

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2022

(A company limited by guarantee)
The Engineering & Design Institute London
Company number: 11979669

Registered office: TEDI-London Building,
11 Quebec Way, London, SE16 7LG

Engineered by:

- Arizona State University
- King's College London
- UNSW Sydney

Report and Financial Statements for the year ended 31 July 2022

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Reference and Administrative Information

Board of Trustee Directors:

Ms Emma Cariaga
Professor Nicholas Fisk
Professor Sebastien Ourselin
Dr Christopher Roberts
Professor Mark Searle
Professor Anne Carlisle (appointed 21 November 2022)

Secretary:

Mrs Carmai Pestell

Chief Executive Officer:

Professor Judy Raper

Organisation Registrations:

The Engineering & Design Institute London
Company Registration No. (England & Wales): 11979669

Registered Office & Principal Place of Business:

TEDI-London Building
11 Quebec Way
London
SE16 7LG

Solicitors:

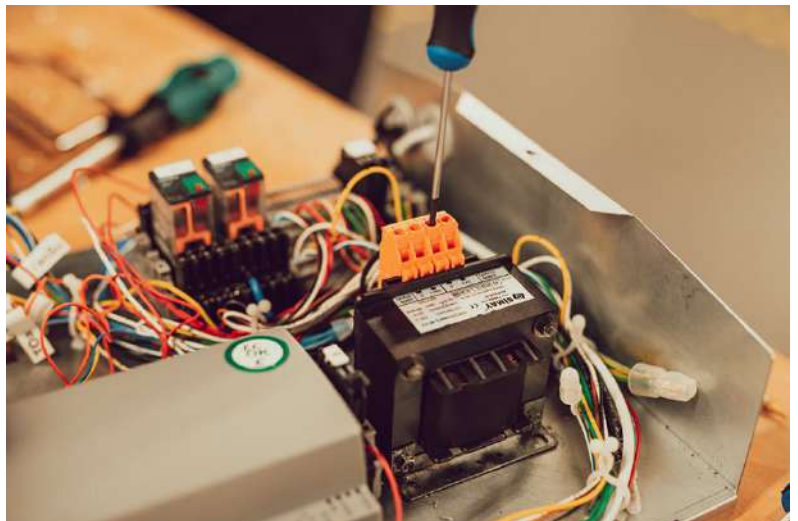
Mills & Reeve LLP
24 King William Street
London
EC4R 9AT

Auditors:

Haysmacintyre LLP
10 Queen Street Place
London
EC4R 1AG

Principal Bankers:

NatWest Bank Plc
156 Fleet Street
London
EC4A 2DX



Report and Financial Statements for the year ended 31 July 2022**STRATEGIC REPORT AND DIRECTORS REPORT****Introduction**

The Directors present their annual report, which also includes the strategic report for the purpose of company law, along with the audited financial statements of The Engineering & Design Institute London (TEDI-London) for the year ended 31 July 2022. In preparing this report and Financial Statements, the Directors have adopted the provisions of the relevant reporting standards and legal acts under which TEDI-London is required to operate. These are detailed in the accounting policies section on pages 26 to 29 of this report.

The Regulatory Environment

TEDI-London operates in a competitive national and international market, working to attract a diverse cohort of students from the local region, United Kingdom and around the world to study at our bespoke campus located in Canada Water London.

TEDI-London was founded by the current members; King's College London, the University of New South Wales, and the Arizona Board of Regents for and on behalf of Arizona State University. TEDI-London is a private company limited by guarantee (company number 11979669) without share capital.

On 10 November 2021 Her Majesty The Queen approved an order declaring TEDI-London to be an exempt charity under paragraph 11(A) of Schedule 3 to the Charities Act 2011(a).

As a supplier of publicly funded higher education, we are subject to regulation and legislation to ensure that we act responsibly in our use of public funds. The Higher Education and Research Act of 2017 (HERA) established the Office for Students (OfS) as the principal regulator of TEDI-London as a charitable institution.

The OfS's primary aim is to ensure that English higher education is delivering positive outcomes for students – past, present, and future – and to ensure that students, from all backgrounds (particularly the most disadvantaged), can access, succeed in, and progress from higher education.

The OfS focuses on delivering four primary regulatory objectives, that all students, from all backgrounds, and with the ability and desire to undertake higher education:

- are supported to access, succeed in, and progress from, higher education;
- receive a high-quality academic experience, and their interests are protected while they study or in the event of provider, campus, or course closure;
- are able to progress into employment or further study, and their qualifications hold their value over time; and
- receive value for money.

TEDI-London already has a diverse mix of students, with regulated limits to fees for UK and undergraduate students. There is flexibility to set fee levels for postgraduate, EU and international students.

All institutions which charge fees for home undergraduate students above £6,000 a year (up to the limit of £9,000 for those who do not hold a TEF award) are required to submit an Access and Participation Plan to the OfS. TEDI-London's annual Access and Participation plan was approved at the time of registration and a five-year plan was approved by the OfS in January 2021 which runs until 2025-26. Within the financial period TEDI-London contributed £0.148m towards its Access and Participation Plan.

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Objectives and activities

TEDI-London's objectives are the advancement of education for the public benefit, specifically in the field of engineering, through the provision of higher and further education and such other charitable purposes as the Board determines.

TEDI-London was set up to become a new, specialist engineering university based in London. We were accepted for registration as a higher education provider by the Office for Students (OfS) on 22 January 2021 and were awarded our New Degree Awarding Powers (NDAPs) by the OfS on 10 June 2021.

Achievements and performance to 31 July 2022

TEDI-London has performed in accordance with its objects, vision, and mission and in line with expectations set out in our future developments update in the Strategic Report for the year ended 31 July 2022. The year ended 31 July 2022 was one of significant achievement for us as we welcomed our first cohort of students to the newly opened TEDI-London campus and successfully completed our first year of academic teaching:

- Over 88% of our first-year students have progressed into their second year with us and we have enrolled a first-year cohort of 44 students – an increase of 83% in our student intake.
- We were successful in our application to Companies House to use the word Institute in our title, and so we are now able to refer to ourselves by our full name - The Engineering & Design Institute London.
- In October 2021 we were awarded £0.642m of capital funding by The Office for Students for investment in our teaching and learning spaces. As well as investment in our bespoke modular campus, funds were also used to purchase equipment and invest in the digital learning environment for students to access learning material and engineering software packages as part of their studies.
- We hosted our first in person summer school event in 3 years – welcoming 32 students from across 4 countries to explore urban farming technologies, business concepts and approaches. Students were tasked with assisting our industry partners Global Generation and British Land, as well as knowledge partners JLL and London Grow, with assessing the options to enable increased participation in urban environments, whilst taking into account the role of smart technologies. [Summer school 2022 wrap-up | TEDI London \(tedi-london.ac.uk\)](#).
- In May 2022 we ran our 'Thinking Ahead' engineering taster programme with 92 students – many of whom are aiming to begin university in September 2023 – participating in an online design challenge. Designed to provide an introduction to the types of projects that TEDI-London students complete as part of their degree, participants were tasked with designing a prototype of a floating community structure which uses nature and water as its primary aesthetic. The structure had to meet the needs of a specific user group, encouraging them to visit and feel part of a local community. In addition to engineering a solution that would satisfy the immediate criteria, the participants were also required to consider other contextual factors, including sustainability and city planning.
- A number of our academic colleagues, along with students spoke at conferences in June, representing TEDI-London, namely the Engineering Professors' Council Annual Congress 2022: A Better World and the Advance HE Curriculum Design Symposium. [What opportunities do TEDI-London students have outside the classroom? | TEDI London](#) During the year we also hosted more than 20 high level delegations both from the UK and internationally, who are interested in how we're trying to transform engineering

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education.

