

**TEDI** LONDON

# REPORT AND FINANCIAL STATEMENTS

**FOR THE YEAR ENDED 31 JULY 2021**

(A company limited by guarantee)

Company number: 11979669  
Registered charity number: 1186219

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 2021

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## Report and Financial Statements for the year ended 31 July 2021

### Reference and Administrative Information

#### Directors:

Ms Emma Cariaga

Professor Nicholas Fisk

Mr Christopher Mottershead

Appointed 3 May 2019, Resigned 31 January 2021

Professor Sebastien Ourselin

Appointed 19 February 2021

Dr Christopher Roberts

Professor Mark Searle

#### Secretary:

Mrs Carmai Pestell

#### Chief Executive Officer:

Professor Judy Raper

#### Organisation Registrations:

TEDI-LONDON

Company Registration No. (England & Wales): 11979669

Registered Charity No. (England & Wales): 1186219

#### 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 2021

### 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 TEDI-London for the year ended 31 July 2021. 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 24 to 27 of this report.

#### Registration and administrative details

TEDI-London is a private company limited by guarantee (company number 11979669) without share capital. The company 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 currently a registered charity with the Charity Commission in England & Wales (charity number 1186219). 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).

#### 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 2021

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 2021. COVID 19 continued to have a significant impact on operations as staff operated entirely remotely for the majority of the year, and all face-to-face outreach, recruitment and education activities were cancelled and moved to online platforms. Despite these challenges we were able to achieve several significant deliverables including:

- We were successful in our application for registration as a higher education provider from the OfS (22 January 2021) and received notification of our New Degree Awarding Powers from the OfS on 10 June 2021.
- Construction of our modular campus at Canada Water commenced, working closely with British Land and their delivery partners. We were able to begin accessing the building to commence set-up activities in the space on 15 July 2021 – practical completion took place on 25 August with the signing of the final lease taking place on 1 October 2021.
- We announced a new multi-year strategic partnership with Engineers Without Borders UK. They will be working with us to embed globally responsible engineering into the TEDI-London curriculum via design challenges, educational resources, and volunteering opportunities. This partnership will give students opportunities for additional real-life project-based experiences and help them understand the social impact of the decisions



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and designs they make.

- We have continued to recruit highly qualified staff with the skills, experience, and enthusiasm to take the organisation forward. In particular we have recruited academic colleagues who have extremely strong academic and professional credentials which include a Fellow of The Royal Academy of Engineering, a National Teaching Fellow, a Principal Fellow of the Higher Education Academy (HEA), and memberships of Education & Training, and Accreditation panels of the Institute of Engineering Designers. Professor Mike Sutcliffe, the TEDI-London Deputy Dean, became the new President of the Engineering Professors Council, the representative organisation of UK engineering academics.
- We ran another successful summer school where students from across three time zones from Arizona State University, King's College London and The University of New South Wales, Sydney, undertook a 3-week project in an online setting, applying engineering methods to tackle 'The Net Zero Carbon by 2050' challenge.
- Our second 'Thinking Ahead' engineering taster programme took place which invited students aged 16 and over to take part in an online design engineering challenge. This year we were joined by 51 students from across the globe, for a two-week project which introduced them to the world of engineering and its interdisciplinary relationship with topics including user-centred design, sustainability, innovation, and psychology. This year's challenge asked them to design a prototype of a community structure in Canada Water, London, which by using light and colour as its primary aesthetic, would encourage visitors and cater for people with a range of health and wellbeing issues.
- We commissioned our bespoke Student Record System working with a Microsoft recognised delivery partner in its creation and have commenced work on the build of our Virtual Learning Environment, which features an online Learning Tree which provides educational content to support students' learning journey.
- TEDI-London has invested in building brand recognition across several channels. Our marketing campaign across digital channels has delivered a significant number of impressions and we had the 5<sup>th</sup> highest click through rates of all global education providers on TikTok – 2<sup>nd</sup> in the UK. These campaigns have driven traffic to our website and video content with 98,557 unique visitors to our website since March 2020. The audience knowledge gained means we can be much more effective at targeted recruitment for next year.

TEDI-London is in a strong organisational position to commence our first year of academic operations as we welcomed our first cohort of students in September 2021.

