education		-	8,698,835	8,698,835	4,035,000
Other trading activities	3	68,015	4,800	72,815	-
Investment income	4	-	-	-	2,446
Total		71,542	12,065,723	12,137,265	4,319,033
EXPENDITURE ON					
Charitable activities	6				
Provision of education		36,446	5,667,810	5,704,256	3,751,503
NET INCOME		35,096	6,397,913	6,433,009	567,530
RECONCILIATION OF FUNDS					
Total funds brought forward		7,822	3,098,309	3,106,131	2,538,601
TOTAL FUNDS CARRIED FORWARD		42,918	9,496,222	9,539,140	3,106,131

The notes form part of these financial statements

New Model Institute for Technology and Engineering

Balance Sheet
31 July 2020

	Notes	Unrestricted fund £	Restricted funds £	31.7.20 Total funds £	31.7.19 Total funds £
FIXED ASSETS					
Tangible assets	12	-	4,603,482	4,603,482	884,642
CURRENT ASSETS					
Debtors	13	-	453,852	453,852	332,041
Cash at bank and in hand		<u>42,760</u>	<u>4,970,157</u>	<u>5,012,917</u>	<u>2,768,079</u>
		42,760	5,424,009	5,466,769	3,100,120
CREDITORS					
Amounts falling due within one year	14	160	(231,271)	(231,111)	(578,631)
NET CURRENT ASSETS		<u>42,920</u>	<u>5,192,738</u>	<u>5,235,658</u>	<u>2,521,489</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		42,920	9,796,220	9,839,140	3,406,131
CREDITORS					
Amounts falling due after more than one year	15	-	(300,000)	(300,000)	(300,000)
NET ASSETS		<u>42,920</u>	<u>9,496,220</u>	<u>9,539,140</u>	<u>3,106,131</u>
FUNDS	18				
Unrestricted funds				42,920	7,822
Restricted funds				<u>9,496,220</u>	<u>3,098,309</u>
TOTAL FUNDS				<u>9,539,140</u>	<u>3,106,131</u>

These financial statements have been prepared in accordance with the provisions applicable to charitable companies subject to the small companies regime.

The financial statements were approved by the Board of Trustees and authorised for issue on 10/02/2021 and were signed on its behalf by:


.....
Dame F M Kendrick - Trustee

New Model Institute for Technology and Engineering

Cash Flow Statement
for the Year Ended 31 July 2020

	Notes	31.7.20 £	31.7.19 £
Cash flows from operating activities			
Cash generated from operations	1	6,070,361	654,929
Interest paid		<u>(2,393)</u>	<u>(3,870)</u>
Net cash provided by operating activities		<u>6,067,968</u>	<u>651,059</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(4,007,024)	(607,312)
Sale of tangible fixed assets		181,494	273,151
Interest received		<u>-</u>	<u>2,446</u>
Net cash used in investing activities		<u>(3,825,530)</u>	<u>(331,715)</u>
Cash flows from financing activities			
Cash advances returned		2,400	-
Capital repayments in year		<u>-</u>	<u>(24,399)</u>
Net cash provided by/(used in) financing activities		<u>2,400</u>	<u>(24,399)</u>
Change in cash and cash equivalents in the reporting period		<u>2,244,838</u>	<u>294,945</u>
Cash and cash equivalents at the beginning of the reporting period		<u>2,768,079</u>	<u>2,473,134</u>
Cash and cash equivalents at the end of the reporting period		<u>5,012,917</u>	<u>2,768,079</u>

The notes form part of these financial statements

Notes to the Cash Flow Statement
for the Year Ended 31 July 2020

1. RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	31.7.20 £	31.7.19 £
Net income for the reporting period (as per the Statement of Financial Activities)	6,433,009	567,530
Adjustments for:		
Depreciation charges	106,690	69,859
Loss on disposal of fixed assets	-	1,707
Interest received	-	(2,446)
Interest paid	2,393	3,870
Increase in debtors	(124,211)	(120,938)
(Decrease)/increase in creditors	(347,520)	135,347
Net cash provided by operations	<u>6,070,361</u>	<u>654,929</u>

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.8.19 £	Cash flow £	At 31.7.20 £
Net cash			
Cash at bank and in hand	<u>2,768,079</u>	<u>2,244,838</u>	<u>5,012,917</u>
	<u>2,768,079</u>	<u>2,244,838</u>	<u>5,012,917</u>
Debt			
Debts falling due after 1 year	<u>(300,000)</u>	<u>-</u>	<u>(300,000)</u>
	<u>(300,000)</u>	<u>-</u>	<u>(300,000)</u>
Total	<u>2,468,079</u>	<u>2,244,838</u>	<u>4,712,917</u>

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Going concern and Covid-19

The final tranche of DfE funding was received in April 2020. Rigorous financial planning has been undertaken and continues to be updated to ensure that the funds will meet the on-going obligations of NMITE until its first fee paying cohort of students are recruited.

