TEDI LONDON
The Engineering
& Design Institute

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2023

(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

CONTENTS

Reference and Administrative Information

Secretary:
Mrs Sarah Whittaker-Gilbey (appointed 21 November 2022)
Mrs Carmai Pestell (resigned 21 November 2022)

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

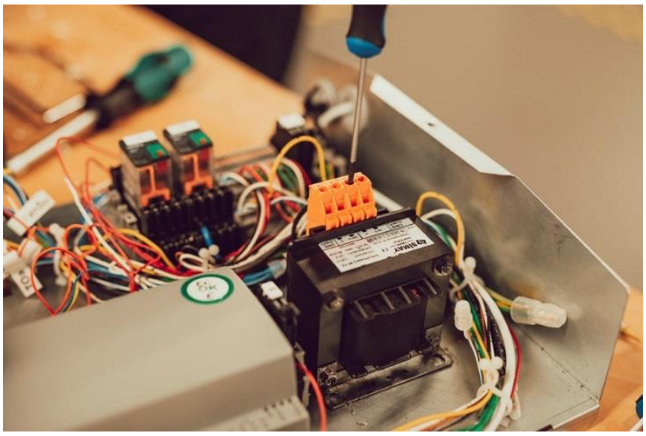
10 Queen Street Place

London

EC4R 1AG

Principal Bankers:
NatWest Bank Plc

156 Fleet Street



London

EC4A 2DX

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 2023. 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 23 to 26 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. TEDI-London plans to offer courses for postgraduate students once the OfS has authorised our Full DAP status, which we expect will be in September 2024.

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 £0.190m towards its Access and Participation Plan.

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) in January 2021 and were awarded our New Degree Awarding Powers (NDAPs) by the OfS in June 2021. In common with new institutions, we remain under probation. We have passed each annual review and expect the OfS to authorise our Full DAP status in September 2024.

Achievements and performance to 31 July 2023

TEDI-London has performed in accordance with its objects, vison, and mission. The year ended 31 July 2023 was one of continued significant achievement for us as we welcomed our second cohort of students to the TEDI-London campus, successfully completed our second year of academic teaching and delivered well-received Summer and Winter Schools:

- Over 88% of our first-year students have progressed into their second year with us. We have enrolled a first-year cohort of 48 students which includes 4 winter start students (January 2023) – an increase of 100% in our student intake. As at 31 July 2023, offers for 2023/24 were ahead of the same point last year.

- We hosted an in-person Winter School on 'Right to Repair' and an in-person Summer School on 'Smart Transport Systems' and welcoming 69 students from 3 countries to explore technologies, business concepts and approaches. In the Winter School, students were tasked with assisting our industry partners, Restart and British Land, with assessing the options to develop engagement within the community to repair and reuse consumer electronics. In the Summer School, students focused on new transport infrastructure in the Canada Water area with our industry partners MP Smarter Travel and British Land, as well as knowledge partners in Birdi & Partners and NSAR. Students developed new and innovative ways to create a new modern high street in Canada Water whilst focusing on solutions to make Canada Water a car-free neighbourhood.

- In July 2023 we ran our 'Thinking Ahead' engineering taster programme with over 250 students from over 23 different countries taking part in an online design challenge. 'Thinking Ahead' is designed to provide an introduction to the types of projects that TEDI-London students complete as part of their degree. This year, participants were tasked with designing a prototype of a smart community-based seating/structure which uses nature and sustainability 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 product design and city planning.

- A number of our academic colleagues spoke at various conferences in during the year, e.g. the Engineering Professors' Council Annual Congress 2023: New Models and at a Systems Change Lab: Global Responsibility in Engineering Higher Education hoisted by the Royal Academy of Engineering and Engineers Without Borders UK. We continue also hosted many delegations both from the UK and internationally, who are interested in how we are trying to transform engineering education.

- The project-based learning approach was further expanded over the last year, ranging from students envisioning how consumers can embrace the 'right-to-repair' for a mass-manufactured consumer product (a robot vacuum cleaner) to promoting the feeling of enhanced safety for cyclists in our user-centred design collaboration with Brompton and Ogle models. The student, as professionals in training, supported a charity partner in their net zero carbon journey, specifically exploring the viability of heat pumps for their community hub refurbishment. They also expanded and applied their skills to impact the wellbeing of neuro-diverse children designing didactic toys. Over 50 industry partners supported us during the year by contributing their time, know-how and materials and by hosting students and staff.