### Strategic Plan 2020 - 2025

During the 2020/21 year we have developed the 2020 - 2025 Strategic Plan. The Strategic Plan has been 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 was developed in consultation with staff and stakeholders.

The 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-](#)



**Report and Financial Statements for the year ended 31 July 2021**

[tedi.ac.uk](https://www.tedi.ac.uk) with an overview presented on the following pages, along with our KPI targets.

## 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.

## Report and Financial Statements for the year ended 31 July 2021

Goal 1: We are changing lives through impactful and student-focused learning			
Objective	KPI	Target by 2025	Updated
1A. Broadening participation in Engineering Higher Education	<b>STUDENT DIVERSITY</b>		
	% Female engineering students	50%	Annually
	% Ethnic minority students (BAME)	48% (as per APP)	Annually
	% Mature students	20% (as per APP)	Annually
	% Disadvantaged students (POLAR quintiles 1 and 1)	16% (as per APP)	Annually
	% Student retention rates by cohort	85%	Annually
1B. Student-led learning by design	<b>STUDENT SATISFACTION / ENGAGEMENT WITH LEARNING</b>		
	% Student satisfaction generally: student survey	90%	Annually
	% First year to final-year student retention rate	85%	Annually from 2024
	Student attainment compared with wider engineering sector	Attainment above sector average	Annually from 2024
1C. Project-based learning: co-created and co-delivered with industry	<b>INDUSTRY ENGAGEMENT</b>		
	% Projects with industry / partner involvement	80%	Annually
	Sustainable growth of accelerated programme	5% year on year growth from launch	Annually from 2022
Goal 2: We are engineering solutions for our global future			
Objective	KPI	Target by 2025	Updated
2A. Upholding a global focus	<b>INTERNATIONALISATION</b>		
	% International student numbers	40%	Annually
	International Engagement through founding partners	≥20 students from founding partners in each year's summer school	Annually
2B. Future oriented engineering solutions that make a difference	<b>IMPACT</b>		
	No. of impactful projects (external survey)	≥50% projects to have impact	Annually
2C. Working with industry to shape the skills of our future workforce	<b>GRADUATE OUTCOMES / EMPLOYABILITY (From Year 4)</b>		
	Employment rates (6 months after grad DLHE)	≥85% employment	Annually from 2025
Goal 3: We are enabling diverse and supportive environments for people to flourish			
Objective	KPI	Target by 2025	Updated
3A. Creating an inclusive culture	<b>STAFF DIVERSITY AND ENGAGEMENT</b>		
	Staff diversity: % ethnic minority (BAME) staff	25%	Each mtg



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	% Staff engagement: staff annual pulse survey	80%	Annually
3B. Transforming our communities together	<b>COMMUNITY ENGAGEMENT</b>		
	% Local students v targets (Southwark and South & East London)	20%	Annually
3C. Establishing smart and sustainable working and learning environments	<b>LEARNING / WORKING ENVIRONMENT</b>		
	% Student / staff satisfaction w/facilities	85%	Annually
	% Student / staff satisfaction w/support provision	85%	Annually
	<b>FINANCIAL SUSTAINABILITY</b>		
	TEDI-London student number target	400	Annually
	% Year on year reduction in net deficit	25%	Annually

The majority of our KPIs will be reported against once our student cohort is known. KPIs about our accelerated programme, student outcomes and graduate outcomes will be reported later in the strategic planning cycle. For now, we can report against staff diversity, where 20% of staff are currently from black and minority ethnic backgrounds (against our target of 25%).