- Our first-year theme (Achieving Net Zero Carbon) and the associated projects were co-developed with more than 15 industry partners, who gave in excess of 100 hours of in-kind industry support, £40k worth of equipment and materials donations and over 50 state-of-the-art reports, publications, and industry strategic insight papers.
- We have aligned our Health & Safety practices with that of industry best practice in the TEDI-London Makerspaces. Together with utilising state of the art digital compliance tools, our processes have ensured that students experience and practice key safety behaviours from their first days in engineering. We have had active participation of students in the Makerspace work and also in the associated mandatory health and safety compliance processes, with student representatives on Health and Safety Working Groups, running checks and helping to foster our safety culture. We have had no reportable incidents and no days of study/ work due to incidents or accidents in our spaces.
- TEDI-London has implemented multi-channel marketing activity to support our brand awareness and student recruitment objectives and our Agenda 21 Branding campaign was short-listed for the HEIST awards via our agency partner. Our 'Future Engineers' campaign utilised a unique and creative film-led concept to reflect the future ambitions of our students. Since its launch in January 2022 the films have achieved over 950k views on YouTube alone. The supporting advertising campaign (utilising social media, search, and outdoor advertising) helped to increase our organic social channels by 24.6% in 6 months and in this period, we achieved 243k website visits which is an 89.20% increase in traffic in comparison to the previous year. [Future Engineers Campaign](#)

TEDI-London continues to be in a strong organisational position to commence our second year of academic operations as we welcomed our second cohort of students in September 2022.

Strategic Plan 2020 - 2025

The TEDI-London Strategic Plan was developed in order to achieve the long term aims as set out in our Business Plan for transforming engineering education and attracting a wide number and diverse group of students. This Strategic Plan, along with our sub-strategies and operational planning, sets the direction of travel which will inform our upcoming activities.

Within the Strategic Plan there are goals and objectives for TEDI-London's first 5 years of operation and is underpinned by a set of KPIs which will enable us to measure and demonstrate progress in achieving these.

The full Strategic Plan is published on our website: [Strategic plan | TEDI London \(tedi-london.ac.uk\)](#) with an overview presented on the following pages, along with our KPI targets, and progress to date in achieving these.

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OVERVIEW

OUR VISION:

Transforming engineering education to transform lives - both for students and for the users of the products they design and make.

OUR MISSION:

To attract and empower individuals and partners from diverse backgrounds and perspectives to develop the skills and confidence to create practical real-world solutions that advance how we live as a global community.

OUR VALUES:

We always aim to be inclusive, courageous, inspiring and collaborative and to work with integrity.

OUR GOALS AND OBJECTIVES:



GOAL 1

We are changing lives through impactful and student-focussed learning

We will do this by:

Objective 1A

Broadening participation in Engineering Higher Education

We harness the 'power of diversity' in our students and staff to engineer creative solutions to real-world problems.

Objective 1B

Student-led learning by design

Students are at the heart of everything we do. We empower our students with self-directed, technology-enhanced learning. Our students are coached by our academic educators, guided by industry professionals and enriched by their peers.

Objective 1C

Project-based learning: co-created and co-delivered with industry

Our curriculum is project-based, with students developing solutions to real-world problems. Our curriculum is co-delivered by industry, partners and educators and is underpinned by our learning tree.



GOAL 2

We are engineering solutions for our global future

We will do this by:

Objective 2A

Upholding a global focus

We will work with our global partners, staff and students to expand our knowledge and creativity and instil an open and outward-looking mindset.

Objective 2B

Future oriented engineering solutions that make a difference

We will equip our engineers to solve complex, real-world problems, utilising creativity and technology to make genuine change that improves the lives of individuals and communities.

Objective 2C

Working with industry professionals to shape skills of the future workforce

We will prepare our graduates to be engineers who are equipped to create impactful solutions for the industries in which they work.



GOAL 3

We are enabling diverse and supportive environments for people to flourish

We will do this by:

Objective 3A

Creating an inclusive culture

We embrace diversity - of background, experience, culture and nationalities - enabling individual voices to be heard and valued.

Objective 3B

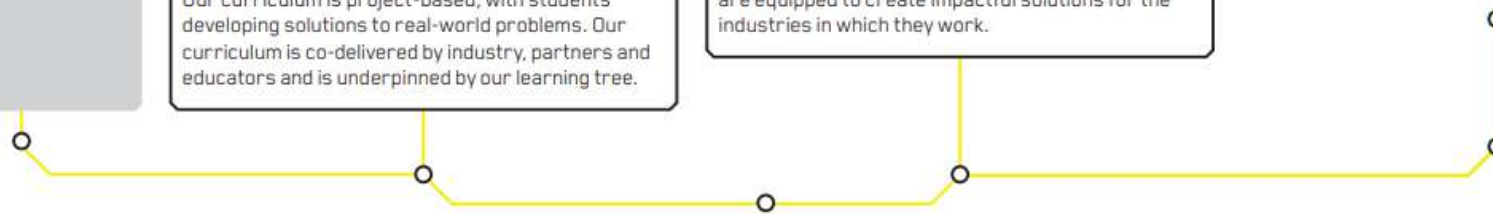
Transforming our communities together

We will work within our communities to transform our local environment.

Objective 3C

Establishing smart and sustainable working and learning environments

We will create an environment which is accessible, sustainable and enables our people to maximise their performance.