- We continue to align our Health & Safety practices with those of industry best practice in the TEDI-London Makerspaces and elsewhere on campus. 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 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 lost due to incidents or accidents in our spaces.

- Our impact continues to be recognised by others e.g. our first year students being finalists in the Engineers without Borders design challenge to TEDI-London being in the finals of progressive education delivery category in the PIEoneer Awards.

TEDI-London continues to be in a strong organisational position to commence our third year of academic operations as we welcomed our third cohort of students in September 2023. TEDI-London was awarded funding from the Turing Foundation to facilitate 7 students in studying for six months at one our founder institutes (University of New South Wales). We also received a grant from the Sainsbury Foundation to award prizes to students on our summer school.

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. These are underpinned by a set of KPIs (e.g. student body ethnicity mix and gender balance, retention rates, number of industry partnerships and outreach activity levels) 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)](https://tedi-london.ac.uk) with an overview presented below.

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.

Risk Management

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 Chief Operating Officer 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 high level Risk register at every meeting and significant new or amended 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.

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

- <u>Student Recruitment</u> – The risk to student recruitment remains high, despite the return to in-person recruitment events. Mitigating actions undertaken include more extensive digital campaigns alongside the agreement of multi-year contract 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 2024 is already more positive with marketing activity and brand recognition gaining increased traction. [The number of leads we have in our CRM for 2024 has already matched total 2023 levels and there continues to be strong interest in our open days]. The visa sponsorship conditions imposed by the Home Office, where TEDI-London is a Student Sponsor in probation, makes TEDI-London a currently unattractive prospect for International Students as they are unable to undertake work on their student visa. Subject to meeting the requirements of annual inspections, TEDI-London expects to remain a Student Sponsor in probation until August 2026.

- <u>Finance</u> – TEDI-London continued to maintain a robust financial framework throughout the year to 31 July 2023 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 smaller than hoped for starting student cohorts. As our long-term financial model relies on increasing levels of student income, we undertake regular scenario planning to understand the implications of various outcomes. The positive dialogue with our founding partners, and the provision of regular detailed updates to the Board, has been maintained and has ensured that funds have been available as required. To support the mitigation of this risk, the scenario planning includes the actions needed to move towards the generation of operating surpluses.

- <u>Compliance</u> – The supply of publicly funded higher education is a highly regulated activity. As a new institution, TEDI-London is in probation with its two most significant regulators (OFS and UKVI). Failure to meet its compliance requirements with these regulators would have significant impact on its sustainability. Such risk is mitigated by the recruitment and retention of skilled staff, the development of robust procedures, support from key advisors and the provision of appropriate training to all staff.

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. As at the year end, 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, £5.619m (2021/22 restated: £5.649m) 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 fund the business-as-usual operation associated with the provision of higher education.

We have recognised revenue in the year of £0.576m which mainly relates to home tuition fees for our first two cohorts of students, £0.040m OfS teaching grant funding, £0.096m income from the summer school and a small amount of interest from cash balances in the bank.

In 2022, we were successful in a bid for capital funding from the OfS of £0.642m 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 2023 we have applied the accruals model for capital grants and £0.180m has been released to the income & expenditure account in line with the depreciation incurred for the assets to which the grant relates.

The Statement of Comprehensive Income includes a positive loans amortised cost adjustment figure of £1.551m in relation to the interest-free working capital funding received from our founding partners. This accounting adjustment is required to discount the working capital advances received to their present value using the interest rate in effect on each transaction date, ranging from 6.25% to 9% during the year. On each transaction date, the rate applied is calculated by adding the extant Bank of England interest rate to the extant banking market rate for similar borrowings. The annual interest charge in relation to the amortisation adjustment made in the year ended 31 July 2023 is £0.430m (2021/22 restated: £0.305m). 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 2023 of £3.152m (2022 restated: £3.428m).

Balance Sheet

At 31 July 2023 TEDI-London had net liabilities of £9.058m (2022 restated: £5.906m).

The calculated present value of the working capital advances provided by our founding members is £11.164m (2022 restated: £9.446m) 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 £0.758m (2022: £1.212m) which represent our investment in the Canada Water campus, and the creation of our bespoke Student Records System, our Virtual Learning Environment and our campus makerspace equipment.

