

MARY WARD SETTLEMENT

England & Wales · Charity number 223066

Details

Other names THE MARY WARD CENTRE

Status Registered

Legal form Charitable company

Company number [00046188](#)

Registered 1963-07-12

Register [View on the Charity Commission register](#)

Contact

Address Mary Ward Centre
275-285 High Street
Stratford
London
E15 2TF

Phone 02072696334

Email clerk@marywardcentre.ac.uk

Website <http://www.marywardcentre.ac.uk>

Activities

Objects: THE ADVANCEMENT OF PUBLIC EDUCATION AND THE PROMOTION OF SOCIAL SERVICE FOR THE BENEFIT OF THE COMMUNITY

Activities: The advancement of public education

Classification

- **How:** Provides Human Resources, Provides Buildings/facilities/open Space
- **What:** Education/training
- **Who:** The General Public/mankind

Geography

- **Area of benefit:** GREATER LONDON
- Camden
- Newham
- Southwark

Finances

Period end	Income	Expenditure	Assets	Employees
2025-07-31	£5,981,000	£6,571,000	£11,871,000	189
2024-07-31	£5,806,000	£5,835,000	£12,447,000	76
2023-07-31	£5,065,000	£5,064,000	£12,467,000	148
2022-07-31	£5,250,000	£5,378,000	£11,800,000	189
2021-07-31	£5,313,000	£5,317,000	£9,708,000	159
2020-07-31	£5,433,000	£5,798,000	£9,451,000	203

Trustees

Name	Role	Appointed
Veronica Daly	Chair	2024-12-10
Adeola AKANDE PIERRE-NOEL		2024-06-25
Beatriz Montoya		2017-06-28
Eva HENRY		2022-05-10
Francesca DELGUIDICE		2022-05-10
Graham Keith Collins BSc MSc		2018-05-01
Mark Daniel Ellis		2025-12-09
Noor-ud-din JANMOHAMED		2024-06-25
Timothy Charles Peter HUCKER		2022-05-10
Valerie Susan Taylor		2025-09-05

MARY WARD SETTLEMENT

England & Wales - Charity number 223066

Accounts



MARY WARD SETTLEMENT
(A COMPANY LIMITED BY GUARANTEE)
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2025

MARY WARD SETTLEMENT
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2025

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MARY WARD SETTLEMENT
REPORT FROM THE CHAIR
FOR THE YEAR ENDED 31 JULY 2025

While 2024-25 was the second academic year in which Mary Ward Settlement (“the Settlement” which comprises the Adult Education Centre, Mary Ward Legal Centre and Blackfriars Settlement) operated at The Mary Ward Centre, in Stratford, East London following its move from central London in September 2023, it was the first full year in which the Settlement was able to operate without major disruption from the construction team and work continued to establish its presence in Stratford. The Community Outreach team continued building on the relationships established in the years before the Settlement’s relocation with the vast majority of its work taking place in Newham and East London, working directly with community partners, including Newham Chinese Association in Beckton, Deafroots in Stratford, Bangladeshi communities with Jubilee Street GP Practice CIC in Shadwell and communities in Mile End and Wapping.

Enrolments at the Adult Education Centre continued to increase, demonstrating demand for courses and meeting local need. The majority of sessions are delivered face-to-face, including all Visual and Performing Arts, IT, Literacy and Maths classes. A small proportion of online and hybrid delivery remains demand led in other curriculum areas. For example, some ESOL courses continue with a blended approach to support development of digital skills as well as a small number of online courses with subjects, including community interpreting and mentorship.

Students on all accredited courses were supported to work towards their assessments and gain their qualifications. ESOL continued to be the largest proportion of exams taken across the curriculum, while Art had, by far, the highest volume of enrolments. Digital Skills enrolments, while a relatively small proportion of the whole, increased by 48% over 2023-24. Essential Skills courses such as ESOL, English and Maths and Digital Skills continued to recruit well at Blackfriars Settlement, in Southwark, where teaching is also provided. Over 50% of these students are from Southwark and the neighbouring boroughs of Lambeth and Lewisham. Overall, enrolment at this location declined by 5% in comparison to 2023-24 following a shift of focus away from paid-for provision which has proved unviable there.

