

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

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

NWITE
Blackfriars Street
Hereford
England
HR4 9HS



New Model Institute for Technology and Engineering

Contents of the Financial Statements
for the Year Ended 31 July 2024

	Page
Reference and Administrative Details	1
Report of the Trustees	2 to 7
Statement of Responsibilities of the Trustees	8
Report of the Independent Auditors	9 to 12
Statement of Comprehensive Income	13
Statement of Financial Position	14
Statement of Changes in Reserves	15
Statement of Cash Flows	16
Statement of Principal Accounting Policies	17 to 22
Notes to the Financial Statements	23 to 31

New Model Institute for Technology and Engineering

Reference and Administrative Details for the Year Ended 31 July 2024

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number
08800142 (England and Wales)

Registered Charity number
1176550

Registered office
NMITE
Blackfriars Street
Hereford
England
HR4 9HS

Trustees

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

Company Secretary
Ms C Alexander

Auditors

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

Advisers

Bankers
HSBC Bank plc
35 High St
Hereford
HR1 2AQ

Key Management personnel:

Chief Executive Officer
Chief Academic Officer

Finance Director

Director of People and Operations

Mr James Newby
Prof Beverley Gibbs (resigned September 2023)
Prof David Oloke (from February 2024)
Ms Terri Stevenson (until September 2023)
Mr Robert Jenkins (from October 2023)
Ms Samantha Lewis

New Model Institute for Technology and Engineering

Report of the Trustees for the Year Ended 31 July 2024

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

OBJECTIVES AND ACTIVITIES

Objectives and activities

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

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

Public benefit and charitable objects

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

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

ACHIEVEMENTS AND PERFORMANCE

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

NMITE's Degree Awarding Powers

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

Student Recruitment

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

New Model Institute for Technology and Engineering

Report of the Trustees for the Year Ended 31 July 2024

(Continued)

Estates and Infrastructure

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

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

New advanced centres

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

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

Fundraising

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

Academic Development

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

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

New Model Institute for Technology and Engineering

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

FINANCIAL REVIEW

Financial Position

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

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

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

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

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

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

Investment policy and investments

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

Reserves policy

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

Going Concern

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

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

Key factors supporting the trustees' going concern assessment include:

1. **Secured Financial Support:**

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

2. **Loan Restructuring:**

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

3. **Future Income Generation:**

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

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

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

5. **Favourable External Reviews:**

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

New Model Institute for Technology and Engineering

Report of the Trustees for the Year Ended 31 July 2024

(Continued)

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

NMITE Future Plans

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

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

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

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document:

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

NMITE is governed by its Articles of Association.

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

The Board of Trustees and its Committees

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

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

Recruitment and appointment of new trustees

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

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

New Model Institute for Technology and Engineering

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

Induction and training of new trustees

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

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

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

The Executive

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

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

Key management remuneration

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

Related parties

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

Risk management

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

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

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

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

New Model Institute for Technology and Engineering

Report of the Trustees for the Year Ended 31 July 2024

(Continued)

Statement of Internal Control

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

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

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

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

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

Volunteers and Donors

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

New Model Institute for Technology and Engineering

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

STATEMENT OF TRUSTEES' RESPONSIBILITIES

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

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

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

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

In so far as the trustees are aware:

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

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

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


Mr M J Hitchin - Vice Chair of Trustees

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New Model Institute for Technology and Engineering

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

Year Ended 31 July 2024

Opinion

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

In our opinion, the financial statements:

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

Basis for opinion

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

Conclusion relating to going concern

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

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

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

Other information

The other information comprises the information included in the Report of Trustees, Statement of Governance and Internal Control and Statement on Responsibilities of Trustee for the Year Ended 31 July 2024, other than the financial statements and our auditor's report thereon. The Board of Trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

New Model Institute for Technology and Engineering

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

Year Ended 31 July 2024

(Continued)

Opinions on matters prescribed by the Companies Act 2006

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

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

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

In our opinion:

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

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of the Board of Trustees

As explained more fully in the Statement of Responsibilities of the Board of Trustees set out on Page 7, the Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

New Model Institute for Technology and Engineering

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

Year Ended 31 July 2024

(Continued)

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

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

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

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

Our procedures to respond to risks identified included the following:

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

New Model Institute for Technology and Engineering

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

Year Ended 31 July 2024

(Continued)

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

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

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

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

Use of our report

This report is made solely to the Institute's Trustees, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Institute's Trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Institute's Trustees as a body, for our audit work, for this report, or for the opinions we have formed.