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Goal 1: We are changing lives through impactful and student-focused learning				
Objective	KPI	Target by 2025	Updated	Progress Note
1A. Broadening participation in Engineering Higher Education	STUDENT DIVERSITY			
	% Female engineering students	50%	Annually	44%
	% Ethnic minority students (BAME)	48% (as per APP)	Annually	59%
	% Mature students	20% (as per APP)	Annually	19%
	% Disadvantaged students (POLAR quintiles 1 and 1)	16% (as per APP)	Annually	14%
	% Student retention rates by cohort	85%	Annually	Yr. 1 to Yr. 2 87.5%
1B. Student-led learning by design	STUDENT SATISFACTION / ENGAGEMENT WITH LEARNING			
	% Student satisfaction generally: student survey	90%	Annually	60%
	% First year to final-year student retention rate	85%	Annually from 2024	Not yet measurable
	Student attainment compared with wider engineering sector	Attainment above sector average	Annually from 2024	Not yet measurable
1C. Project-based learning: co-created and co-delivered with industry	INDUSTRY ENGAGEMENT			
	% Projects with industry / partner involvement	80%	Annually	80%
	Sustainable growth of accelerated programme	5% year on year growth from launch	Annually from 2022	Not yet measurable
Goal 2: We are engineering solutions for our global future				
Objective	KPI	Target by 2025	Updated	Progress Note
2A. Upholding a global focus	INTERNATIONALISATION			
	% International student numbers	40%	Annually	6%
	International Engagement through founding partners	≥20 students from founding partners in each year's summer school	Annually	32 students at July 2022 Summer School
2B. Future oriented engineering solutions that make a difference	IMPACT			
	No. of impactful projects (external survey)	≥50% projects to have impact	Annually	Not yet measurable
2C. Working with industry to shape the skills of our future workforce	GRADUATE OUTCOMES / EMPLOYABILITY (From Year 4)			
	Employment rates (6 months after grad DLHE)	≥85% employment	Annually from 2025	Not yet measurable
Goal 3: We are enabling diverse and supportive environments for people to flourish				
Objective	KPI	Target by 2025	Updated	Progress Note
3A. Creating	STAFF DIVERSITY AND ENGAGEMENT			

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an inclusive culture	Staff diversity: % ethnic minority (BAME) staff	25%	Each mtg	24.4%
	% Staff engagement: staff annual pulse survey	80%	Annually	77.4%
3B. Transforming our communities together	COMMUNITY ENGAGEMENT			
	% Local students v targets (Southwark and South & East London)	20%	Annually	15.2%
3C. Establishing smart and sustainable working and learning environments	LEARNING / WORKING ENVIRONMENT			
	% Student / staff satisfaction w/facilities	85%	Annually	87.1%
	% Student / staff satisfaction w/support provision	85%	Annually	90.3%
	FINANCIAL SUSTAINABILITY			
	TEDI-London student number target	400	Annually	Yr. 1 Intake 24 Yr. 2 intake 44
	% Year on year reduction in net deficit	25%	Annually	Deficit of 29%

Risk Management

Through the accounting period, the Board of Trustee Directors closely monitored TEDI-London's Risk Register, with the following being the highest-level risks:

- COVID 19** – The global pandemic continued to impact operations into the 2021/22 academic year, in particular around Christmas as infection rates spiked once more. We had in place a Covid task force group which was able to respond in an efficient manner to changing government announcements. We were also able to enact contingency plans that we had in place to ensure an effective learning experience for our students. Even though government restrictions have been largely removed we still have in place regimes to ensure high traffic areas and touch points are regularly cleaned and guidance for staff if they have symptoms or test positive for Covid. We also continued with hybrid working to allow for greater social distancing in the office with the priority for attendance being student facing members of the team.
- Student Recruitment** – The risk to student recruitment remains high with recruitment activity earlier in the 2021/22 academic year still suffering as a result of ongoing restrictions to international travel and the cancellation of several high-profile in-person career fairs as a result of the Covid 19 pandemic. However, mitigations which were put in place included a more extensive digital campaign along with entering into an agreement with an international recruitment partner (Kaplan). We were also able to hold several well attended open days, and these are continuing through the autumn and into next year. The outlook for 2023 is already more positive as a result of the return to in-person recruitment events post pandemic, with marketing activity and brand recognition beginning to take traction. The number of leads we have in our CRM for 2023 has already matched total 2022 levels and there continues to be strong interest in our open days.
- Finance** – TEDI-London continued to maintain a robust financial framework throughout the year to 31 July 2022, we were also successful in securing additional capital funding (£0.642m) from the OfS and finished the financial year with a surplus cash balance above the minimum reserve requirement. This has meant we will be able to absorb the in-year impact of a smaller than hoped for starting student cohort in September 2022. As our long-term financial model relies on increased levels of student income in the future, we undertake regular scenario planning to understand the implications of various outcomes – all expenditure is linked to a cost driver and so can be flexed downwards as a mitigating action if required. The ongoing positive dialogue with

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our founding partners, and regular detailed updates to the Board, has been maintained and has ensured that funds have been available as required.

Financial Review

Income & Expenditure

TEDI-London's three founding universities (its members) have committed to the provision of working capital funding to enable TEDI-London to undertake the activity required to establish itself in the higher education market. The current funding arrangement allows for a total of working capital funds up to £21m. Funding which may be required above this will be subject to the unanimous approval of the Members following an amended Business Plan. Working capital advances have been spent on items that fall both into the income and expenditure account (operational activities) and the balance sheet (purchase of fixed assets).

Of the partner funding received in this financial year, £5.734m (£3.761m 2020/21) has been recognised in the income & expenditure account for staff costs and other operating expenses. This spend relates to the continued activity which has taken place to recruit staff, fund business as usual operation of IT systems (for example license costs), marketing and recruitment activities, insurance, membership costs associated with higher education statutory bodies and the creation of academic content. The increase in expenditure reflects the recruitment to our staffing establishment of an average 12 additional heads giving £0.845m increased personnel costs and £0.524m of premises costs with the campus opening and rent charged from September 2021.

We have recognised revenue in the year of £0.207m which relates to home tuition fees for our first cohort of students, £0.038m OfS teaching grant funding, £0.015m income from the summer school and a small amount of interest from cash balances in the bank.

We were also successful in a bid for capital funding from the OfS of £0.642m for their financial year to 31 March 2022 in support the investment in our teaching facilities and equipment specifically for students. In the recognition of funding to the accounts for the year to 31 July 2022 we have applied the accruals model for capital grants and £0.147m has been released to the income & expenditure account in line with the depreciation incurred for the assets the grant relates to.

In the Statement of Comprehensive Income there is a positive fair value adjustment figure of £4.208m which is an amortisation adjustment in relation to the working capital funding received by TEDI-London. This is an accounting adjustment required to discount the working capital advances made back to the present value using an interest rate of 5.90% (July 2022 Bank of England rate @ 1.25% + banking market rate @ 4.65%) that is comparable to current market conditions for similar borrowings. This year the average interest rate used has increased to 5.18% and is reflective of the increase to the Bank of England base rate (1.25% as at 31 July 2022) as well as the prevailing economic conditions. The annual interest in relation to the amortisation adjustment made in the year ended 31 July 2022 is £0.390m. As future advances are drawn down the same adjustments will take place using the interest rates prevalent at that time.

These items result in a net deficit as at 31 July 2022 of £1.107m.

