

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

Report of the Trustees and
Financial Statements for the Year Ended 31 July 2018
for
New Model in Technology & Engineering

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



New Model in Technology & Engineering

Report of the Trustees for the Year Ended 31 July 2018

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 2018. 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 2015).

The trustees are pleased to present their annual directors' report together with the financial statements of the charity for the year ended 31st July 2018, which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

OBJECTIVES AND ACTIVITIES

Public benefit

We have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing our aims and objectives. All our charitable activities are undertaken to further our charitable purposes for the public benefit.

Our purposes and activities are:

- NMiTE - New Model in Technology and Engineering - is an initiative backed by government, educators (including the University of Warwick) and industry, to transform engineering education in Britain. Located in Hereford, NMiTE aims to secure university status and become Britain's first wholly new, purpose-built UK university in 40 years.

- NMiTE will be changing the way engineers are selected by making engineering come alive as the creative, problem-solving and inspiring worthwhile discipline it is. We'll be doing this via an ambitious outreach programme to schools and an application process where candidates will impress through their curiosity, ingenuity and passion as much as by a set of starred grades.

- NMiTE will change the way Students learn - Students won't come here to study engineering; they will come here to be an engineer. Our learner engineers will work collaboratively in small groups, on real-world engineering problems set by real-world organisations, mentored by real-world engineers. It's a unique curriculum model that will enable learners to gain an MEng in three (46-weeks) years and will place learning-by-doing over lectures, and learning-by-results over exams.

- NMiTE will change the way Students graduate into employment.

The learning experience of NMiTE is being designed solely to align the skills and talent of our engineers with the needs of employers. Because these needs change as technology does, we will be designing our curriculum to be flexible, and based on progressive results rather than fixed exams. This will develop a mindset that is open to change, and we aim to satisfy that appetite by welcoming our graduates back for reskilling throughout their working lives.

ACHIEVEMENT AND PERFORMANCE

- NMiTE has successfully recruited 25 unique people whom we refer to as the 'Design Cohort' who in September 2018 began the unique mission of helping create the student experience for what is aiming to be Britain's first wholly new University in 40 years. They will be involved in designing campus layout, curriculum design, new models of learning and new ways of student living to ensure that we have the right designs in place to welcome our first cohort of students in Sept 2019.

FINANCIAL REVIEW

Financial position

NMiTE shows a surplus for the year end 31st July 2018 of £2,525,340. The principal funding is being provided by the Department for Education in the form of restricted grants of Capital £462,000, and revenue of £4,147,172, The Garfield Weston foundation restricted donation of £500,000 and unrestricted amounts of £5,378. The balance carried forward at the year end for all funds was £2,538,601 (2017: £13,261).

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 grants and Garfield Weston grants do not have this formal requirement, but the grants provided are deemed to cover future periods of expenditure beyond the 31st July 2018. Further Department for education grants are expected in the next two years and during this period the charity is expected to show surplus results due to the difference in timing of the receipt and the expenditure of the grant related items.

Report of the Trustees
for the Year Ended 31 July 2018

FINANCIAL REVIEW

Investment policy and objectives

NMiTE currently does not have an Investment Policy but this is currently being developed by the trustees to ensure safe and effective use of funds.

Reserves policy

NMiTE acknowledges that it only has small unrestricted reserves valued at £5,378 and that the majority of its reserves are restricted and capital funds that are not for general use. The day to day operations of NMiTE are met from use of the restricted Department for Education monies.

NMiTE are working on establishing a specific reserves policy to aspire to.

Going concern

The Department for Education are funding the organisation, via the local authority, as mentioned in this report. Without their continued support the organisation would not be able to continue in its current form. The next tranche of funding is due in March 2019, under the agreement. The trustees believe NMiTE will be able to achieve the performance conditions outlined in the Memorandum of Understanding, within the required timeframe therefore the funding will be secured.

NMiTE have also secured short-term loan financing from independent parties, together with support from their bankers.

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

FUTURE PLANS

In 2019 NMiTE aims to have its Academic Programme validated by the University of Warwick and achieve registration as a higher education provider with the Office for Students. This will enable NMiTE to recruit 50 learners (students) for our Pioneer Cohort commencing in September 2019.