Cash remaining in the bank as at 31 July 2023 was £1.874m (2022: £3.121m).

Reserves Policy

One of TEDI-London's key objectives is to achieve financial sustainability and independence. 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. Financial risk remains a key risk in the organisation's risk register.

To support this objective, the five-year financial plan 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 2023 retained in the company is £3.152m (2021/22 restated: £3.428m). TEDI-London applies 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. To mitigate any adverse financial effect, the three founding partners have agreed to provide a further £3.6m in funding to underpin 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 2023/24 financial year. The process in setting the budget includes a month by month forecast for the 2023/24 financial year and a quarterly forecast for the following 4 years.

- 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.

- Scenario planning, over a 5-year planning period, is regularly undertaken, and, 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.

Future Cashflow Projections

- The preparation of the annual budget, 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

- The reserves policy is reviewed and approved 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.

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.

This Directors' Report, which incorporates the Strategic Report, was approved by the Board of Trustee Directors and signed on its behalf by

P Hansford CBE FREng
Chair of the Board of Trustee Directors

22nd November 2023

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.

<u>Public Benefit</u>

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.

<u>Trustees</u>

TEDI-London's Board member Dr Peter Hansford received £2,962 remuneration for his role as trustee during the year ended 31 July 2023, there were no further Board member remuneration payments in the year (£0 for the period ended 31 July 2022).

Two members of the Board of Trustee Directors received payment for expenses relating to the work they did in the financial year incurred when acting on behalf of TEDI-London.

A total of £3,880 of expenses was paid to the Chair of the Board of Trustee Directors to cover the expenses occurred for the two day strategy session and a trip to see ASU's President in Arizona. Trustee Director Professor Anne Carlisle also charged TEDI-London for expenses relating to two day strategy day with value £927.

No other expenses have been paid to any other Board of Trustee Directors in the year ended 31 July 2023 (£1,000 for the period ended 31 July 2022).

<u>Legal status</u>

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.

<u>Directors</u>

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 2023; the Chief Executive Officer; the Secretary and TEDI-London's principal bankers, solicitors, and auditors.

Statement of Corporate Governance and Internal Control

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.
- 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 2023 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 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 2023.

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. P Hansford
Chair of the Board of Trustee Directors

22nd November 2023

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 2023 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 2023 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 2023, 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 2023; 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 15**,** 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: 24 November 2023

Statement of Comprehensive Income for the period ended 31 July 2023

	Notes	**2023** £'000	**2022** as restated £'000
Income			
Tuition fees	1	576	207
Funding body grants	2	220	185
Other income	3	96	24
Investment income	4	24	3
Total income		**916**	**419**
Expenditure			
Staff costs	5	(2,913)	(3,071)
Other operating expenses	7	(1,783)	(1,908)
Depreciation and amortisation	10	(493)	(365)
Interest and other finance costs	6	(430)	(305)
Total expenditure	7	**(5,619)**	**(5,649)**
Loans amortised cost adjustment	6	1,551	1,802
Taxation	9	0	0
(Deficit) for the year		**(3,152)**	**(3,428)**
Total comprehensive income for the year		**(3,152)**	**(3,428)**
Represented by:			
Net Reserves Carried Forward		(3,152)	(3,428)
		(3,152)	**(3,428)**

All items of income and expenditure relate to continuing activities.

The accompanying notes and policies on pages 23 to 35 form part of these financial statements.

Statement of changes in reserves for the period ended 31 July 2023

	Income and expenditure reserve	**Total excluding non-controlling Interest**	**Total**
	Unrestricted £'000	£'000	£'000
Balance at 1 August 2022 (as previously stated)	**(4,119)**	**(4,119)**	**(4,119)**
Prior year adjustment (note 19)	(1,787)	(1,787)	(1,787)
Balance at 1 August 2022 (as restated)	**(5,906)**	**(5,906)**	**(5,906)**
Surplus for the period	(3,152)	(3,152)	(3,152)
Total comprehensive income for the period	(3,152)	(3,152)	(3,152)
Balance as at 31 July 2023	**(9,058)**	**(9,058)**	**(9,058)**