Balance Sheet

At 31 July 2022 TEDI-London had net liabilities of £4.119m.

The calculated present value of the working capital advances provided by our founding members is £7.659m and is due greater than five years as the working capital funding from the founding partners is available to draw down in tranches during the first six years of operation with repayment not due in full until the 15th year of operation. We have fixed assets of £1.212m which represent our investment in the Canada Water campus, and the creation of our bespoke Student Records System + Virtual Learning Environment and campus makerspace equipment.

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Cash remaining in the bank as at 31 July 2022 was £3.121m.

Reserves Policy

One of TEDI-London's key objectives is to achieve financial sustainability and independence. Financial risk is a key risk in the organisational risk register. This requires the operating deficit to be progressively reduced to the point at which it is covered by income from students rather than from deficit funding from our founding partners. This forms one of our KPIs targets as set out in the 2020 – 2025 Strategic Plan.

To support this objective, a five-year financial plan has been developed which shows the anticipated move towards the generation of operating surpluses which can be used to repay the advances from founding partners, set aside funds to mitigate against risks to income and develop an ongoing financial investment plan.

To ensure TEDI-London can meet its short-term payment commitments, a minimum cash balance to be held in the bank has been set at £0.500m. This continues to be reviewed annually in line with the reserves policy.

The deficit for the year ended 31 July 2022 retained in the company is £1.107m. TEDI-London is applying the FRS102 definitions to its reporting of reserves and all current reserves are being treated as unrestricted.

Going concern statement

After making appropriate enquiries, the Board of Trustee directors consider that TEDI-London has adequate resources to continue in operational existence for the foreseeable future. There remains some uncertainty over student recruitment, however this has not casted a level of doubt over TEDI-London's ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period"). For this reason, we are adopting the going concern basis in preparing the financial statements.

In assessing our ability to continue to adopt the going concern basis of accounting using FRS102 and the HESORP 2019, TEDI-London has undertaken the following activities:

Budgets and Forecast

- The budget and detailed funding requirement have been set and approved by the Board of Trustee Directors for the 2022/23 financial year. The process in setting the budget includes a month by month forecast for the 2022/23 financial year and a quarterly forecast for the following 4 years.
- The impact of COVID19 on student recruitment directly and indirectly continued to cause a departure from our assumed student numbers and funding model. Although some costs such as for travel and events were saved, the overall impact was negative and there will be a smaller inaugural cohort of students in 2022 than expected when last year's budget was set.
- In setting the budget (and the future forecast for the next 4 years) attention was paid to the strategic environment within which TEDI-London is operating, in particular the impact of central government spending priorities on education and the potential impact on the level of funding that the Office for Students (OfS) is able to distribute to higher education providers.
- 2021/22 represented our first year of academic operations, and the first opportunity to test and further develop our understanding of the resources (people, space, equipment, and systems) that we need to operate, grow, and diversify the academic provision at TEDI-London. In constructing the financial plan for future years, we have been mindful of the financial challenge that lower than hoped for student numbers presents to TEDI-London and have been able to make reductions to our underlying cost base looking at future staffing, space, and system requirements.

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- The budget process also incorporated our best estimates of the impact of the current economic climate over the short to medium term and included increased provision for rising inflation over the next 12 months and pressure on utility costs. Recent government announcements on the withdrawal of the national insurance increase from 6 November 2022 and a cap on energy prices give some opportunity for cost mitigation in the short term.
- Scenario planning, over a 5-year planning period, continues to be undertaken, and refreshed regularly, to assess the impact on finances of differing levels of student recruitment. This has enabled the development and implementation of mitigation plans against the impact of under recruitment and the move towards the achievement of a surplus position in the future.
- Financial information is presented to the Board of Trustee Directors at each Board meeting (there are currently 5 meetings in the annual cycle) and includes a review of actual activity and revised forecasts at a detailed level.
- Budgets are delegated down to individual budget managers and are monitored utilising the functionality available in the Iplite finance system and supported by The Head of Finance.

Future Cashflow Projections

- The preparation of the annual budget process and future years forecast and future cashflow projections is an integrated process whereby cashflow projections reflect the changes made to budgets and forecasts as well as the additional potential impact of these changes on the timing of the related cashflows.

Reserves and Financing

- There is an approved reserves policy in place (and is referred to in the strategic directors' report) – this is reviewed on an annual basis as part of the budget process to ensure the recommended level held is appropriate for the risks we face and to ensure a minimum level of cash liquidity for at least 30 days. The level proposed remains unchanged from last year and is set at £500k.

Risk Management & Mitigation

- The TEDI-London Risk Register is the principal organisational repository for recording and tracking institutional risks.
- In order to ensure ongoing risk identification, monitoring and management, the TEDI-London Strategic Leadership Team meets regularly to consider the Risk Register, assessing current risk mitigation strategies and identifying any new or emerging risks. Risks are also identified as they occur and are reported through to the Director of Finance & Resources who oversees this process. In this way, the Risk Register remains a live document informed by and informing TEDI-London's strategic activity.
- The Audit and Risk Committee reviews the updated Risk Register at every meeting and significant risks identified between meetings are reported to the Chair of the Committee. The Board reviews the Risk Register annually and receives a report on high-level risks at each meeting.
- The Trustee Directors recognise that an unexpected accident or incident which leads to a loss for the charity or a claim against it by a third party could present it with financial difficulties which may even lead to insolvency. Such risks are mitigated through a range of insurance policies including business interruption and public liability. We have also made qualifying third-party indemnity provisions for the benefit of its directors which were made during the period and remain in force at the date of this report.

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Statement of disclosure to auditors

The members of the Board of Trustee Directors who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information of which the auditors are unaware. Additionally, each Board of Trustee Director has taken all the necessary steps that they ought to have taken as a director in order to make themselves aware of all relevant audit information and to establish that it has been communicated to TEDI-London auditors.

Approved by the Board of Trustee Directors and signed on its behalf by

Dr C Roberts
Chair of the Board of Trustee Directors

21st November 2022

Charitable Status and Public Benefit

TEDI-London is an exempt charity under paragraph 11(A) of Schedule 3 to the Charities Act 2011(a) with the Office for Students as our principal regulator. In setting and reviewing TEDI-London's strategic objectives, the Board of Trustee Directors has had due regard to the Charity Commission Guidance on public benefit and particularly the supplementary guidance on the advancement of education. The charitable objectives are the advancement of education for the public benefit by the conduct of charitable teaching, learning, scholarship, and research including without limitation in the fields of engineering sciences.

Public Benefit

Students undertaking programmes at TEDI-London will obtain a direct benefit from the education they receive. TEDI-London aims to attract and empower a diverse cohort of capable students and give them the skills to solve complex challenges and provide employers with job ready graduates.

A wider benefit will be afforded to society as our highly skilled, socially conscious engineers implement their knowledge and graduate skills throughout the course of their careers to tackle global problems and help change people's lives.