NMITE have also secured short-term support from their bankers in the form of an overdraft facility.

In depth in-year reviews of the institution's financial position were undertaken in response to the first Covid lockdown to ensure that lockdown caused delays to the recruitment of income generating students and constraints on the income earning capacity of its commercial operations (including CPD sales) did not significantly affect the financial health of the institution. As a result, some budgeted expenditure and the planned recruitment of some staff was deferred to the following year

Based on the above factors, the Trustees believe it is appropriate to prepare the financial statements on the going concern basis.

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Charitable activities

Expenditure on charitable activities includes the costs of establishing and furthering educational operations undertaken to further the purposes of the charity and their associated support costs.

Allocation and apportionment of costs

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include office costs, finance, personnel, payroll and governance costs which support the Trusts educational activities. These costs have been allocated between cost of raising funds and expenditure on charitable activities on employee time basis.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Individual fixed assets costing £1,000 or more are capitalised at cost and are depreciated over their estimated useful economic lives on a straight line basis as follows:

Property Long Term Lease - Straight Line over 99 years

Notes to the Financial Statements - continued
for the Year Ended 31 July 2020

1. ACCOUNTING POLICIES - continued

Tangible fixed assets

Fixtures & Fittings	- Straight Line over 5 years
Computer Equipment	- 25% reducing balance

Assets under construction projects are included in fixed assets and are not depreciated until completion where they are assessed and any projects not going ahead are released to the SOFA.

Debtors

Trade and other debtors are recognised at the settlement amount due. Prepayments are valued at the amount prepaid.

Cash and bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

Liabilities

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

Financial Instruments

The charitable company only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

Taxation

The charity is exempt from corporation tax on its charitable activities.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Pension costs and other post-retirement benefits

The charitable company operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

Donated goods and services

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

On receipt, donated professional services and donated goods are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or goods of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

New Model Institute for Technology and Engineering

Notes to the Financial Statements - continued
for the Year Ended 31 July 2020

2. DONATIONS AND LEGACIES

	31.7.20	31.7.19
	£	£
Donations	1,901,339	278,451
Donated services and facilities	<u>1,464,276</u>	<u>3,136</u>
	<u>3,365,615</u>	<u>281,587</u>

3. OTHER TRADING ACTIVITIES

	31.7.20	31.7.19
	£	£
CPD Income	19,780	-
Hire & accommodation income	5,440	-
Other income	<u>47,595</u>	<u>-</u>
	<u>72,815</u>	<u>-</u>

4. INVESTMENT INCOME

	31.7.20	31.7.19
	£	£
Deposit account interest	<u>-</u>	<u>2,446</u>

5. INCOME FROM CHARITABLE ACTIVITIES

	Activity	31.7.20	31.7.19
		£	£
Grants	Provision of education	<u>8,698,835</u>	<u>4,035,000</u>

Grants received, included in the above, are as follows:

	31.7.20	31.7.19
	£	£
Capital Grant	2,738,335	502,500
Revenue Grant	<u>5,960,500</u>	<u>3,532,500</u>
	<u>8,698,835</u>	<u>4,035,000</u>

6. CHARITABLE ACTIVITIES COSTS

	Direct Costs	Support costs (see note 7)	Totals
	£	£	£
Provision of education	<u>3,087,220</u>	<u>2,617,036</u>	<u>5,704,256</u>

7. SUPPORT COSTS

	Other £
Provision of education	<u>2,617,036</u>

8. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

	31.7.20 £	31.7.19 £
Depreciation - owned assets	106,690	69,859
Deficit on disposal of fixed assets	-	1,707
Operating leases	76,605	70,570
Auditors remuneration - audit	9,360	8,400
Auditors remuneration - non-audit	<u>9,186</u>	<u>13,005</u>

9. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 July 2020 nor for the year ended 31 July 2019.

Trustees' expenses

During the year trustee expenses amounting to £5,519 (2019: £31,214) were incurred. The majority of these expenses related to reimbursement of costs incurred on behalf of the organisation.