	Income and expenditure reserve as restated	**Total excluding non-controlling Interest** as restated	**Total** as restated
	Unrestricted £'000	£'000	£'000
Balance at 1 August 2021 (as previously stated)	**(3,012)**	**(3,012)**	**(3,012)**
Prior year adjustment (note 19)	534	534	534
Balance at 1 August 2021 (as restated)	(2,478)	(2,478)	(2,478)
Deficit for the period	(3,428)	(3,428)	(3,428)
Total comprehensive income for the period	(3,428)	(3,428)	(3,428)
Balance as at 31 July 2022	**(5,906)**	**(5,906)**	**(5,906)**

Statement of Financial Position as at 31 July 2023
Company Number 11979669

	Notes	2023 £'000	2022 (as restated) £'000
Non-current assets			
Tangible assets	10	758	1,212
		758	**1,212**
Current assets			
Trade and other receivables	11	516	155
Cash and cash equivalents	15	1,874	3,121
		2,390	**3,276**
Less: Creditors; amounts falling due within one year	12	(906)	(633)
		(906)	**(633)**
Net current assets		**1,484**	**2,643**
Total assets less current liabilities		**2,242**	**3,855**
Creditors: amounts falling due after more than one year	13	(11,300)	(9,761)
Total net liabilities		**(9,058)**	**(5,906)**
Unrestricted Reserves			
Income and expenditure reserve – unrestricted		(9,058)	(5,906)
		(9,058)	**(5,906)**
Total Reserves		**(9,058)**	**(5,906)**

The financial statements on pages 19 to 35 were approved by the board of Trustee Directors as giving a true and fair view of the accounts at its meeting of 22 November 2023 and were signed on its behalf by:

Dr P Hansford	Judy Raper Professor J Raper
Chair of the Board of Trustee Directors	**Chief Executive Officer**

Statement of Cash Flows as at 31 July 2023

	Notes	2023 £'000	2022 (as restated) £'000
Cash flow from operating activities			
Deficit for the year before tax		**(3,152)**	**(3,428)**
Adjustment for non-cash items			
Depreciation	10	493	365
(Increase)/decrease in debtors	11	(361)	553
Increase/(decrease) in creditors	12	273	(152)
Adjustment for investing or financing activities			
Investment income	4	(24)	(3)
Interest payable	6	430	305
Fair value adjustment	6	(1,551)	(1,802)
Advances Debtor		0	(210)
Fixed Asset Creditor		0	263
Capital grant income	3	(180)	(147)
Cash flows from operating activities		**(4,072)**	**(4,256)**
Taxation		0	0
Net cash inflow from operating activities		**(4,072)**	**(4,256)**
Cash flows from investing activities			
Investment income		24	3
Capital grants receipts		0	642
Payments made to acquire tangible assets	10	(39)	(1,039)
		(15)	**(394)**
Cash flows from financing activities			
New working capital advances	14	2,840	4,155
		2,840	**4,155**
(Decrease)/increase in cash and cash equivalents in the year		**(1,247)**	**(495)**
Cash and cash equivalents at beginning of the year	15	**3,121**	**3,616**
Exchange losses on cash and cash equivalents		0	0
Cash and cash equivalents at end of the year	15	**1,874**	**3,121**
Net debt	16	**(9,290)**	**(6,325)**

Statement of Principal Accounting Policies for the period ended 31 July 2023

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

<u>Defined Contribution Plan</u>

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.

The effective interest rate that has been applied to this year's advances has a change of accounting treatment treats each loan transaction with its own interest rate for its fair value and unwinding interest. The interest rate uses an interest rate from Natwest unsecure borrowing rate for loan of the current value + Bank of England base rate, both from the time of the loan transaction date.

This change of loan accounting treatment interest rate and amortised loan advances have resulted in lower year fair value adjustments with a prior year adjustment included in the 2023 statutory accounts.

Advances that were amortised in the accounting period to 31 July 2022 that previously had an average interest rate of 9.00% nominal charge (previous year 5.18%), have been restated using an interest rate from Natwest unsecure borrowing rate for loan of the current value + Bank of England base rate, both from the time of the loan transaction date. Therefore, each loan advance has its own interest rate for its fair value adjustment and unwinding interest charge, see note 19 for further details.