Despite the challenges, the Adult Education Centre was able to support 3,040 learners (2023-24: 2,606) on 6,780 course places (2023-24: 5,579) throughout the year. However, while enrolments increased overall, tuition fee takings were not as strong as hoped, with the strongest levels of demand seen for fully funded areas of provision. This included the uptake of flexibility funding for a significant number of learners on accredited courses and a higher proportion of learners qualifying for fee concessions than seen in prior periods. The differential student demographics in Stratford underpinned the lower than planned fee income.

The Mary Ward Legal Centre (“the Legal Centre”) saw another year of high demand for its services, assisting over 1,400 people with their legal issues during 2024-25.

The Legal Centre provides specialist advice casework and representation in the areas of debt, housing and welfare benefits, as well as generalist advice as part of its holistic service provision, and a pro bono service offering advice on employment, housing, consumer, general civil litigation, and family law. The advice is provided at the Settlement’s offices and at several outreach locations.

The work of the Legal Centre leads to life-changing outcomes where homes are saved, debts are reduced, incomes are increased, and clients report improved wellbeing and greater awareness of their rights and how to enforce them.

The Legal Centre’s clients are facing extremely tough times with rising living costs, welfare reform, and a housing crisis. Many experience homelessness, poor housing conditions impacting their health, growing debts as they struggle financially, loss of essential welfare benefits (many of which are to support those with a disability and/or a long-term health condition), and discrimination. Clients often have multiple inter-related legal issues that need resolving.

MARY WARD SETTLEMENT
REPORT FROM THE CHAIR
FOR THE YEAR ENDED 31 JULY 2025

The Legal Centre has been successful in securing additional grant funding to continue to provide much-needed advice during these challenging times. Funding extensions from the Access to Justice Foundation and the GLA (through the London Legal Support Trust) supported the Legal Centre to continue to provide specialist welfare benefits advice and representation. Funding from St Andrew Holborn and St Giles and St George has enabled the Centre to provide a more holistic service, delivering generalist advice at outreach venues in Camden. The Legal Centre has formed a new partnership with UCL, working on a joint project, funded by the Department of Health and Social Care, to measure the health outcomes of advice in Children's Centre in Tower Hamlets.

Funding from the Justice First Fellowship scheme, Linklaters and the GLA, has helped the Legal Centre address the recruitment and retention crisis facing the advice sector, by supporting trainee solicitors and apprentices to become future social welfare lawyers. The Settlement is grateful to these funders for their support in tackling this significant issue which impacts the sector's ability to maintain and grow service provision.

For Blackfriars Settlement ("Blackfriars") this year was one of significant achievement and considerable challenge, shaped by the realities of rising need, constrained resources, and the ongoing impact of deep-rooted inequalities in its community. What has remained constant is the extraordinary commitment of its staff, volunteers, partners, and members a collective strength that continues to define Blackfriars.

Demand for Blackfriars' services has grown across all areas, particularly among residents living in the most deprived parts of Southwark. IMD analysis again shows that the vast majority of people supported live in the borough's highest-need deciles. This reinforces both the urgency and the importance of its work, and has guided its decisions throughout the year.

Despite operating with a smaller staff team for part of the year, Blackfriars delivered more activities, welcomed more new members, and expanded its reach. Volunteerism as always has been a key aspect of this success. It engaged with 663 members, with more than 10,000 attendances between them. Over 15,000 volunteer hours were contributed across Positive Ageing, Mental Health & Wellbeing, and community programmes from befriending and club support to corporate volunteering, cooking, arts and craft and digital support. The Orb Community Space continued to be a welcoming community hub, with strong attendance at creative events, cultural celebrations, and the Death Café. Warm Space provision funded by Southwark Council, again offered safety, warmth, and connection during the winter months, welcoming new residents alongside long-standing members.

The level of community contribution grew by 16% and is not only remarkable but essential to Blackfriars' ability to meet rising demand.

Partnership working and collaboration has again been central to its progress. Through COPSINS and the Ageing Well Southwark partnership, it has continued to support older residents with high-quality, joined-up services with partners across the Borough. Our collaborations with Southwark Council, NHS partners, Art Academy, The Imperial War Museum and a wide range of grassroots and cultural organisations have enabled us to broaden our offer, strengthen digital inclusion, and create new pathways for learning, creativity, and wellbeing. These partnerships have helped us reach people who might otherwise remain isolated or unsupported.