10. STAFF COSTS

	31.7.20 £	31.7.19 £
Wages and salaries	1,976,641	1,400,938
Social security costs	208,611	152,791
Other pension costs	<u>181,106</u>	<u>102,992</u>
	<u>2,366,358</u>	<u>1,656,721</u>

The average monthly number of employees during the year was as follows:

	31.7.20	31.7.19
Education	25	12
Admin	<u>12</u>	<u>9</u>
	<u>37</u>	<u>21</u>

Notes to the Financial Statements - continued
for the Year Ended 31 July 2020

10. STAFF COSTS - continued

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	31.7.20	31.7.19
£60,001 - £70,000	6	4
£70,001 - £80,000	1	1
£80,001 - £90,000	1	2
£100,001 - £110,000	2	1
£140,001 - £150,000	1	1
£190,001 - £200,000	1	-
	<u>12</u>	<u>9</u>

The key management personnel of the charity comprise the Trustees, the Chief Executive Officer(s) and the management team. The total employee benefits of the key management personnel were £597,155 (2019:£610,272)

11. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted fund £	Restricted funds £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	-	281,587	281,587
Charitable activities			
Provision of education	-	4,035,000	4,035,000
Investment income	<u>2,446</u>	<u>-</u>	<u>2,446</u>
Total	2,446	4,316,587	4,319,033
EXPENDITURE ON			
Charitable activities			
Provision of education	<u>1</u>	<u>3,751,502</u>	<u>3,751,503</u>
NET INCOME	2,445	565,085	567,530
RECONCILIATION OF FUNDS			
Total funds brought forward	<u>5,377</u>	<u>2,533,224</u>	<u>2,538,601</u>
TOTAL FUNDS CARRIED FORWARD	<u>7,822</u>	<u>3,098,309</u>	<u>3,106,131</u>

Notes to the Financial Statements - continued
for the Year Ended 31 July 2020

12. TANGIBLE FIXED ASSETS

	Campus development £	Long leasehold £	Improvements to property £	Fixtures and fittings £	Totals £
COST					
At 1 August 2019	313,764	280,794	-	364,882	959,440
Additions	319,234	900,000	2,705,436	82,354	4,007,024
Disposals	(181,494)	-	-	-	(181,494)
At 31 July 2020	451,504	1,180,794	2,705,436	447,236	4,784,970
DEPRECIATION					
At 1 August 2019	-	4,472	-	70,326	74,798
Charge for year	-	20,836	-	85,854	106,690
At 31 July 2020	-	25,308	-	156,180	181,488
NET BOOK VALUE					
At 31 July 2020	451,504	1,155,486	2,705,436	291,056	4,603,482
At 31 July 2019	313,764	276,322	-	294,556	884,642

Included within campus development are assets under construction of £313,764.

13. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.7.20 £	31.7.19 £
Amounts recoverable on contract	-	2,400
Other debtors	299,707	153,000
Prepayments	154,145	176,641
	453,852	332,041

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.7.20 £	31.7.19 £
Trade creditors	46,013	177,183
Social security and other taxes	68,999	109,492
Accruals and deferred income	116,099	291,956
	231,111	578,631

Notes to the Financial Statements - continued
for the Year Ended 31 July 2020

15. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	31.7.20	31.7.19
	£	£
Other loans (see note 16)	300,000	300,000

16. LOANS

An analysis of the maturity of loans is given below:

	31.7.20	31.7.19
	£	£
Amounts falling between one and two years:		
Other loans - 1-2 years	300,000	300,000

17. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	31.7.20	31.7.19
	£	£
Within one year	21,167	77,167
Between one and five years	22,666	43,833
	43,833	121,000

18. MOVEMENT IN FUNDS

	At 1.8.19	Net movement in funds	At 31.7.20
	£	£	£
Unrestricted funds			
General fund	7,822	35,098	42,920
Restricted funds			
DfE Capital Grant	897,138	96,027	993,165
DfE Revenue Grant	1,527,045	2,047,722	3,574,767
Garfield Weston Donation	395,677	(153,787)	241,890
Other Restricted	19,400	955,635	975,035
Pioneer Fund	259,049	237,966	497,015
Jordan Foundation	-	644,400	644,400
LEP Capital Grant	-	2,569,948	2,569,948
	3,098,309	6,397,911	9,496,220
TOTAL FUNDS	3,106,131	6,433,009	9,539,140