To recruit these first learners we will be launching a targeted recruitment campaign and developing the NMiTE brand. This is to be supplemented by an ongoing series of engagement and awareness building activities by Ingenuity Studios (our mobile engineering studio). The experience of this campaign will inform the recruitment plan for the September 2020 intake which will commence in the Autumn of 2019.

This year will also see NMiTE deliver its first CPD courses that are being created with employers to directly address skills gaps in their current workforce.

The NMiTE campus will expand with the first academic spaces being created through renovations at the Blackfriars Centre. Student accommodation will be developed at new and existing sites (Miller Court) for the Pioneer year and plans progressed for subsequent years, including the collaboration with the Hereford College of Arts at Station Approach.

NMiTE will continue fundraising to support the Department for Education (we have already met March 2019 target) and LEP match funding requirements and also continue to pursue additional funding opportunities and investment.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The charity is controlled by its governing document, a deed of trust, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

Recruitment and appointment of new trustees

New trustees are sought from the local community and businesses that have an interest in the charitable objects of the organisation. Trustees are appointed in accordance with the governing document.

New Model in Technology & Engineering

Report of the Trustees for the Year Ended 31 July 2018

STRUCTURE, GOVERNANCE AND MANAGEMENT

Induction and training of new trustees

The training and induction provided for new trustees includes a tour of the facilities and a chance to meet staff. All s 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.

The induction and training policy continues to be developed as the organisation grows.

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

NMiTE has a working relationship with Herefordshire Council who has agreed to act as the Publicly Accountable Body for the purpose of the Department for Education funding of NMiTE and there is a Memorandum of Understanding which has been agreed to support the Central Government Section 31 Grant funding of the New Model and Technology in creating a new not for profit Higher education provision.

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.

New Model in Technology and Engineering is a company limited by guarantee governed by its Memorandum and Articles of Association dated 28 Jan 2014. It is registered as a charity with the Charity Commission.

The board of trustees, which has 7 members administers the charity. The Board normally meet monthly (moving to bi-monthly) and there are sub committees covering Finance, and Property Guidance that normally meet Monthly and Audit that normally meets quarterly. A chief Executive is appointed by the trustees to manage the day to day operations of the charity. To facilitate effective operations The Chief executive has delegated authority for operational matters such as finance, employment and Academic programme activities.

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	
D C Sheppard	
K D Temple	- resigned 1.5.18
Ms K S Usher	
Dame F M Kendrick	
Prof J A Kozinski	- resigned 5.1.18
Sir E J Thomas	
P Scott	- appointed 11.1.18
J Gorringer	- appointed 5.4.18

Company Secretary
D J Nolan

New Model in Technology & Engineering

Report of the Trustees for the Year Ended 31 July 2018

REFERENCE AND ADMINISTRATIVE DETAILS

Auditors

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

Advisers

Bankers

Handelsbanken
Broad Street
Hereford
HR4 9AY

Key Management personnel:

Chief Executive Officer	Prof Janusz Kozinski - resigned 29 May 2018	Prof Elena Rodriguez- Falcon - appointed 12 November 2018
Chief Partnerships Officer	Prof David Langley - appointed 19 Feb 2018	
Chief Advancement Officer	Jonathan Cosgrove - appointed - 16 April 2018	
Chief Marketing Officer	Julian Pate - appointed 11 September 2018	
Chief Academic Officer	Elena Rodriguez- Falcon - appointed 01 February 2018. Resigned 11th November 2018	
Chief Operating Officer	Helen Wildman - appointed 15 January 2018. Resigned 04 April 2018.	

STATEMENT OF TRUSTEES RESPONSIBILITIES

The trustees (who are also the directors of New Model in Technology & 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.

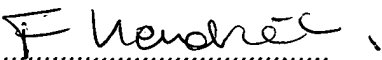
New Model in Technology & Engineering

Report of the Trustees
for the Year Ended 31 July 2018

AUDITORS

The auditors, Thorne Widgery Accountancy Ltd, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Approved by order of the board of trustees on24/4/19..... and signed on its behalf by:



.....
Dame F M Kendrick - Trustee

Report of the Independent Auditors to the Members of
New Model in Technology & Engineering

Opinion

We have audited the financial statements of New Model in Technology & Engineering (the 'charitable company') for the year ended 31 July 2018 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 2018 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.