### Risk Management

Through the accounting period, the 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, as we worked remotely for the majority of the year ended 31 July 2021 only returning to in face working in mid-July. We have implemented our Covid outbreak plan which has been shared with our local authority. Our prevention plans include daily lateral flow tests for staff and students who wish to visit campus, cleaning regimes to ensure high traffic areas and touch points are regularly cleaned. We are also continuing with hybrid working to allow for greater social distancing in the office with the priority for attendance being student facing members of the team.
- University Registration and Degree Awarding Powers – The impact of COVID 19 affected the HE sector as a whole, causing delays in the processing of TEDI-London's application for registration as a higher education provider from the OfS. As a mitigation strategy, TEDI-London explored third party validation options. These were not required as our application for registration was approved on 22 January 2021, and we were awarded our New Degree Awarding Powers (NDAPs) on 10 June 2021.
- Student Recruitment – COVID 19 impacted domestic and international student recruitment plans and activities. All our outreach and recruitment activities were moved online. International recruitment was also impacted by the delay in receiving our NDAPs as without it we were unable to offer any places to international students as part of the conditions of our student visa license. International recruitment remains a high-level risk in the COVID environment, however we are mitigating against this by expanding our digital marketing campaigns and actively expanding our international agents' network.
- Finance – TEDI-London continued to maintain a robust financial framework throughout the year to 31 July 2021 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 short-term impact of a smaller than hoped for starting student cohort in September 2021. As our long-term financial model relies on increased levels of student income in the future, we undertake regular scenario planning to



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

- Facilities – While COVID 19 caused delays to the planned development of TEDI-London's new modular campus, being built in partnership with British Land, the programme was resumed and we were able to take beneficial occupation of the building on 15 July, with practical completion of the building taking place on 25 August.

### 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 funding commitment will be a total not exceeding £21m which is available for drawdown in tranches by TEDI-London until the last day of the sixth year of academic operations. These funds are in the form of interest-free advances repayable over a 15-year period. The partner funding has 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 £3.626m 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, application costs for membership of and recognition by higher education statutory bodies and the creation of academic content.

We have recognised income in the year of £0.08m which relates to funding we received from the Royal Academy of Engineering for a Visiting Professorship and a small amount of interest from cash balances in the bank.

In the Statement of Comprehensive Income there is a negative fair value adjustment figure of £2.199m which is the interest amortisation adjustment in relation to the working capital funding received in year. This is an accounting adjustment required to discount the advances made back to the present value using an interest rate that is comparable to current market conditions for similar borrowings (3.5%). The annual interest in relation to the amortisation adjustment made in the year ended 31 July 2021 is £0.135m. 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 2021 of £1.553m.

#### Balance Sheet

At 31 July 2021 TEDI-London had net liabilities of £3.012m.

The calculated present value of the working capital advances provided by our founding members is £7.531m 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 15<sup>th</sup> year of operation. The £0.708m of trade receivables (note 8 in the accounts) represent the invoices that have been raised to our funding partners for the August 2021 working capital advances. We have fixed assets of £0.98m which represent our share of the Category B fit-out costs for the new campus, and the creation of our bespoke Student Records System and Virtual Learning Environment.

Cash remaining in the bank as at 31 July 2021 was £3.616m.



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### 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 2021 retained in the company is £3.012m. 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. 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 HE SORP 2019, TEDI-London has undertaken the following activities:

### Budgets and Forecast

- The budget and detailed funding requirements have been set and approved by the Board of Trustee Directors for the 2021/22 financial year. The process in setting the budget includes a month by month forecast for the 2021/22 financial year and a quarterly forecast for the following 4 years.
- In setting the budget (and the future forecast for the next 4 years) particular 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.
- The impact of COVID19 on student recruitment directly and indirectly has caused a departure from our assumed student numbers and funding model. Although some costs such as for travel and events have been saved, the overall impact was negative and there will be a smaller inaugural cohort of students in 2021.
- Scenario planning is undertaken, and refreshed regularly, to assess the impact on finances of differing levels of student recruitment. This 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 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 Iplitec finance system and supported by The Chief Finance Officer.



## Report and Financial Statements for the year ended 31 July 2021

### 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 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 Executive. 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.
- TEDI-London has utilised the experience of professional advisors when formulating key plans (which involve a significant financial commitment), such as the development of our campus, or ensuring we meet our legal obligations, for example, the development of our student terms and conditions to ensure compliance with the Consumer Markets Authority regulations.



## Report and Financial Statements for the year ended 31 July 2021

### 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

*Chris Roberts*

**Dr C Roberts**  
**Chair of the Board of Trustee Directors**

22nd November 2021



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### Charitable Status and Public Benefit

TEDI-London is registered as a charity with the Charity Commission in England & Wales. 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.

No expenses were paid to or on behalf of any members of the Board of Trustee Directors in the year ended 31 July 2021 (£0 for the period ended 31 July 2020).