Trustees

No member of the Board of Trustee Directors currently receives payment for the work they do as trustee director, but they are entitled to be reimbursed for reasonable expenses they may incur when acting on behalf of TEDI-London.

A total of £1k of expenses was paid to the Chair of the Board of Trustee Directors as a contribution towards the cost of travel to London from Australia where the TEDI-London held its Board meeting in person. No other expenses have been paid to any other Board of Trustee Directors in the year ended 31 July 2022 (£0 for the period ended 31 July 2021).

Statement of Corporate Governance and Internal Control

Legal status

TEDI-London was certified by The Registrar of companies for England and Wales on 3 May 2019 as being incorporated under the *Companies Act 2006* as a private company limited by guarantee. Its objects, powers and framework of governance are set out in the Articles of Association of TEDI-London.

Directors

The Directors are also charity trustees as defined by section 177 of the *Charities Act 2011* and subject to duties as such under the *Charities Act 2011*, and in addition the Directors have statutory duties under the *Companies Act 2006*.

On page 2 of this report are set out the address of TEDI-London's principal office; the names of the Directors as at the date on which this report was approved; any other Directors serving during the year to 31 July 2022; the Chief Executive Officer; the Secretary and TEDI-London's principal bankers, solicitors, and auditors.

Organisational structure and decision making

The Board of Trustee Directors is legally responsible for the governance and management of TEDI-London. It oversees TEDI-London's activities, determining the future direction and fostering an environment in which the mission is achieved, and the potential of all students is maximised. The Board of Trustee Directors has adopted the Committee of University Chairs (CUC) Code of Governance within which to operate and has adopted the following Statement of Primary Responsibilities based on the CUC model template:

- To approve the mission and strategic vision of TEDI-London, long-term academic and business plans, key performance indicators, annual budget, and financial statements.
- To ensure that processes are in place to monitor and evaluate the performance and effectiveness of TEDI-London against the plans and approved key performance indicators, which should be – where possible and appropriate – benchmarked against other comparable institutions.
- To ensure the establishment and monitoring of systems of control and accountability, including financial and operational controls and risk assessment, and procedures for handling internal grievances and for managing conflicts of interest.
- To establish processes to monitor and evaluate the performance and effectiveness of the Board itself.
- To conduct its business in accordance with best practice in HE corporate governance and with the principles of public life drawn up by the Committee on Standards in Public Life.
- To safeguard the good name and values of TEDI-London.
- To appoint a Secretary to the Board of Trustee Directors and to ensure that, if the person appointed has managerial responsibilities in the institution, there is an appropriate separation in the lines of accountability.
- To be the employing authority for all staff and to be responsible for establishing a human resources strategy.

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- To be the principal financial and business authority of the institution, to ensure that proper books of account are kept, to approve the annual budget and financial statements, and to have overall responsibility for the assets, property, and estate.
- To be the TEDI-London's legal authority and, as such, to ensure that systems are in place for meeting all the institution's legal obligations, including those arising from contracts and other legal commitments made in the institution's name.
- To receive assurance that adequate provision has been made for the general welfare of students.
- To act as trustee for any property, legacy, endowment, bequest, or gift in support of the work and welfare of TEDI-London.

The Board of Trustee Directors is supported in meeting its responsibilities and legal obligations by the Academic Board, the Audit and Risk Committee and the Remuneration Committee. These are sub-committees of the Board of Trustee Directors of TEDI-London and report to the Board. These committees are formally constituted with terms of reference and include independent members of the Board of Trustee Directors.

TEDI-London maintains a Register of Interests of members of the Board of Trustee Directors which may be consulted by arrangement with the Registrar.

Executive management is delegated to the Chief Executive Officer, who presents regular reports to the Board to enable it to monitor the financial performance of TEDI-London and its progress towards meeting its strategic objectives. The Chief Executive Officer is supported by a strategic leadership team whose portfolios cover all aspects of TEDI-London's current operations including academic programmes, external engagement, student recruitment, marketing, and organisational resources (finance, people, IT and facilities).

Internal Control

The system of internal control is designed to manage rather than eliminate the risk of failure to achieve strategic and operational aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness.

The system of internal control is based on a strong governance and reporting structure, a comprehensive policy framework, approved financial delegations and a risk framework consisting of regular and ongoing identification, management, mitigation, and review of principal risks. This system of internal control has been put in place during the year ended 31 July 2022 and up to the date of approval of the financial statements. Key assurance elements are as follows:

- The Board of Trustee Directors meets at least four times a year to consider plans and the strategic direction of TEDI-London and to monitor performance. Reports from the Board's subcommittees and from the Strategic Leadership Team come to each Board meeting.
- The Director of Finance & Resources, in consultation with the Strategic Leadership Team, maintains a Risk Register that assesses key risks including an evaluation of the likelihood and impact of the risks pre and post mitigation. The Risk Register is presented for discussion at each Audit & Risk Committee and the Board of Trustee Directors.
- The Dean as Chief Executive Officer has responsibility for alerting the Board of Trustee Directors to any emergent risks.
- The Board of Trustee Directors receives and considers updates from Audit & Risk Committee which

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provides assurance on systems for internal control.

Significant Control Weaknesses

TEDI-London is required, in accordance with the OfS 'Regulatory Advice 9: Accounts Direction', to set out any significant internal control weaknesses that have arisen during the financial year or after the year end and before the financial statements are signed. There were no significant control weaknesses during the year to 31 July 2022.

Statement of responsibilities of the members of the Board of Trustee Directors

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law, the directors have elected to prepare financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable laws).

Under company law, the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the situation and loss of the company for that year. In preparing these financial statements, the directors are required to:

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the *Companies Act 2006*. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from the legislation in other jurisdictions.

The directors confirm that:

- so far as each director is aware, there is no relevant audit information of which the company's auditor is unaware; and,
- the directors have taken all steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Approved by the Board of Trustee Directors and signed on its behalf by

Dr. C Roberts
Chair of the Board of Trustee Directors

21st November 2022

Independent auditor's report to the members of TEDI-LONDON**Opinion**

We have audited the financial statements of TEDI-London for the year ended 31 July 2022 which comprise the Statement of Comprehensive Income, the Statement of Changes in Reserves, the Statement of Financial Position 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, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (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 2022 and of the charitable company's net deficit, including the 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 and the Office for Students Accounts Direction.

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 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

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

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

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Trustees' Report (incorporating the strategic report). Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Report (which includes the strategic report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the Trustees' Report have been prepared in accordance with applicable legal requirements.

Independent auditor's report to the members of TEDI-LONDON (continued)**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 Trustees' Report (which incorporates the strategic report and the directors' report).

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 by the charitable company; or
- the charitable company 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.