Opinion 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.

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.

Report of the Independent Auditors to the Members of
New Model in Technology & Engineering

Matters on which we are required to report by exception

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.

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 FCA 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: 24/4/19

New Model in Technology & Engineering

Statement of Financial Activities
for the Year Ended 31 July 2018

			Year Ended 31.7.18	Period 1.1.17 to 31.7.17
	Notes	Unrestricted fund £	Restricted funds £	Total funds £
INCOME AND ENDOWMENTS FROM				
Donations and legacies	2	-	500,000	500,000
Charitable activities	4	-	4,609,172	4,609,172
Provision of education		-		
Investment income	3	5,377	-	5,377
Total		<u>5,377</u>	<u>5,109,172</u>	<u>5,114,549</u>
 EXPENDITURE ON				
Charitable activities	5	-	2,589,209	2,589,209
Provision of education		-		
NET INCOME		<u>5,377</u>	<u>2,519,963</u>	<u>2,525,340</u>
 RECONCILIATION OF FUNDS				
Total funds brought forward		-	13,261	13,261
 TOTAL FUNDS CARRIED FORWARD		<u><u>5,377</u></u>	<u><u>2,533,224</u></u>	<u><u>2,538,601</u></u>

The notes form part of these financial statements

New Model in Technology & Engineering

Balance Sheet
At 31 July 2018

	Notes	Unrestricted fund £	Restricted funds £	31.7.18 Total funds £	31.7.17 Total funds £
FIXED ASSETS					
Tangible assets	11	-	622,047	622,047	-
CURRENT ASSETS					
Debtors	12	-	211,103	211,103	185,828
Cash at bank		5,377	2,640,602	2,645,979	232,175
		<u>5,377</u>	<u>2,851,705</u>	<u>2,857,082</u>	<u>418,003</u>
CREDITORS					
Amounts falling due within one year	13	-	(619,846)	(619,846)	(104,742)
NET CURRENT ASSETS		<u>5,377</u>	<u>2,231,859</u>	<u>2,237,236</u>	<u>313,261</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>5,377</u>	<u>2,853,906</u>	<u>2,859,283</u>	<u>313,261</u>
CREDITORS					
Amounts falling due after more than one year	14	-	(320,682)	(320,682)	(300,000)
NET ASSETS		<u><u>5,377</u></u>	<u><u>2,533,224</u></u>	<u><u>2,538,601</u></u>	<u><u>13,261</u></u>
FUNDS	17				
Unrestricted funds				5,377	-
Restricted funds				2,533,224	13,261
TOTAL FUNDS				<u><u>2,538,601</u></u>	<u><u>13,261</u></u>

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to charitable small companies.

The financial statements were approved by the Board of Trustees on 24/4/19 and were signed on its behalf by:


.....
Dame F M Kendrick -Trustee

The notes form part of these financial statements

New Model in Technology & Engineering

Cash Flow Statement
for the Year Ended 31 July 2018

		Year Ended 31.7.18 £	Period 1.1.17 to 31.7.17 £
Cash flows from operating activities:			
Cash generated from operations	1	2,883,175	(107,639)
Interest paid		(1,898)	(207)
Net cash provided by (used in) operating activities		2,881,277	(107,846)
Cash flows from investing activities:			
Purchase of tangible fixed assets		(630,094)	-
Interest received		5,377	21
Net cash provided by (used in) investing activities		(624,717)	21
Cash flows from financing activities:			
New loans in year		-	340,000
Loan repayments in year		(40,000)	-
Capital repayments in year		24,399	-
Net cash provided by (used in) financing activities		(15,601)	340,000
Change in cash and cash equivalents in the reporting period		2,240,959	232,175
Cash and cash equivalents at the beginning of the reporting period	2	232,175	-
Cash and cash equivalents at the end of the reporting period	2	2,473,134	232,175