## Report and Financial Statements for the year 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 2021; 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 an executive, a senior 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 2021 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 Executive and Leadership Team come to each Board meeting.
- The Director of Resources, in consultation with the Executive and 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





## **Report and Financial Statements for the year ended 31 July 2021**

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 2021.



## Report and Financial Statements for the period ended 31 July 2021

### 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

*Chris Roberts*

**Dr C Roberts**  
**Chair of the Board of Trustee Directors**

22nd November 2021



## Report and Financial Statements for the period ended 31 July 2021

### 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 2021 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 2021 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.

#### 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. 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 and the directors' report prepared for the purposes of company law) 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.



## Report and Financial Statements for the period ended 31 July 2021

### 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.

#### Other matters prescribed by the Office for Students

We have nothing to report in respect of the following matters in relation to which the Office for Students ('OfS') requires us to report to you in Regulatory advice 9: Accounts direction if, in our opinion in all material respects:

- Where applicable, funds from whatever source administered by the provider for specific purposes have been properly applied to those purposes and managed in accordance with relevant legislation;
- Where applicable, funds provided by OfS, UK Research and Innovation (including Research England) the Education and Skills Funding Agency and the Department for Education have been applied in accordance with the relevant terms and conditions;
- The requirements of OfS's accounts direction have been met;
- The providers' grant and fee income, as disclosed in the financial statements, has been materially misstated;
- The providers' 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 17, 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.



## Report and Financial Statements for the period ended 31 July 2021

### 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, in particular journal entries posted with unusual account combinations, postings by unusual users or with unusual descriptions; and
- Challenging assumptions and judgements made by management in their critical accounting estimates. These related to discount rate applied to interest free loans.

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](http://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.

A handwritten signature in black ink, appearing to read 'Lee Stokes'.

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

Date: Dec 2, 2021 | 14:47 GMT

## Statement of Comprehensive Income for the period ended 31 July 2021

	Notes	Year Ended 31 July 2021 £'000	Period ended 31 July 2020 £'000
<b>Income</b>			
Funding body grants	1	8	0
Investment income	2	1	2
<b>Total income</b>		<b>9</b>	<b>2</b>
<b>Expenditure</b>			
Staff costs	3	(2,242)	(2,277)
Other operating expenses		(1,308)	(1,780)
Depreciation and amortisation	7	(76)	0
Interest and other finance costs	4	(135)	0
<b>Total expenditure</b>	5	<b>(3,761)</b>	<b>(4,057)</b>
Fair value adjustment	4	2,199	2,596
Taxation	6	0	0
<b>Deficit for the year</b>		<b>(1,553)</b>	<b>(1,459)</b>
<b>Total comprehensive income for the year</b>		<b>(1,553)</b>	<b>(1,459)</b>
Represented by:			
Net Reserves Carried Forward		(1,553)	(1,459)
		<b>(1,553)</b>	<b>(1,459)</b>

All items of income and expenditure relate to continuing activities.

The accompanying notes and policies on pages 24 to 35 form part of these financial statements.


**Report and Financial Statements for the period ended 31 July 2021**
**Statement of changes in reserves for the period ended 31 July 2021**

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


**Report and Financial Statements for the period ended 31 July 2021**
**Statement of Financial Position as at 31 July 2021  
Company Number 11979669**

	Note	<b>As at 31 July 2021</b>	<b>As at 31 July 2020</b>
	s	<b>£'000</b>	<b>£'000</b>
<b>Non-current assets</b>			
Tangible assets	7	980	48
		<b>980</b>	<b>48</b>
<b>Current assets</b>			
Trade and other receivables	8	708	950
Cash and cash equivalents	12	3,616	1,557
		<b>4,324</b>	<b>2,507</b>
Less: Creditors; amounts falling due within one year	9	(785)	(171)
		<b>(785)</b>	<b>(171)</b>
<b>Net current assets</b>		<b>3,539</b>	<b>2,336</b>
<b>Total assets less current liabilities</b>		<b>4,519</b>	<b>2,384</b>
Creditors: amounts falling due after more than one year	10, 11	(7,531)	(3,843)
<b>Total net liabilities</b>		<b>(3,012)</b>	<b>(1,459)</b>
<b>Unrestricted Reserves</b>			
Income and expenditure reserve – unrestricted		(3,012)	(1,459)
		<b>(3,012)</b>	<b>(1,459)</b>
<b>Total Reserves</b>		<b>(3,012)</b>	<b>(1,459)</b>