**MARY WARD SETTLEMENT
REPORT FROM THE CHAIR
FOR THE YEAR ENDED 31 JULY 2025**

The combination of lower average tuition fee income and higher than expected costs of running the new premises led to financial difficulties during the period. This culminated in a request from the Settlement to the Department for Education for financial support, which was granted in the form of an emergency loan and the requirement to embark on a Structure and Prospects Appraisal by the Further Education Commissioner. Trustees ensured that urgent measures were taken to protect the interests of creditors, beneficiaries and staff of the Settlement. This included stopping or reducing certain services, negotiating interest free periods from lenders and restructuring the organisation. The SPA process has resulted in the identification of Newham College of Further Education as a potential merger partner to provide stronger financial resilience.

Looking ahead, aside from continuing to work towards a potential merger and strengthening the financial position of the Settlement as a whole, the Settlement's priorities for 2025-26 include continuing to work to maximise the value added and ability to achieve its charitable objectives for the benefit of its students, clients, members, staff and stakeholders.

Financially and operationally, this has been a very challenging period for all at the Settlement. My special thanks go to the Board of Trustees, many of whom remained beyond their retirement dates to help, and to the tireless efforts of the staff, including tutors. We have also greatly appreciated the support and confidence of our lenders, suppliers and regulators.

As always we are grateful for the hard work and commitment of the staff and volunteers of all parts of the Settlement and to the funders and donors for 2024-25 who have enabled each of the Settlement's organisations to continue its work in changing lives.

Veronica Daly

Veronica Daly (Apr 28, 2026 17:17:07 GMT+1)

Veronica Daly

Chair

28/04/2026

MARY WARD SETTLEMENT
REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 JULY 2025

REFERENCE DETAILS

Charity number:	223066
Company number:	00046188
Address and Registered Office:	The Mary Ward Centre, 275-285 High Street, London E15 2TF

KEY MANAGEMENT PERSONNEL

Key management personnel are defined as members of the Settlement's Senior Management Team and were represented by the following in 2024-25:

Warden, CEO; Accounting Officer (until 31 st March 2026)	Therese Reinheimer-Jones
Director of Adult and Community Education ; Deputy CEO	Susan Craggs
Director of Finance and Resources	Juliet Woodford
Director of the Mary Ward Legal Centre	Paula Twigg
Director of Blackfriars Settlement	Andrea Van-Sittart

BOARD OF TRUSTEES

A full list of the Trustees is given on pages 19-20 of these Financial Statements.

Ms. Beverley Campbell acted as Clerk to the Trustees throughout the year under review, until 31st July 2025. Carol Meade was appointed as Clerk to the Trustees from March 2026.

PROFESSIONAL ADVISERS

FINANCIAL STATEMENTS AUDITOR AND REPORTING ACCOUNTANTS	Buzzacott Audit LLP 130 Wood Street London EC2V 6DL

INTERNAL AUDITOR	Validera 30 Camp Road Farnborough Hants GU14 6EW

BANKERS	The Co-operative Bank plc 3rd floor, St Paul's House 10 Warwick Lane London EC4M 7BP

INVESTMENT MANAGER	Rathbone Greenbank Investments 10 Queen Square Bristol BS1 4NT

MARY WARD SETTLEMENT

REPORT OF THE BOARD OF TRUSTEES

FOR THE YEAR ENDED 31 JULY 2025

NATURE, OBJECTIVES AND STRATEGIES

The Board of Trustees (“the Board”) is pleased to present its Annual Report, together with the Financial Statements of Mary Ward Settlement (“the Settlement”) for the year ended 31st July 2025. This report is also prepared to meet the requirements for a Directors’ Report and Financial Statements for Companies Act purposes.

LEGAL STATUS

The Settlement is a registered charity (number 223066) and company limited by guarantee (number 00046188), first registered in December 1895. It provides adult education and community services under its trading name of the Mary Ward Centre (“the Adult Education Centre”). The Settlement is also the controlling entity of the Mary Ward Legal Centre (“the Legal Centre”) and Blackfriars Settlement (“Blackfriars”), both of which are wholly owned subsidiaries.