Notes to the Financial Statements - continued
for the Year Ended 31 July 2020

18. MOVEMENT IN FUNDS - continued

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	71,542	(36,444)	35,098
Restricted funds			
DfE Capital Grant	167,499	(71,472)	96,027
DfE Revenue Grant	5,965,300	(3,917,578)	2,047,722
Garfield Weston Donation	1	(153,788)	(153,787)
Other Restricted	2,452,122	(1,496,487)	955,635
Pioneer Fund	237,966	-	237,966
Jordan Foundation	672,000	(27,600)	644,400
LEP Capital Grant	2,570,835	(887)	2,569,948
	<u>12,065,723</u>	<u>(5,667,812)</u>	<u>6,397,911</u>
TOTAL FUNDS	<u>12,137,265</u>	<u>(5,704,256)</u>	<u>6,433,009</u>

Comparatives for movement in funds

	At 1.8.18 £	Net movement in funds £	At 31.7.19 £
Unrestricted funds			
General fund	5,377	2,445	7,822
Restricted funds			
DfE Capital Grant	453,954	443,184	897,138
DfE Revenue Grant	1,595,217	(68,172)	1,527,045
Garfield Weston Donation	484,053	(88,376)	395,677
Other Restricted	-	19,400	19,400
Pioneer Fund	-	259,049	259,049
	<u>2,533,224</u>	<u>565,085</u>	<u>3,098,309</u>
TOTAL FUNDS	<u>2,538,601</u>	<u>567,530</u>	<u>3,106,131</u>

Notes to the Financial Statements - continued
for the Year Ended 31 July 2020

18. MOVEMENT IN FUNDS - continued

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	2,446	(1)	2,445
Restricted funds			
DfE Capital Grant	502,500	(59,316)	443,184
DfE Revenue Grant	3,535,636	(3,603,808)	(68,172)
Garfield Weston Donation	2	(88,378)	(88,376)
Other Restricted	19,400	-	19,400
Pioneer Fund	259,049	-	259,049
	<u>4,316,587</u>	<u>(3,751,502)</u>	<u>565,085</u>
TOTAL FUNDS	<u>4,319,033</u>	<u>(3,751,503)</u>	<u>567,530</u>

A current year 12 months and prior year 12 months combined position is as follows:

	At 1.8.18 £	Net movement in funds £	At 31.7.20 £
Unrestricted funds			
General fund	5,377	37,543	42,920
Restricted funds			
DfE Capital Grant	453,954	539,211	993,165
DfE Revenue Grant	1,595,217	1,979,550	3,574,767
Garfield Weston Donation	484,053	(242,163)	241,890
Other Restricted	-	975,035	975,035
Pioneer Fund	-	497,015	497,015
Jordan Foundation	-	644,400	644,400
LEP Capital Grant	-	2,569,948	2,569,948
	<u>2,533,224</u>	<u>6,962,996</u>	<u>9,496,220</u>
TOTAL FUNDS	<u>2,538,601</u>	<u>7,000,539</u>	<u>9,539,140</u>

18. MOVEMENT IN FUNDS - continued

A current year 12 months and prior year 12 months combined net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	73,988	(36,445)	37,543
Restricted funds			
DfE Capital Grant	669,999	(130,788)	539,211
DfE Revenue Grant	9,500,936	(7,521,386)	1,979,550
Garfield Weston Donation	3	(242,166)	(242,163)
Other Restricted	2,471,522	(1,496,487)	975,035
Pioneer Fund	497,015	-	497,015
Jordan Foundation	672,000	(27,600)	644,400
LEP Capital Grant	2,570,835	(887)	2,569,948
	<u>16,382,310</u>	<u>(9,419,314)</u>	<u>6,962,996</u>
TOTAL FUNDS	<u>16,456,298</u>	<u>(9,455,759)</u>	<u>7,000,539</u>

DfE Capital Grant - this relates to capital assets purchased with the income received from the DfE restricted for this purpose

DfE Revenue Grant - this relates to the general running of the organisation in order to meet its objectives with the income received from the DfE 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 - this relates to Other Funds that are restricted in nature

19. RELATED PARTY DISCLOSURES

During the year to 31 July 2020, payments totalling £178,318 (2019: £210,662) were made to Nth Degree Consulting Limited of which David Nolan is a Director. David Nolan was the Company Secretary at NMITE until 26/03/2019 and appointed as Chief Operating Officer on 01/08/2019 until 29/05/2020. There was Nil (2019: £19,239) outstanding at the year-end.