The notes form part of these financial statements

Notes to the Cash Flow Statement
for the Year Ended 31 July 2018

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

	Year Ended 31.7.18 £	Period 1.1.17 to 31.7.17 £
Net income for the reporting period (as per the statement of financial activities)	2,525,340	13,261
Adjustments for:		
Depreciation charges	8,046	-
Interest received	(5,377)	(21)
Interest paid	1,898	207
Increase in debtors	(25,274)	(185,828)
Increase in creditors	<u>378,542</u>	<u>64,742</u>
Net cash provided by (used in) operating activities	<u>2,883,175</u>	<u>(107,639)</u>

2. ANALYSIS OF CASH AND CASH EQUIVALENTS

	Year Ended 31.7.18 £	Period 1.1.17 to 31.7.17 £
Notice deposits (less than 3 months)	2,645,979	232,175
Overdrafts included in bank loans and overdrafts falling due within one year	<u>(172,845)</u>	<u>-</u>
Total cash and cash equivalents	<u>2,473,134</u>	<u>232,175</u>

Notes to the Financial Statements
for the Year Ended 31 July 2018

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 2015)', 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

The Department for Education are funding the organisation, via the local authority. Without their continued support the organisation would not be able to continue in its current form. The next tranche of funding was received in March 2019, under the agreement. The trustees believe NMiTE will be able to achieve the performance conditions outlined in the Memorandum of Understanding, within the required timeframe therefore the funding will be secured.

NMiTE have also secured short-term loan financing from independent parties, together with support from their bankers.

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..

Notes to the Financial Statements - continued
for the Year Ended 31 July 2018

1. ACCOUNTING POLICIES - continued

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
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.

2. DONATIONS AND LEGACIES

	Year Ended	Period
	31.7.18	1.1.17 to 31.7.17
	£	£
Donations	500,000	13,240

Notes to the Financial Statements - continued
for the Year Ended 31 July 2018

3. INVESTMENT INCOME

	Year Ended 31.7.18 £	Period 1.1.17 to 31.7.17 £
Deposit account interest	<u>5,377</u>	<u>21</u>

4. INCOME FROM CHARITABLE ACTIVITIES

	Activity	Year Ended 31.7.18 £	Period 1.1.17 to 31.7.17 £
Grants	Provision of education	<u>4,609,172</u>	<u>185,828</u>

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

	Year Ended 31.7.18 £	Period 1.1.17 to 31.7.17 £
Other grants	<u>4,609,172</u>	<u>185,828</u>

5. CHARITABLE ACTIVITIES COSTS

	Direct costs £	Support costs (See note 6) £	Totals £
Provision of education	<u>1,737,440</u>	<u>851,769</u>	<u>2,589,209</u>

6. SUPPORT COSTS

	Other £
Provision of education	<u>851,769</u>

7. NET INCOME/(EXPENDITURE)

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

	Year Ended 31.7.18 £	Period 1.1.17 to 31.7.17 £
Depreciation - owned assets	<u>8,047</u>	<u>-</u>

Notes to the Financial Statements - continued
for the Year Ended 31 July 2018

8. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 July 2018 nor for the period ended 31 July 2017.

Trustees' expenses

During the year trustee expenses amounting to £98,250 (2017: £Nil) were incurred. The majority of these expenses related to reimbursement of costs incurred on behalf of the organisation.

9. STAFF COSTS

	Year Ended 31.7.18 £	Period 1.1.17 to 31.7.17 £
Wages and salaries	697,086	58,404
Social security costs	81,470	-
Other pension costs	12,920	5,555
	<u>791,476</u>	<u>63,959</u>

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

	Year Ended 31.7.18	Period 1.1.17 to 31.7.17
Education	9	3
Admin	5	-
	<u>14</u>	<u>3</u>

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

	Year Ended 31.7.18	Period 1.1.17 to 31.7.17
£60,001 - £70,000	2	-
£90,001 - £100,000	1	-
	<u>3</u>	<u>-</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 £481,755 (2017:Nil)

10. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted fund £	Restricted funds £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	-	13,240	13,240
Charitable activities			
Provision of education	-	185,828	185,828
Investment income	-	21	21