For the purpose of these Financial Statements, references to the Settlement or Group, refer to the activities and consolidated results of the Adult Education Centre, the Legal Centre and Blackfriars, whilst references to the Adult Education Centre or Centre include only those activities and results of the parent entity trading as Mary Ward Centre in its role as an Institute of Adult Learning (IAL). References to the Board or to the trustees refer to the Board of the Settlement or to its trustees, unless specifically stated otherwise.

OBJECTS AND MISSION

The objects for which the Settlement is established are the advancement of public education and the promotion of social service for the benefit of the community. The Settlement’s mission is to develop and provide excellent, innovative and wide ranging adult education and community services.

PUBLIC BENEFIT

In setting and reviewing the Settlement’s strategic objectives, the Board has had due regard for the Charity Commission’s guidance on public benefit and particularly upon its supplementary guidance on the advancement of education. The guidance sets out the requirement that all organisations wishing to be recognised as charities must demonstrate, explicitly, that their aims are for the public benefit.

In delivering its mission, the Settlement provides the following identifiable public benefits through the advancement of education and community services:

- High quality teaching;
- Advice, information, assistance and representation dealing with housing, debt, welfare benefits and other financial and legal problems;
- Widening participation and tackling social exclusion;
- Strong student support systems, particularly for students with physical and learning difficulties; and
- Vocational support where appropriate.

The effectiveness of the Settlement’s delivery of public benefit is covered throughout the Trustee’s Report.

IMPLEMENTATION OF THE STRATEGIC PLAN

The Settlement worked towards the objectives of the Strategic Plan covering the period 2023-2028, of which a key element includes establishing itself at its new location in Stratford, known as The Mary Ward Centre. Supporting the aim of wider London reach, the Settlement continued to offer pro bono legal advice from the Mary Ward Centre and from its offices in the London Borough of Camden as well as offering classes and community based activities from the home of Blackfriars in the London Borough of Southwark. For the first time during 2024-25, a programme of specialist art classes was offered from the Redbridge Institute in the London Borough of Redbridge.

CORE VALUES AND OBJECTIVES

The Settlement is guided by the Core Values and Strategic Aims. Acknowledging the imminent completion of the new site at Stratford, at a Strategy Day in June 2024, the Board met to consider the Strategic Plan for the period 2024-28, and subsequently, the following Core Values and Strategic Aims were agreed across the Settlement group.

MARY WARD SETTLEMENT
REPORT OF THE BOARD OF TRUSTEES
FOR THE YEAR ENDED 31 JULY 2025

CORE VALUES AND OBJECTIVES (CONTINUED)

Core Values

- **PEOPLE:** we ensure the needs of students and service users are at the heart of everything we do
- **COMMUNITY:** we value and contribute positively to the communities we serve
- **LEARNING:** we provide access to learning that enriches people's lives, increases opportunities, and diminishes disadvantage
- **JUSTICE:** we are committed to social justice and provide access to secure legal rights
- **RESPECT:** we value and support staff, teams and volunteers, and develop their talents
- **EQUALITY:** we foster equality, seek to eliminate discrimination and improve inclusion
- **INTEGRITY:** we are honest, fair, accountable and financially responsible
- **SUSTAINABILITY:** we actively seek sustainable practices
- **EXCELLENCE:** we strive for excellence as individuals, teams and as an institution

Strategic Aims

- **Contributing to local and London economies**
We will contribute to social and economic prosperity by extending our work into new areas whilst supporting more vibrant, tolerant, safe and healthy communities where everyone has the opportunity for learning, to build skills and meet personal or professional goals.
- **Enrich and strengthen the communities we serve**
We will strengthen local communities' ability to access support, advice, learning and employment, reducing social isolation and improving life chances.
- **Provide flexible and outstanding, demand-led provision and services**
We will grow and maintain a diverse, agile and adaptable workforce delivering demand-led and co-created provision that can respond to the demands of its users, changing priorities and local needs.
- **Be a visible and valued partner and place**
We will be a well known, trusted and respected partner, a 'go to' for input, development and advice across all of the sectors that our work encompasses.
- **Ensure current and future stability**
We will ensure current and future organisational stability and sustainability through financial health, leadership, governance and a skilled work force.

The Board monitors the performance of the Settlement against the plan and reviews and updates the plan annually.