Matters on which we are required to report in respect of the Office for Students

In our opinion, in all material respects:

- funds administered by the charitable company for specific purposes during the year ended 31 July 2022, have been applied to those purposes and managed in accordance with relevant legislation;
- funds provided by the Office for Students have been applied in accordance with the terms and conditions attached to them during the year ended 31 July 2022; and

We have nothing to report in respect of the following matter[s] in relation to which the Office for Students requires us to report where:

- grant and fee income, as disclosed in the note 2 to the accounts, has been materially misstated
- expenditure on access and participation activities for the financial year has been materially misstated.

Responsibilities of trustees for the financial statements

As explained more fully in the trustees' responsibilities statement set out on page 18, 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.

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:

Based on our understanding of the charitable company and the environment in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to regulations prescribed by the Office for Students, employment law, safeguarding regulations and Company and Charity law and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006, Charities Act 2011, OfS Accounts Direction and the Higher Education SORP.

Independent auditor's report to the members of TEDI-LONDON (continued)

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to discount rate applied to interest free loans. Audit procedures performed by the engagement team included:

- Inspecting minutes of Trustees' meetings;
- Inspecting correspondence with regulators and tax authorities;
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Evaluating management's controls designed to prevent and detect irregularities;
- Identifying and testing journals; and
- Challenging assumptions and judgements made by management in their critical accounting estimates. These related to discount rate applied to interest free loans.

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 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 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 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.



Lee Stokes (Senior Statutory Auditor)
For and on behalf of Haysmacintyre LLP, Statutory Auditors
10 Queen Street Place
London
EC4R 1AG

Date: 5 December 2022

Statement of Comprehensive Income for the period ended 31 July 2022

	Notes	2022 £'000	2021 £'000
Income			
Tuition fees	1	207	0
Funding body grants	2	185	8
Other income	3	24	0
Investment income	4	3	1
Total income		419	9
Expenditure			
Staff costs	5	(3,071)	(2,242)
Other operating expenses	7	(1,908)	(1,308)
Depreciation and amortisation	10	(365)	(76)
Interest and other finance costs	6	(390)	(135)
Total expenditure	7	(5,734)	(3,761)
Fair value adjustment	6	4,208	2,199
Taxation	9	0	0
Deficit for the year		(1,107)	(1,553)
Total comprehensive income for the year		(1,107)	(1,553)
Represented by:			
Net Reserves Carried Forward		(1,107)	(1,553)
		(1,107)	(1,553)

All items of income and expenditure relate to continuing activities.

The accompanying notes and policies on pages 26 to 38 form part of these financial statements.

Statement of changes in reserves for the period ended 31 July 2022

	Income and expenditure reserve	Total excluding non- controlling Interest	Total
	Unrestricted £'000	£'000	£'000
Balance at 1 August 2021	(3,012)	(3,012)	(3,012)
Deficit for the period	(1,107)	(1,107)	(1,107)
Total comprehensive income for the period	(1,107)	(1,107)	(1,107)
Balance as at 31 July 2022	(4,119)	(4,119)	(4,119)

	Income and expenditure reserve	Total excluding non- controlling Interest	Total
	Unrestricted £'000	£'000	£'000
Balance at 1 August 2020	(1,459)	(1,459)	(1,459)
Deficit for the period	(1,553)	(1,553)	(1, 553)
Total comprehensive income for the period	(1, 553)	(1, 553)	(1, 553)
Balance as at 31 July 2021	(3,012)	(3,012)	(3,012)

Statement of Financial Position as at 31 July 2022
Company Number 11979669

	Notes	2022 £'000	2021 £'000
Non-current assets			
Tangible assets	10	1,212	980
		1,212	980
Current assets			
Trade and other receivables	11	155	708
Cash and cash equivalents	15	3,121	3,616
		3,276	4,324
Less: Creditors; amounts falling due within one year	12	(633)	(785)
		(633)	(785)
Net current assets		2,643	3,539
Total assets less current liabilities		3,855	4,519
Creditors: amounts falling due after more than one year	13	(7,974)	(7,531)
Total net liabilities		(4,119)	(3,012)
Unrestricted Reserves			
Income and expenditure reserve – unrestricted		(4,119)	(3,012)
		(4,119)	(3,012)
Total Reserves		(4,119)	(3,012)

The financial statements on pages 22 to 38 were approved by the board of Trustee Directors as giving a true and fair view of the accounts at its meeting of 21 November 2022 and were signed on its behalf by:

J. A. Raper

Dr C Roberts

Chair of the Board of Trustee Directors

Professor J Raper

Chief Executive Officer

Statement of Cash Flows as at 31 July 2022

	Notes	2022 £'000	2021 £'000
Cash flow from operating activities			
Deficit for the year before tax		(1,107)	(1,553)
Adjustment for non-cash items			
Depreciation	10	365	76
Decrease/(increase) in debtors	11	553	241
Decrease/(increase) in creditors	12	(152)	614
Adjustment for investing or financing activities			
Investment income	4	(3)	(1)
Interest payable	6	390	135
Fair value adjustment	6	(4,208)	(2,199)
Advances Debtor		(210)	(728)
Fixed Asset Creditor		263	(515)
Capital grant income	3	(147)	0
Cash flows from operating activities		(4,256)	(3,930)
Taxation		0	0
Net cash inflow from operating activities		(4,256)	(3,930)
Cash flows from investing activities			
Investment income		3	1
Capital grants receipts		642	0
Payments made to acquire tangible assets	10	(1,039)	(494)
		(394)	(493)
Cash flows from financing activities			
New working capital advances	14	4,155	6,480
		4,155	6,480
(Decrease)/increase in cash and cash equivalents in the year		(495)	2,059
Cash and cash equivalents at beginning of the year	15	3,616	1,557
Exchange losses on cash and cash equivalents		0	0
Cash and cash equivalents at end of the year	15	3,121	3,616
Net debt	16	(4,538)	(3,915)

Statement of Principal Accounting Policies for the period ended 31 July 2022

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

A. 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), the Companies Act 2006 and relevant sections of the Charities Act 2011.

As a registered charity TEDI-London is a public benefit entity and therefore has applied the relevant public benefit requirement of the applicable UK laws and accounting standards.

B. Basis of Preparation

The financial statements have been prepared under the historical cost convention.

The organisation's activities, together with the factors likely to affect its future development, performance, and position, are set out in the Directors Report. The Directors Report also describes the financial position of the Institution, its cash flows, and borrowing facilities. The Board of Trustee Directors has a reasonable expectation that the Institution has adequate resources to continue in operational existence for the foreseeable future and that there are no material uncertainties based on the cashflow forecasts and funding support from the founding partners. Thus, it is adopting the going concern basis of accounting in preparing the annual financial statements.

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

C. Income Recognition

Investment income is credited to the Statement of Comprehensive Income on a receivable basis.

Grant funding from non-government sources is recognised as income when the performance related conditions attached to the funding received have been met.