LWeaver

Lisa Weaver FCCA (Senior Statutory Auditor)

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

Date: 18/12/24

New Model Institute for Technology and Engineering

Statement of Comprehensive Income
Year Ended 31 July 2024

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

All items of income and expenditure relate to continuing activities.

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

New Model Institute for Technology and Engineering

Statement of Financial Position
Year Ended 31 July 2024

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

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


Mr M J Hitchin - Vice Chair of Trustees

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

New Model Institute for Technology and Engineering

Statement of Changes in Reserves
Year Ended 31 July 2024

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

New Model Institute for Technology and Engineering

Statement of Cash Flows
Year Ended 31 July 2024

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

New Model Institute for Technology and Engineering

Statement of Principal Accounting Policies

Year Ended 31 July 2024

1 General Information

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

2 Statement of compliance

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

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

3 Basis of preparation

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

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

4 Going Concern

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

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

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

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

NWITE 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.

New Model Institute for Technology and Engineering

Statement of Principal Accounting Policies
Year Ended 31 July 2024 (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 the period in which students are studying, or where relevant, when performance conditions have been met.

Grant funding

NMITE has adopted the performance model for government revenue grants.

Grant funding including research grants from government sources and grants (including research grants) from non-government sources are recognised as income when the Institution is entitled to the income and performance related conditions have been met. Income received in advance of performance related conditions being met is recognised as deferred income within creditors in the Statement of Financial Position and released to income as the conditions are met.

Donations

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

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

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

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

Capital grants

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

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

Investment Income

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

New Model Institute for Technology and Engineering

Statement of Principal Accounting Policies

Year Ended 31 July 2024 (Continued)

6 Accounting for retirement benefits

Defined Contribution Plan

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

7 Employment benefits

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

8 Operating leases

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

9 Property, plant and equipment

Land and buildings

Land and buildings are capitalised at cost on initial recognition.

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

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

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

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

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 (UEs), each component is accounted for separately and depreciated over its individual UEL. Expenditure relating to subsequent replacement of components is capitalised as incurred.

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

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

New Model Institute for Technology and Engineering

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

9 Property, plant and equipment (continued)

Equipment

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

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

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

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

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

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

Impairment

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

10 Cash and cash equivalents

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

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

11 Provisions, contingent liabilities and contingent assets

Provisions are recognised in the financial statements when:

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

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

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

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

New Model Institute for Technology and Engineering

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

12 Taxation

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

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

13 Financial Instruments

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

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

Financial assets

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

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

Financial liabilities

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

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

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

New Model Institute for Technology and Engineering

Statement of Principal Accounting Policies

Year Ended 31 July 2024 (Continued)

14 Reserves

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

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

15 Critical Accounting estimates and judgements

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

Critical judgements and assumptions

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

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

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

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

New Model Institute for Technology and Engineering

Notes to the financial statements
Year Ended 31 July 2024

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

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

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

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

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

New Model Institute for Technology and Engineering

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

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

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

Justification for the President/Chief Executive Officer

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

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

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

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

New Model Institute for Technology and Engineering

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

5 Staff Costs (Continued)

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

Pay ratios

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

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

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

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

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

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

New Model Institute for Technology and Engineering

Notes to the financial statements

Year Ended 31 July 2024 (Continued)

5 Staff Costs (Continued)

Compensation for loss of office

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

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	430	429

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

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

Other operating expenses include:

Operating lease rentals:

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

External auditors remuneration in respect of audit services

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

8 Taxation

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

New Model Institute for Technology and Engineering

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

9 Tangible Assets

Property, plant and equipment

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

10 Trade and other receivables

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

New Model Institute for Technology and Engineering

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

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

New Model Institute for Technology and Engineering

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

14 Restricted Reserves

Reserves with restrictions are as follows:

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

Analysis of other restricted funds /donations by type of purpose:
Scholarships and bursaries
General

	2024 Total £'000	2023 Total £'000
Scholarships and bursaries	445	376
General	192	528
	637	904

15 Unrestricted Reserves

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

New Model Institute for Technology and Engineering

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

16 Cash and cash equivalents

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

17 Financial instruments

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

New Model Institute for Technology and Engineering

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

18 Capital and other commitments

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

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

19 Lease obligations

Total rentals payable under operating leases:

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

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 2024, are as follows:

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

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

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

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