STRATEGIC REPORT

ACHIEVEMENTS AND PERFORMANCE - ADULT EDUCATION CENTRE

The Centre's second year in Stratford began strongly, with an increase in enrolments and tuition fees for 2024-25, both around 23% higher overall than for 2023-24, and over 30% higher than its final year in central London. The Centre also underwent an OFSTED inspection during January 2025 and secured a solid 'Good' with particular praise given for the positive environment that is created for learners and the demonstrable progress made since relocating. Specifically, the OFSTED report highlighted that "since relocating to east London, Leaders and Managers have successfully developed a wide range of new partnerships to ensure they understand the skills needs in the area" and that "Leaders and Managers have made sure that over a period of significant change in the organisation, students continue to receive a good quality education." However, the costs of running the new Mary Ward Centre, including servicing the commercial debt which helped fund the construction work, were higher than anticipated. Even with the modest increase in student numbers, cash receipts overall were lower than cash outflows, putting severe pressure on cash balances.

MARY WARD SETTLEMENT
REPORT OF THE BOARD OF TRUSTEES
FOR THE YEAR ENDED 31 JULY 2025

STRATEGIC REPORT (CONTINUED)

ACHIEVEMENTS AND PERFORMANCE - ADULT EDUCATION CENTRE (CONTINUED)

Consequently, in January 2025, the Centre approached the Department for Education (“DfE”) for financial assistance, accepting a loan facility of £500,000 to be drawn down between April and October 2025. A requirement of the loan was for the Centre to work closely with the Further Education Commissioner’s (FEC) team centre putting a financial Recovery Plan in place and embarking on a Structure and Prospects Appraisal (SPA) process. The SPA process has resulted in the identification of Newham College of Further Education as a potential merger partner to provide stronger financial resilience.

Looking ahead, aside from continuing to work towards a merger and strengthening the financial position of the Settlement as a whole, the Settlement’s priorities for 2025-26 include continuing to work to maximise the value added and ability to achieve its charitable objectives for the benefit of its students, clients, members, staff and stakeholders.

The Centre’s Annual Development and Improvement plan, arising from its annual Self-Assessment Report, provided focus for targeted actions that assisted in making progress towards meeting the relevant Strategic Objectives.

PERFORMANCE INDICATORS

A series of performance indicators have been agreed to monitor the successful implementation of the policies. The performance against the Adult Education Centre’s targets is set out in the table below:

Key Performance Indicator	Target 2024-25	Achieved 2024-25	Target 2023-24	Achieved 2023-24
Maximise the number of people who access adult education	2,750	3,040	2,500	2,606
Maximise the number of course enrolments	6,600	6,870	5,500	5,579
Maximise the average number of students per course	10	10.3	10	9
Maintain high average level of student retention; AND Maintain high retention across ALL courses	90%+	97%	90%+	96%
Maintain high level of student satisfaction	95%+	95%	95%+	96%
Maintain high level of average pass rates on accredited courses; AND Maintain high level of pass rates on ALL non-accredited courses	90%+	96% and 99%	90%+	96% and 96%
Improved average achievement rates for students taking accredited courses	90%+	90%	90%+	87%
Improved achievement rates on ALL non - accredited qualifications	90%+	100%	90%+	96%
The % of students reporting additional benefits is increasing	n/a	All students who returned a questionnaire reported at least one additional benefit to learning	n/a	All students who returned a questionnaire reported at least one additional benefit to learning

MARY WARD SETTLEMENT
REPORT OF THE BOARD OF TRUSTEES
FOR THE YEAR ENDED 31 JULY 2025

STRATEGIC REPORT (CONTINUED)

ACHIEVEMENTS AND PERFORMANCE - ADULT EDUCATION CENTRE (CONTINUED)

The Centre is committed to monitoring a range of key sector indicators and is required to complete the Annual Finance Record for the DfE. The Centre's financial health grading is assessed by the DfE as "Inadequate" (2023-24: "Requires Improvement"). The 'Inadequate' financial health grade is automatically applied following the acceptance of emergency financial assistance from the DfE.