Government capital grants are recognised in income over the expected useful life of the asset.

D. 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.

TEDI-London offers a defined contribution pension plan which is administered by Aviva.

E. Employment Benefits

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

unused entitlement.

F. Property, Plant and Equipment

Tangible Fixed Assets and Depreciation

Tangible fixed assets are stated at cost net of accumulated depreciation and any provision for impairment (where applicable). Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use.

Depreciation is provided on a straight-line basis to write off the cost less the estimated residual value over the useful economic life of the assets as follows:

Short Leasehold Property & Improvements

Improvements Over 20 years or the period of the lease if shorter

Furniture and Equipment

A minimum spend level of £5,000 (including VAT) per item applies with a straight-line depreciation over 3 years.

Computers and Hardware

A minimum spend level of £5,000 (including VAT) per item applies with a straight-line depreciation over 3 years. This is for computer equipment that is part of a bulk buy purchase and not the replacement of individual items of equipment. These are charged to the income & expenditure account in the year incurred.

Intangible Fixed Assets

Intangible fixed assets are stated at cost net of accumulated amortisation and any provision for impairment.

Amortisation is provided on a straight line-basis to write off the cost less the estimated residual value over the useful economic life of the asset as follows:

Computer software and licences

Software assets 3 years from the point of use

Licences Over the period of the licence, or not capitalised if <1 year

The organisation is not taking the opportunity to capitalise the costs associated with the website under FRS102. These costs have been charged to the income & expenditure account as they have been incurred.

G. Taxation

TEDI-London 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.

H. Financial Instruments

The organisation 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 equivalents, and investments in commercial paper (i.e., deposits and bonds). 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 liabilities

Basic financial liabilities include trade and other payables, bank loans, and founding partner advances. 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.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down.

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.

I. Critical accounting estimates and judgements

The preparation of the organisation'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 accounting estimates

TEDI-London has been in receipt of interest free advances from its founding partners (Kings College London, University of New South Wales, Sydney and Arizona State University). In recording the advances in the accounts section 11.4 a) iii) of FRS102 has been applied, whereby the advances have been measured at amortised cost using the effective interest method.

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The effective interest rate that has been applied to this year's advances remains the market interest rate for a similar debt instrument. Discussions with our bankers, NatWest, suggest borrowing rates of 4.65% + BoE base rate would apply to an organisation similar to TEDI-London for unsecured debt. On that basis 5.9% was used to amortise to the carrying value of the working capital advance held on the balance sheet.

Advances that were amortised in the accounting period to 31 July 2021 have had an average interest rate of 5.18% nominal charge (previous year 3.50%) applied and reflects the changing Bank of England base rates during the year.

Notes to the financial statements

1. Tuition fees

	2022 £'000	2021 £'000
Full-time home & EU students	207	0
Full-time international students	0	0
	<u>207</u>	<u>0</u>

2. Funding body grants

	2022 £'000	2021 £'000
Recurrent grants		
Office for Students	38	0
Capital grant	147	0
Specific grants		
Royal Academy of Engineering	0	8
	<u>185</u>	<u>8</u>

3. Other Income

	2022 £'000	2021 £'000
Non-credit bearing course fees	15	0
Other income	9	0
	<u>24</u>	<u>0</u>

4. Investment Income

	2022 £'000	2021 £'000
Other investment income	3	1
	<u>3</u>	<u>1</u>

5. Staff Costs

	2022	2021
	£'000	£'000
Staff Costs:		
Salaries	2,402	1,755
Social security costs	297	173
Other pension costs	180	119
Redundancy costs	13	0
Sub-total	2,892	2,047
Recruitment	16	23
Staff Learning & Development	34	51
Relocation costs	7	0
Payroll contractors	122	121
Total	3,071	2,242

Total Remuneration of the CEO of TEDI-London

	2022	2021
	£'000	£'000
Basic salary	200	252
Pension contributions and payments in lieu of contributions	22	3
Non-taxable benefits:		
Relocation costs	-	22
Living accommodation	21	3
	243	280

In setting the base salary for the CEO, the Remuneration Committee has taken into consideration the complexity of creating a new specialist HE provider. TEDI-London also undertakes pay benchmarking for all of our staff. Reviews are undertaken following role evaluation exercises to determine the scope of roles and ensure pay is commensurate with the level of responsibility and the broader external market.

The CEO receives no performance related pay bonus as part of their remuneration package.

The CEO has overall responsibility for the Leadership and Management of TEDI-London as well as ensuring the academic development of our offering is of the highest standard. The CEO has worked with the Board of Trustee Directors to set the strategic direction of TEDI-London and manages the strategic leadership team to ensure its delivery. The Remuneration Committee sets annual performance objectives for the CEO which reflect the expected individual contribution to the long-term strategic objectives of TEDI London based on pre-determined criteria at the beginning of the year. The Committee reviews the CEO's performance for the previous period in accordance with how they have contributed and delivered against these pre-determined criteria.

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The head of the provider's basic salary is 3.5 times the median pay of staff (2021: 4.0 times), where the median pay is calculated on a full-time equivalent basis for the salaries paid by the provider to its staff.

The head of the provider's total remuneration is 3.9 times the median total remuneration of staff (2021: 4.3), 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.

Basic salary per annum	2022 No.	2021 No.
£100,000 - £104,999	0	1
£120,000 - £124,999	1	1
£135,000 - £139,999	1	0
£240,000 - £244,999	1	0
£250,000 - £254,999	0	1
	3	3

Average staff numbers by major category:	2022 No.	2021 No.
Academic	12	6
Management & specialist	26	19
Average total number of staff	38	25

Key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing, and controlling the activities of the organisation. Staff costs include compensation paid to key management personnel. The Chief Executive Officer, Deputy Dean (left in May 2022 and position not replaced) along with the Director of Finance & Resources are considered to be the Key Management Personnel. The remuneration of other senior management pay is set by the remuneration committee for approval by the Board.

The total employee benefits, including pension contributions, of this group amounted to:

	2022 £'000	2021 £'000
Key management personnel compensation	616	547

6. Interest and fair value adjustment

	2022 £'000	2021 £'000
Interest applied to amortised advances	390	135
	390	135

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	2022	2021
	£'000	£'000
Discount applied to advances	(4,208)	(2,199)
	<u>(4,208)</u>	<u>(2,199)</u>

7. Analysis of operating expenditure by activity

	2022	2021
	£'000	£'000
Personnel	3,071	2,242
Professional & Other Fees	189	436
Marketing and Recruitment Activities	517	334
General & Administration	50	279
Finance & Other Expenses	4	2
Insurance/ Subscriptions & Compliance	197	131
IT Supplies, Software & Support	223	107
Depreciation	365	76
Travel & Subsistence	20	18
Premises	525	1
Student spend	183	0
Interest and other finance costs	390	135
	<u>5,734</u>	<u>3,761</u>
External auditors' remuneration in respect of audit services	21	15
External auditors' remuneration in respect of non-audit services	7	0
Taxation compliance services	1	1

8. Access and Participation

Access & Participation Plan (APP)

As part of the conditions of registration with the Office for Students, TEDI-London has created an Access and Participation Plan which explains how we will improve equality of opportunity for underrepresented groups to access, succeed in and progress from higher education. Our first cohort of 24 students started with TEDI-London in September 2021 and the targets we have set ourselves as part of the plan commenced in this academic year.