Notes to the financial statements

1. Tuition fees

	2023 £'000	2022 £'000
Full-time home & EU students	534	207
Full-time international students	42	0
	576	**207**

2. Funding body grants

	2023 £'000	2022 £'000
Recurrent grants		
Office for Students	40	38
Capital grant	180	147
Specific grants		
Royal Academy of Engineering	0	0
	220	**185**

3. Other Income

	2023 £'000	2022 £'000
Non-credit bearing course fees	96	15
Other income	0	9
	96	**24**

4. Investment Income

	2023 £'000	2022 £'000
Other investment income	24	3
	24	**3**

5. Staff Costs

	2023	2022
Staff Costs:	**£'000**	**£'000**
Salaries	2,304	2,402
Social security costs	261	297
Other pension costs	179	180
Redundancy costs	3	13
Sub-total	**2,747**	**2,892**
Recruitment	127	16
Staff Learning & Development	16	34
Relocation costs	0	7
Payroll contractors	23	122
Total	**2,913**	**3,071**

Total Remuneration of the CEO of TEDI-London

	2023 £'000	2022 £'000
Basic salary	200	200
Pension contributions and payments in lieu of contributions	20	22
Non-taxable benefits:		
Relocation costs	-	-
Living accommodation	20	21
	240	**243**

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.

The head of the provider's basic salary is 3.9 times the median pay of staff (2022: 3.5 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 5.0 times the median total remuneration of staff (2022: 3.9), 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	2023 No.	2022 No.
£105,000 - £109,999	1	0
£120,000 - £124,999	0	1
£135,000 - £139,999	0	1
£240,000 - £244,999	1	1
£250,000 - £254,999	0	0
	2	**3**

Average staff numbers by major category:	2023 No.	2022 No.
Academic	8	8
Technical	2	1
Management & specialist	27	26
Average total number of staff	**37**	**35**

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, along with the Director of Finance & Resources (employee left in May 2023 with position replaced by Interim Chief Operating Officer) 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:

	2023 £'000	2022 £'000
Key management personnel compensation	**423**	**616**

6. Interest and fair value adjustment

	2023 £'000	2022 (as restated) £'000
Interest applied to amortised advances	430	305

	430	**305**

	2023	2022 (as restated)
	£'000	**£'000**
Discount applied to advances	(1,551)	(1,802)
	(1,551)	**(1,802)**

7. Analysis of operating expenditure by activity

	2023	2022 (as restated)
	£'000	**£'000**
Personnel	2,913	3,071
Professional & Other Fees	215	189
Marketing and Recruitment Activities	291	517
General & Administration	35	50
Finance & Other Expenses	3	4
Insurance/ Subscriptions & Compliance	205	197
IT Supplies, Software & Support	222	223
Depreciation	493	365
Travel & Subsistence	19	20
Premises	595	525
Student spend	198	183
Interest and other finance costs	430	305
	5,619	**5,649**

External auditors' remuneration in respect of audit services	25	21
External auditors' remuneration in respect of non-audit services	0	7
Taxation compliance services	2	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 two cohorts include 60 students started with TEDI-London and the targets we have set ourselves as part of the plan continue to be implemented and updated as we increase the APP offering.

Access investment total of £81k includes £62k for staff time and overheads relating to the planning and delivery of hosting and visiting local schools and to educate and increase awareness of attending

TEDI-London after school year 12. Investment also included time spent on planning the outreach programme (week course for 16 years old as introduction into engineering) and open days on campus to showcase and attract local young future engineers.

Financial support during the year consisted of payments out for £40k low-income bursaries and £43k 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 payments automatically. There was a further £2k spend on direct counselling to support student wellbeing.

Research and evaluation costs of £21k 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. Also, £3k spend relating to employee training for neurodiversity training to increase staff awareness for direct support to widening participation students.

	2023	2022
	£'000	£'000
Access investment	81	63
Financial support	85	35
Disability support	0	0
Research and evaluation	24	50
	190	**148**

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	Fixtures & Fittings	Office Equipment	Computer Hardware	Computer Software	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Cost or valuation						
At 31 July 2022	354	67	312	161	759	1,653
Additions	18	-	21	-	-	39
At 31 July 2023	**372**	**67**	**333**	**161**	**759**	**1,692**
Depreciation						
At 31 July 2022	46	19	100	43	233	441
Charge for the year	54	22	110	54	253	493
At 31 July 2023	**100**	**41**	**210**	**97**	**486**	**934**
Carrying amount						
At 31 July 2023	**272**	**26**	**123**	**64**	**273**	**758**
At 31 July 2022	308	48	212	118	526	1,212