The financial statements on pages 24 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 2021 and were signed on its behalf by:

*Chris Roberts*

Dr C Roberts

**Chair of the Board of Trustee Directors**

*Judy Raper*

Professor J Raper

**Chief Executive Officer**





## Report and Financial Statements for the period ended 31 July 2021

### Statement of Cash Flows as at 31 July 2021

	Notes	Year ended 31 July 2020 £'000	Period ended 31 July 2020 £'000
<b>Cash flow from operating activities</b>			
Deficit for the year before tax		(1,553)	(1,459)
<b>Adjustment for non-cash items</b>			
Depreciation	6	76	0
Decrease/(increase) in stock		0	0
Decrease/(increase) in debtors	8	241	(950)
Increase/(decrease) in creditors	9	614	171
<b>Adjustment for investing or financing activities</b>			
Investment income	2	(1)	(2)
Interest payable	4	135	0
Fair value adjustment		(2,199)	(2,596)
Advances Debtor		(728)	938
Fixed Asset Creditor		(515)	0
<b>Cash flows from operating activities</b>		<b>(3,930)</b>	<b>(3,898)</b>
Taxation		0	0
<b>Net cash inflow from operating activities</b>		<b>(3,930)</b>	<b>(3,898)</b>
<b>Cash flows from investing activities</b>			
Investment income		1	2
Payments made to acquire tangible assets	6	(493)	(48)
		<b>(492)</b>	<b>(46)</b>
<b>Cash flows from financing activities</b>			
New working capital advances	11	6,480	5,501
		<b>6,480</b>	<b>5,501</b>
<b>(Decrease)/increase in cash and cash equivalents in the year</b>		<b>2,059</b>	<b>1,557</b>
Cash and cash equivalents at beginning of the year	12	1,557	0
Exchange losses on cash and cash equivalents		0	0
Cash and cash equivalents at end of the year	12	<b>3,616</b>	<b>1,557</b>
Net debt	13	<b>(3,915)</b>	<b>(2,286)</b>



## Report and Financial Statements for the period ended 31 July 2021

### Statement of Principal Accounting Policies for the period ended 31 July 2021

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

#### 1. 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.

#### 2. 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.

#### 3. 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.

#### 4. 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.

#### 5. 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.



## Report and Financial Statements for the period ended 31 July 2021

### 6. 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 5 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.

### 7. Taxation

TEDI-London is a registered charity with the Charity Commission in England & Wales. It is therefore a charity within the meaning of Para 1 of schedule 6 to the Finance Act 2010 and accordingly, the organisation 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.

## 8. 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.

## 9. 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.



## **Report and Financial Statements for the period ended 31 July 2021**

Advances that were amortised in the accounting period to 31 July 2020 have had the 3.5% nominal interest charge applied to them to commence the unwinding of the amortisation adjustment.

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 between 2.5% and 4% would apply to an organisation similar to TEDI-London depending on whether or not the debt was secured against assets of the company. On that basis 3.5% continues to be applied as TEDI-London does not have a large enough asset base to undertake secured borrowing.

## Notes to the financial statements

### 1. Funding body grants

	Year ended 31 July 2021 £'000	Period ended 31 July 2020 £'000
<b>Specific grants</b>		
Royal Academy of Engineering	8	0
	<u>8</u>	<u>0</u>

### 2. Investment Income

	Year ended 31 July 2021 £'000	Period ended 31 July 2020 £'000
Other investment income	1	2
	<u>1</u>	<u>2</u>

### 3. Staff Costs

	Year ended 31 July 2021 £'000	Period ended 31 July 2020 £'000
Staff Costs:		
Salaries	1,755	2,007
Social security costs	173	59
Other pension costs	119	43
<b>Sub-total</b>	<u>2,047</u>	<u>2,109</u>
Recruitment	23	133
Staff Learning & Development	51	31
Payroll contractors	121	0
Restructuring costs	0	4
<b>Total</b>	<u>2,242</u>	<u>2,277</u>