Access investment £63k is for staff time and overheads relating to the planning and delivery of hosting and visiting local schools to educate and increase awareness of attending TEDI-London after school year 12.

Financial support during the year consisted of payments out for £17k low-income bursaries and £18k widening participation scholarships to support students during the academic year. The bursary service is managed and administered by the Student Loan Company so that students will receive the

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payments automatically.

Research and evaluation costs of £50k consist of supplier development charges for enhancements to the student management CRM system to further analyse potential student data collection and market research leading to increasing widening participation students.

	2022	2021
	£'000	£'000
Access investment	63	0
Financial support	35	0
Disability support	0	0
Research and evaluation	50	0
	148	0

TEDI access and participation plan link: [Access-and-participation-plan.pdf \(tedi-london.ac.uk\)](https://tedi-london.ac.uk/Access-and-participation-plan.pdf)

9. Taxation

As an exempt charity TEDI-London is exempt from corporation tax as all its income is charitable and is applied for charitable purposes.

10. Property, Plant and Equipment

	Short Leasehold Property & Improvements £'000	Fixtures & Fittings £'000	Office Equipment £'000	Computer Hardware £'000	Computer Software £'000	Total £'000
Cost or valuation						
At 1 August 2021	352	20	159	126	399	1,056
Additions	2	47	153	35	360	597
At 31 July 2022	354	67	312	161	759	1,653
Depreciation						
At 1 August 2021	-	-	13	-	63	76
Charge for the year	46	19	87	43	170	365
At 31 July 2022	46	19	100	43	233	441
Carrying amount						
At 31 July 2022	308	48	212	118	526	1,212
At 31 July 2021	352	20	146	126	336	980

Depreciation has been charged during the period when assets are commissioned and in use.

11. Trade and other receivables

	2022	2021
	£'000	£'000
Amounts falling due within one year:		
Other receivables	13	0
Prepayments and accrued income	142	708
	<u>155</u>	<u>708</u>

12. Creditors; amounts falling due within one year

	2022	2021
	£'000	£'000
Trade payables	152	72
Social security and other taxation payable	101	81
Other creditors	3	1
Accruals and deferred income	377	631
	<u>633</u>	<u>785</u>

Included with accruals and deferred income are the following items of income which have been deferred until specific performance related conditions have been met.

Deferred Income

	2022	2021
	£'000	£'000
Grant income	180	0
Other income	6	0
	<u>186</u>	<u>0</u>

13. Creditors; amounts falling due after more than one year

	2022	2021
	£'000	£'000
Deferred grant income	315	0
Unsecured advances of working capital funding	7,659	7,531
	<u>7,974</u>	<u>7,531</u>

14. Advances of working capital funding

	2022	2021
	£'000	£'000
Analysis of secured and unsecured advances:		
Due in five years or more	7,659	7,531
Total secured and unsecured advances	7,659	7,531

The working capital advances are interest free and have been measured in the balance sheet after a fair value adjustment to reflect the estimated interest (an effective rate of interest of 5.9% has been used) that would accrue over the life of the advance before it is required to be repaid in the 15th year of operation (2034).

15. Cash and cash equivalents

	At 1st	Cash	At 31st
	August	Flows	July
	2021	£'000	2022
	£'000	£'000	£'000
Cash and cash equivalents	3,616	(495)	3,121
	3,616	(495)	3,121

16. Reconciliation of net debt

Reconciliation of net debt

	£'000
Net debt 1 August 2021	(3,915)
Movement in cash and cash equivalents	(495)
Other non-cash changes	1,118
Net debt 31 July 2022	(4,538)

Change in net debt	(623)
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Analysis of net debt:	2022	2021
	£'000	£'000
Cash and cash equivalents	3,121	3,616
Borrowings: amounts falling due after more than one year		
Unsecured advances	(7,659)	(7,531)
	(7,659)	(7,531)
Net debt	(4,538)	(3,915)

17. Lease obligations

Total rentals payable under operating leases:

	Other leases	2022 Total	2021
	£'000	£'000	£'000
Payable during the year	438	438	0
Future minimum lease payments due:			
Not later than 1 year	431	431	430
Later than 1 year and not later than 5 years	1,724	1,724	1,720
Later than 5 years	431	431	860
Total lease payments due	2,586	2,586	3,010

18. Related party transactions

During the accounting period the organisation entered into transactions, in the ordinary course of business, with other related parties. Transactions entered into, and balances outstanding at 31 July 2022, are as follows:

	Income from related party £'000	Expenditure to British Land £'000	Balance due from related party £'000	Working capital advances for the operation of TEDI-London £'000
Kings College London	0	0	0	2,532
University of New South Wales	5	0	5	2,523
Arizona State University	4	0	4	2,604
British Land	0	509	0	0
	9	509	9	7,659

The working capital advance amounts reported in the table above represent the amortised value of the interest free advances provided by our founding partners to support the ongoing operation of TEDI-London for the first 6 years of its operation. This is to support the development of our academic offer and enable the provision of teaching activity until student numbers are such that we can become financially independent.

Members of the Board of Trustee Directors

TEDI-London's Board members are the trustees for charitable law purposes. Due to the nature of the organisation's operations and the compositions of the Council, being drawn from public and private sector organisations, it is inevitable that transactions will take place with organisations in which a member of the Board of Trustee Directors may have an interest. All transactions involving organisations in which a member of the Board may have an interest, are conducted at arm's length and in accordance with the organisation's usual procurement procedures.

During the year to 31 July 2022 there was one transaction with an organisation in which a Board of Trustee Director had an interest. Emma Cariaga jointly leads the development of Canada Water for British Land (BL CW Holdings Limited) where she sits on the British Land Executive Committee. TEDI-London campus land is owned and built by British Land and to whom TEDI-London pays rent. The year ended July 2022 TEDI-London accounts include £509k for campus rental payments, utilities,

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building insurance and management charges. For all transactions and decisions where a conflict may offer Emma takes herself out of the decision-making process to ensure there is no conflict of interest and this is recorded in the minutes of the relevant committee meetings.

TEDI-London's Board members also do not receive any remuneration for their role as trustees and during the year ended 31 July 2022 (£0 for the period ended 31 July 2021). For year ended 31 July 2022 trustee Dr Christopher Roberts received £1,000 expenses for travel contribution for TEDI-London commitment.

Signature: 

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