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

11. Trade and other receivables

	2023	2022
	£'000	**£'000**
Amounts falling due within one year:		
Other receivables	13	13
Prepayments and accrued income	503	142
	516	**155**

12. Creditors; amounts falling due within one year

	2023	2022
	£'000	**£'000**
Trade payables	509	152
Social security and other taxation payable	86	101
Other creditors	7	3
Accruals and deferred income	304	377
	906	**633**

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

	2023	2022
	£'000	**£'000**
Grant income	180	180
Other income	24	6
	204	**186**

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

	2023	2022 (as restated)
	£'000	**£'000**
Deferred grant income	136	315
Unsecured advances of working capital funding	11,164	9,446
	11,300	**9,761**

14. Advances of working capital funding

	2023 £'000	2022 (as restated) £'000
Analysis of secured and unsecured advances:		
Due in five years or more	11,164	9,446
Total secured and unsecured advances	**11,164**	**9,446**

The working capital advances are interest free and have been measured in the balance sheet after an amortised cost adjustment to reflect the estimated interest (an effective rate of interest for each loan advance transaction 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 August 2022 £'000	Cash Flows £'000	At 31st July 2023 £'000
Cash and cash equivalents	3,121	(1,247)	**1,874**
	3,121	**(1,247)**	**1,874**

16. Reconciliation of net debt

Reconciliation of net debt	£'000
Net debt 1 August 2022	**(6,325)**
Movement in cash and cash equivalents	(1,247)
Other non-cash changes	(1,718)
Net debt 31 July 2023	**(9,290)**
Change in net debt	**(2,965)**

Analysis of net debt:	2023 £'000	2022 (as restated) £'000
Cash and cash equivalents	**1,874**	**3,121**
Borrowings: amounts falling due after more than one year		
Unsecured advances	(11,164)	(9,446)

	(11,164)	**(9,446)**
Net debt	**(9,290)**	**(6,325)**

17. Lease obligations

Total rentals payable under operating leases:	**Other leases**	**2023 Total**	**2022 Total**
	£'000	**£'000**	**£'000**
Payable during the year	431	**431**	438
Future minimum lease payments due:			
Not later than 1 year	431	**431**	431
Later than 1 year and not later than 5 years	1,724	**1,724**	1,724
Later than 5 years	30	**30**	431
Total lease payments due	**2,185**	**2,185**	**2,586**

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 2023, 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	5	0	0	3,694
University of New South Wales	1	0	0	3,752
Arizona State University	8	0	0	3,718
British Land	6	514	0	0
	20	**514**	**0**	**11,164**

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.

<u>Members of the Board of Trustee Directors</u>

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 2023 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 2023 TEDI-London accounts include £514k for campus rental payments, utilities, building insurance and management charges (previous year £524k). 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 member Dr Peter Hansford received £2,962 remuneration for his role as trustee during the year ended 31 July 2023, there were no further Board member remuneration payments in the year (£0 for the period ended 31 July 2022). For year ended 31 July 2023 trustee travel expenses paid included: Dr Peter Hansford £3,880 and Professor Anne Carlisle £927.

19. Prior year adjustment

Following a change of accounting treatment the calculation for advances of working capital funding and unwinding interest have been changed.

The new methodology (as per FRS102) treat each loan transaction with its fair value and unwinding interest calculated and posted rather than previously annually summed up and included as part of the annual total which was then adjusted. Therefore, each loan advance (payment from founding member to TEDI-London) has its own interest rate for the fair value adjustment and unwinding interest charge. This interest rate is calculated from Natwest unsecure borrowing rate for loan of the current value + Bank of England base rate, both from the time of the loan transaction date.

This change of methodology and interest rate has been re-calculated through for all prior year loan advances and resulted in a material change from the previously reported numbers, see table below for reported and restated numbers.

	Loan amortised cost adjustment	Interest applied to amortised advances	Unsecured advances of working capital funding	Reserve balance at 1 August 2021 as previously stated
	£'000	£'000	£'000	£'000
2022 reported number	**4,208**	**390**	**7,659**	**3,012**
Prior year adjustment	(2,406)	(85)	1,787	(534)
Restated 2022 number	**1,802**	**305**	**9,446**	**2,478**

TEDI LONDON The Engineering & Design Institute

Report and Financial Statements for the period ended 31 July 2023