ACHIEVEMENTS AND PERFORMANCE - MARY WARD LEGAL CENTRE

The Legal Centre's specific achievements for 2024-25 are outlined below:

- Continuing to prevent homelessness, improve people's housing conditions, combat poverty, help people reduce their debt and maximise their income through providing free specialist casework and representation in housing, debt and welfare benefits;
- Securing additional grant funding and donations to deal with the impact of the cost of living crisis;
- Helping over 1400 people with their legal issues;
- Working in partnership with local organisations to deliver outreach advice;
- Delivering against contractual funding outputs and outcomes;
- Continuing to meet the Law Society's legal practice quality mark - Lexcel - and being commended for sustaining an extremely high level of compliance against the standard.
- Delivering a pro bono advice service to help more people who cannot access help from legal aid to resolve their legal issues;
- Securing funding from City Bridge Foundation to enable us to deliver much-needed specialist welfare benefits advice across London;
- Securing continued funding from the GLA through the London Legal Support Trust to increase our capacity to provide specialist housing and welfare benefits advice pan-London;
- Securing multi-year funding for a generalist adviser to provide holistic support and increase our outreach in Camden;
- Supporting three members of staff to train as trainee solicitors;
- Clients receiving help with their welfare benefits appeals achieved an average increase of £87 a week in benefits;
- Playing an active role in local advice partnerships in Camden and Newham, including chairing and hosting the Newham Advice and Advocacy Forum;
- Working in partnership with other community organisations and food banks in Newham to provide specialist advice to food bank users.

PERFORMANCE INDICATORS

The actual performance against the agreed targets are set out in the table below:

Key Performance Indicator	Target 2024-25	Achieved 2024-25	Target 2023-24	Achieved 2023-24
Meet annual target for matter starts	1,262	1,353	1,230	1,407
Maintain the number of people who get advice through pro bono clinics	100	107	100	122
Maintain a high level of client satisfaction	95	98	95%	99%
Maintain the high % of cases that have a positive outcome	92	95	92%	96%
A high % of clients who respond to our survey report an improvement in health and well-being	88	94	88%	96%

MARY WARD SETTLEMENT
REPORT OF THE BOARD OF TRUSTEES
FOR THE YEAR ENDED 31 JULY 2025

STRATEGIC REPORT (CONTINUED)

ACHIEVEMENTS AND PERFORMANCE - BLACKFRIARS SETTLEMENT

The year has again been defined by significant growth in demand, greater complexity of need, and continued pressure on community resources. Across all services, the Settlement has responded with compassion, creativity and resilience, underpinned by strong partnership working, increased volunteer engagement, and a sustained focus on supporting people experiencing the inequalities highlighted through our IMD analysis.

The Settlement's services continue to reach residents living predominantly in the most deprived areas of Southwark. IMD mapping, carried out during the year, again shows a high concentration of members in the borough's highest-need deciles, reinforcing the essential role the Settlement's programmes play in tackling isolation, poor health, digital exclusion and financial hardship.

A major focus this year has been on maximising the use and quality of the Settlement's premises in order to attract new tenants and improve the spaces and facilities for participants. For a proportion of this financial year the Settlement had up to 2 office rental spaces vacant and consequently, a significant shortfall in rental income in relation to prior periods. Unrestricted rental income is an essential source of funding, supporting cashflow and costs. A capital grant from the GLA and the Local Skills Improvement Fund has enabled the Settlement to begin a programme of refurbishment to reconfigure spaces, modernise decoration and resources, and introduce new technology to enhance the learning environment for students and members.

Despite operating with a reduced staff team for part of the year, the Settlement was able to deliver more activities, welcome more new members and expand its reach. Volunteers contributed over 15,000 hours, enabling us to maintain and grow the Settlement's offer at a time of rising demand.

The Settlement has continued to develop activities across services, creating opportunities for members from different programmes to connect. A strong example was the Mental Health and Wellbeing Week, supported by St James Facilities, which brought together members for complimentary therapies, a community café, afternoon tea and cross-service discussions. These shared experiences help reduce stigma around mental health and build understanding of mental health across generations. The event included a public viewing exhibition of art and creative works, that led to a small commissioning of artwork from one of the Settlement's members. In response to a desire to exhibit externally, an opportunity to take part in a partnership with St John's Here exhibition at St John's Church in Waterloo was developed.