Notes to the Financial Statements - continued
for the Year Ended 31 July 2018

10. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES - continued

	Unrestricted fund £	Restricted funds £	Total funds £
Total	-	199,089	199,089
EXPENDITURE ON			
Charitable activities			
Provision of education	-	185,828	185,828
Total	-	185,828	185,828
NET INCOME	-	13,261	13,261
TOTAL FUNDS CARRIED FORWARD	-	13,261	13,261

11. TANGIBLE FIXED ASSETS

	Campus development £	Long leasehold £	Fixtures and fittings £	Motor vehicles £	Totals £
COST					
Additions	284,806	280,794	39,634	24,860	630,094
DEPRECIATION					
Charge for year	-	1,636	3,303	3,108	8,047
NET BOOK VALUE					
At 31 July 2018	284,806	279,158	36,331	21,752	622,047
At 31 July 2017	-	-	-	-	-

Included within campus development are assets under construction of £284,806.

12. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.7.18 £	31.7.17 £
Amounts recoverable on contract	2,250	-
Other debtors	10,324	185,828
Prepayments	198,529	-
	211,103	185,828

New Model in Technology & Engineering

Notes to the Financial Statements - continued
for the Year Ended 31 July 2018

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.7.18	31.7.17
	£	£
Bank loans and overdrafts (see note 15)	172,845	-
Other loans (see note 15)	-	40,000
Hire purchase (see note 16)	3,717	-
Trade creditors	109,906	-
Social security and other taxes	50,325	-
Other creditors	211,381	57,987
Accruals and deferred income	71,672	6,755
	<u>619,846</u>	<u>104,742</u>

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

	31.7.18	31.7.17
	£	£
Other loans (see note 15)	300,000	300,000
Hire purchase (see note 16)	20,682	-
	<u>320,682</u>	<u>300,000</u>

15. LOANS

An analysis of the maturity of loans is given below:

	31.7.18	31.7.17
	£	£
Amounts falling due within one year on demand:		
Bank overdraft	172,845	-
Other loans	-	40,000
	<u>172,845</u>	<u>40,000</u>
Amounts falling between one and two years:		
Other loans - 1-2 years	300,000	300,000
	<u>300,000</u>	<u>300,000</u>

16. LEASING AGREEMENTS

	Hire purchase contracts	
	31.7.18	31.7.17
	£	£
Net obligations repayable:		
Within one year	3,717	-
Between one and five years	20,682	-
	<u>24,399</u>	<u>-</u>

Notes to the Financial Statements - continued
for the Year Ended 31 July 2018

17. MOVEMENT IN FUNDS

	At 1.8.17 £	Net movement in funds £	Transfers between funds £	At 31.7.18 £
Unrestricted funds				
General fund	-	5,377	-	5,377
Restricted funds				
DfE Capital Grant	-	453,954	168,093	622,047
DfE Revenue Grant	13,261	1,581,956	(168,093)	1,427,124
Garfield Weston Donation	-	484,053	-	484,053
	13,261	2,519,963	-	2,533,224
TOTAL FUNDS	13,261	2,525,340	-	2,538,601

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	5,377	-	5,377
Restricted funds			
DfE Capital Grant	462,001	(8,047)	453,954
DfE Revenue Grant	4,147,172	(2,565,216)	1,581,956
Garfield Weston Donation	499,999	(15,946)	484,053
	5,109,172	(2,589,209)	2,519,963
TOTAL FUNDS	5,114,549	(2,589,209)	2,525,340

Comparatives for movement in funds

	Net movement in funds £	At 31.7.17 £
Restricted Funds		
DfE Revenue Grant	13,261	13,261
TOTAL FUNDS	13,261	13,261

Notes to the Financial Statements - continued
for the Year Ended 31 July 2018

17. MOVEMENT IN FUNDS - continued

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

	Incoming resources £	Resources expended £	Movement in funds £
Restricted funds			
DfE Revenue Grant	199,089	(185,828)	13,261
TOTAL FUNDS	<u>199,089</u>	<u>(185,828)</u>	<u>13,261</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

Transfers between funds

A transfer between funds has been made during the year to reflect the movement in fixed assets.

18. RELATED PARTY DISCLOSURES

During the year to 31 July 2018, payments totalling £103,958 (2017: £35,000) were made to Nth Degree Consulting, a company in which David Nolan is a director.