## Report and Financial Statements for the period ended 31 July 2021

### Total Remuneration of the CEO of TEDI-London

	Year ended 31 July 2021 £'000	Period ended 31 July 2020 £'000
Basic salary	252	368
Pension contributions and payments in lieu of contributions	3	-
Non-taxable benefits:		
Relocation costs	22	-
Living accommodation	3	-
Long service costs	-	16
	<b>280</b>	<b>384</b>

The CEO was previously employed directly by one of our funding partners (The University of New South Wales, Sydney) and was therefore paid under the terms and conditions which apply to Australian academics. On 1 July 2021 the CEO transferred to being a direct employee of TEDI-London payroll. TEDI-London is a new start-up higher education provider specialising in Design Engineering degrees, and the CEO was chosen to reflect the depth and breadth of experience as well as the relevant and specialist technical knowledge required for the organisational set-up and design.

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 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 4.0 times the median pay of staff (2020: 4.7 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 4.3 times the median total remuneration of staff (2021: 5.1), where the median total remuneration is calculated on a full-time equivalent basis for the total remuneration by the provider of its staff.



## Report and Financial Statements for the period ended 31 July 2021

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

Basic salary per annum	31 July 2021	31 July 2020
	No.	No.
£100,000 - £104,999	1	0
£105,000 - £109,999	0	0
£110,000 - £114,999	0	0
£115,000 - £119,999	0	0
£120,000 - £124,999	1	2
£250,000 - £254,999	1	1
	<b>3</b>	<b>3</b>

Average staff numbers by major category:	31 July 2021	31 July 2020
	No.	No.
Academic	5	3
Management & specialist	18	14
<b>Total number of staff</b>	<b>23</b>	<b>17</b>

### 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 two executive directors 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:

	Year ended 31 July 2021 £'000	Period ended 31 July 2020 £'000
<b>Key management personnel compensation</b>	<b>547</b>	<b>585</b>

### 4. Interest and fair value adjustment

	Year ended 31 July 2021 £'000	Period ended 31 July 2020 £'000
Interest applied to amortised advances	135	-
	<b>135</b>	<b>0</b>





## Report and Financial Statements for the period ended 31 July 2021

	Year ended 31 July 2021	Period ended 31 July 2020
	£'000	£'000
Discount applied to advances	(2,199)	(2,596)
	<b>(2,199)</b>	<b>(2,596)</b>

### 5. Analysis of operating expenditure by activity

	Year ended 31 July 2021	Period ended 31 July 2020
	£'000	£'000
Personnel	2,242	2,277
Professional & Other Fees	436	1,124
Marketing and Recruitment Activities	334	270
General & Administration	279	182
Finance & Other Expenses	137	1
Insurance/ Subscriptions & Compliance	131	53
IT Supplies, Software & Support	107	91
Depreciation	76	0
Travel & Subsistence	18	29
Premises	1	30
	<b>3,761</b>	<b>4,057</b>
External auditors' remuneration in respect of audit services	15	13
Taxation compliance services	1	-

### Access & Participation Plan

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 students started with TEDI-London in September 2021 and the targets we have set ourselves as part of the plan commence in this academic year.

### 6. Taxation

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

## 7. Property, Plant and Equipment

	Short Leasehold Property & Improvements	Fixtures & Fittings	Office Equipment	Computer Hardware	Computer Software	Total
	£'000	£'000	£'000	£'000	£'000	£'000
<b>Cost or valuation</b>						
At 1 August 2020	-	10	38	-	-	48
Additions	342	20	121	126	399	1,008
Transfers	10	(10)	-	-	-	-
<b>At 31 July 2021</b>	<b>352</b>	<b>20</b>	<b>159</b>	<b>126</b>	<b>399</b>	<b>1,056</b>
<b>Depreciation</b>						
At 1 August 2020	-	-	-	-	-	-
Charge for the year	-	-	13	-	63	76
<b>At 31 July 2021</b>	<b>-</b>	<b>-</b>	<b>13</b>	<b>-</b>	<b>63</b>	<b>76</b>
<b>Carrying amount</b>						
<b>At 31 July 2021</b>	<b>352</b>	<b>20</b>	<b>146</b>	<b>126</b>	<b>336</b>	<b>980</b>
At 31 July 2020	-	10	38	-	-	48