PERFORMANCE INDICATORS

MHWB	2020-21	2021-22	2022-23	2023-24	2024-25
Members supported	108	93	112	135	191
Referrals	46	41	51	64	45
New members	13	20	35	24	23

MARY WARD SETTLEMENT
REPORT OF THE BOARD OF TRUSTEES
FOR THE YEAR ENDED 31 JULY 2025

STRATEGIC REPORT (CONTINUED)

ACHIEVEMENTS AND PERFORMANCE - BLACKFRIARS SETTLEMENT (CONTINUED)
PERFORMANCE INDICATORS (CONTINUED)

PA	2020-21	2021-22	2022-23	2023-24	2024-25
Members supported	529	584	483	441*	472
New members	103	104	72	68	103
People attending sessions	219	289	280	293	309
Total attendances	5,460	8,805	9,462	10,419	10,695
Befriended members	180	124	112	80**	74
Befriending referrals	64	98	52	36	87
Education					
Students	189	703	714	615	608
Enrolments	451	1,360	1,415	1,427	1,357

*Reporting has been automated in the period and figures updated for accuracy.

FINANCIAL REVIEW

The Settlement had an operating deficit of £576,000 in the year (2023-24: £20,000). This was before the inclusion of a £59,000 (2023-24: £55,000) Local Government Pension Scheme (“LGPS”) service cost; £45,000 LGPS finance credit (2023-24: £47,000); and £1,000 (2023-24: £1,000) LGPS administration cost. The deficit for the year after inclusion of those net costs was £590,000 (2023-24: £29,000). Additionally, an actuarial gain of £14,000 was made by the LGPS (2023-24: £9,000). Overall, total comprehensive expenditure for the year was £576,000 (2023-24: £20,000).

The Settlement’s accumulated reserves fell to £11,871,000 (2023-24: £12,447,000). The Settlement’s target is to increase reserves, by a minimum of 1% of income, before taking into account the impact of LGPS costs.

The written down value of fixed assets fell to £26,797,000 (2023-24: £26,938,000). Capital expenditure in the year totalled £626,000 (2023-24: £806,000).

The depreciation charge for the year totalled £767,000 (2023-24: £499,000). The value of the investment funds held by the Settlement remained at £31,000 (2023-24: £31,000).

The Settlement’s operational income rose by £175,000 to £5,981,000 (2023-24: £5,806,000), reflecting an increase in Adult Education tuition fees, and an increase in grants and value in kind donations provided to the Legal Centre.

MARY WARD SETTLEMENT
REPORT OF THE BOARD OF TRUSTEES
FOR THE YEAR ENDED 31 JULY 2025

FINANCIAL REVIEW (CONTINUED)

Costs of the Settlement rose by £736,000 to £6,571,000 (2023-24: £5,835,000). This increase reflects higher staff costs reflecting a modest 2.5% pay award, increases on employer's pension and national insurance costs during the period and a full year's depreciation charge on the Mary Ward Centre compared with a partial year's charge from the date of Practical Completion for the prior year.

The Adult Education Centre's income rose by £14,000 to £3,921,000 (2023-24: £3,907,000) reflecting increases in recurrent grants and release of deferred capital grants and an increase in tuition fees, largely offset by a reduction in non-recurrent grants and donations.

Costs at the Adult Education Centre rose by £543,000 to £4,492,000 (2023-24: £3,949,000) reflecting the higher staffing levels and depreciation costs noted above.

The Legal Centre's income increased by £148,000 to £1,478,000 (2023-24: £1,330,000), of which £1,032,000 (2023-24: £977,000) came from operational grants and funding for legal advisory services and £446,000 (2023-24: £353,000) from donations and other fundraising, including value in kind donations of £312,000 (2023-24: £228,000) from pro bono advice and the provision of legal trainees.

Legal Centre costs rose by £141,000 to £1,435,000 (2023-24: £1,294,000). This primarily reflects the estimated value of donated legal services from pro bono advice noted above and an increase in staff costs.

At Blackfriars, operational income was £681,000 for the period (2023-24: £688,000). The fall in income reflecting lower rental income largely offset by a higher level of donations and legacies. Operational expenditure increased by £35,000 to £745,000 (2023-24: £710,000), reflecting an increase in staff costs.

The 2024-25 Financial Statements and associated Notes are set out on pages 33 to 60.