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

## 8. Trade and other receivables

	2021 £'000	2020 £'000
Amounts falling due within one year:		
Other receivables	0	12
Prepayments and accrued income	708	938
	<b>708</b>	<b>950</b>

## 9. Creditors; amounts falling due within one year

	2021 £'000	2020 £'000
Trade payables	72	62
Social security and other taxation payable	81	73
Other creditors	1	0
Accruals and deferred income	631	36
	<b>785</b>	<b>171</b>

**10. Creditors; amounts falling due after more than one year**

	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>
Unsecured advances of working capital funding	7,531	3,843
	<b>7,531</b>	<b>3,843</b>

**11. Advances of working capital funding**

	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>
Analysis of secured and unsecured advances:		
Due in five years or more	7,531	3,843
<b>Total secured and unsecured advances</b>	<b>7,531</b>	<b>3,843</b>

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 3.5% has been used) that would accrue over the life of the advance before it is required to be repaid in the 15<sup>th</sup> year of operation (2034).

**12. Cash and cash equivalents**

	<b>At 1st</b>		<b>At 31st</b>
	<b>August</b>	<b>Cash</b>	<b>July</b>
	<b>2020</b>	<b>Flows</b>	<b>2021</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Cash and cash equivalents	1,557	2,059	3,616
	<b>1,557</b>	<b>2,059</b>	<b>3,616</b>

**13. Reconciliation of net debt**

<b>Reconciliation of net debt</b>	<b>31 July</b>
	<b>2021</b>
	<b>£'000</b>
<b>Net debt 1 August 2020</b>	<b>(2,286)</b>
Movement in cash and cash equivalents	2,059
Unsecured advances	(3,688)
<b>Net debt 31 July 2021</b>	<b>(3,915)</b>
<b>Change in net debt</b>	<b>1,629</b>



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<b>Analysis of net debt:</b>	<b>As at 31 July 2021 £'000</b>	<b>As at 31 July 2020 £'000</b>
<b>Cash and cash equivalents</b>	<b>3,616</b>	<b>1,557</b>
<b>Borrowings: amounts falling due after more than one year</b>		
Unsecured advances	(7,531)	(3,843)
	<b>(7,531)</b>	<b>(3,843)</b>
<b>Net debt</b>	<b>(3,915)</b>	<b>(2,286)</b>

### 14. Lease obligations

#### Total rentals payable under operating leases:

	<b>Other leases £'000</b>	<b>2021 Total £'000</b>	<b>2020 £'000</b>
<b>Payable during the year</b>	-	<b>0</b>	-
<b>Future minimum lease payments due:</b>			
Not later than 1 year	430	<b>430</b>	-
Later than 1 year and not later than 5 years	1,720	<b>1,720</b>	-
Later than 5 years	860	<b>860</b>	-
<b>Total lease payments due</b>	<b>3,010</b>	<b>3,010</b>	<b>0</b>

### 15. 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 2021, are as follows:

	<b>Income from related party £'000</b>	<b>Expenditure to British Land £'000</b>	<b>Balance due from related party £'000</b>	<b>Working capital advances for the operation of TEDI- London £'000</b>
Kings College London	0	0	0	2,476
University of New South Wales	0	0	0	2,583
Arizona State University	0	0	0	2,472



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British Land	0	327	0	0
	<b>0</b>	<b>327</b>	<b>0</b>	<b>7,531</b>

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 2021 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 will be paying rent, starting in October 2021. The year ended July 2021 TEDI-London accounts include a £327k leasehold improvement relating to the campus fit-out. 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 2021 (£0 for the period ended 31 July 2020) received no expenses in relation to their role.

### **16. Events after the reporting period**

On 25 August 2021 we achieved practical completion of our new building at Canada Water and the completion of the lease took place on 1 October 2021. This is a 7 year lease with an option to break at year 5; the minimum lease payment obligations are included in note 14- lease obligations.

On 10 November 2021 at a meeting of the Privy Council, Her Majesty The Queen was pleased to approve an Order declaring TEDI-London to be an exempt charity under paragraph 11(A) of Schedule 3 to the Charities Act 2011 (a).