TREASURY MANAGEMENT

Treasury management is the management of the Settlement's cash flows, its banking, money market and capital market transactions, the effective control of the risks associated with those activities and the pursuit of optimum performance consistent with those risks.

Following the reclassification of colleges by the ONS in November 2022 all new borrowing requires the consent of HM Treasury. Subject to such consent, short term borrowing for temporary revenue purposes is authorised by the Accounting Officer and such arrangements are also restricted by limits in the Settlement's Financial Memorandum agreed with the Department for Education. All other borrowing requires the authorisation of the Board in order to comply with the Financial Memorandum.

There was a net decrease in the cash held by the Settlement of £59,000 to £801,000 (2023-24: increase of £565,000 to £860,000). This included receipt of £400,000 in emergency loan funding from the DfE.

RESERVES POLICY

The Settlement recognises the importance of reserves in the financial stability of the organisation and has a stated Reserves Policy to hold a minimum of 1 to 3 month's operating expenditure as unrestricted free reserves. Consequently the Settlement continues to ensure that it has adequate reserves to support its core activities.

As at the balance sheet date the Settlement's unrestricted reserves were £11,863,000 (2023-24: £12,438,000) of which £2,620,000 were unrestricted fixed asset reserves (2023-24: £2,694,000) and £9,243,000 were other unrestricted reserves (2023-24: £9,744,000). Restricted reserves totalled £8,000 (2023-24: £9,000).

Of these reserves £276,000 (2023-24: £214,000) are immediately available, or at short notice and can be drawn upon to meet the working capital needs of the Settlement. The target is for the Settlement to carry

MARY WARD SETTLEMENT
REPORT OF THE BOARD OF TRUSTEES
FOR THE YEAR ENDED 31 JULY 2025

RESERVES POLICY (CONTINUED)

free reserves equivalent to a minimum of 1 to 3 month's expenditure. At the balance sheet date, free reserves were 63% of the lower end of the target and 21% of the higher end.

The relatively low level of reserves, at the Balance Sheet date, reflects the slower than anticipated growth in the Adult Education Centre's operations following its relocation to Stratford resulted in the Settlement's free reserves falling below target. It is the Board's intention to restore the Settlement's reserves, excluding any impact from the LGPS, to at least the minimum target level as soon as practical.

CURRENT AND FUTURE DEVELOPMENTS AND PERFORMANCE

FINANCIAL HEALTH

In 2024-25 the Adult Education Centre was rated "Inadequate" under the DfE financial health grading system, an automatic grading associated with the Settlement's request for emergency funding to support its operations (2023-24: "Requires Improvement"). Following this request, the DfE approved an emergency loan of £500,000, of which £400,000 was drawn in April 2025, with the balance drawn in October 2025.

The financial difficulties of the Adult Education Centre arose against the backdrop of the strategic activity taken to implement the Property Strategy over the past 7-8 financial years, which saw the cash balance and free reserves fluctuating, but ultimately falling over the whole of this extended period, as well as the drawdown of a commercial mortgage, needed to fund the development work at The Mary Ward Centre, Stratford.

Following acceptance of the emergency DfE funding the Settlement has been obliged to set out a Recovery Plan which includes financial targets for enrolments, tuition fees and financial health, monitored on a weekly or monthly basis. The DfE are providing additional support through regular meetings and initiated a Structure and Prospects Appraisal ('SPA') process to identify the most appropriate means of managing the Centre as a going concern. The SPA process has resulted in the identification of Newham College of Further Education as a potential merger partner to provide stronger financial resilience.

Looking ahead, aside from continuing to work towards a merger and strengthening the financial position of the Mary Ward group as a whole, the Settlement's priorities for 2025-26 include working to maximise the value added and ability to achieve its charitable objectives for the benefit of its students, clients, members, staff and stakeholders.

It is accepted that in the short term, the Settlement's relocation to this new area of London has required significantly more than anticipated investment in the curriculum, marketing and resources, while growth of paid-for enrolments has been slower. These, combined with strong demand for fully funded provision, has led to the current financial pressures. Our expectation is that in the short term, the Settlement will work towards merger with Newham College of Further Education, and that in the medium to long term, operations from The Mary Ward Centre in Stratford should ultimately see a return to much stronger financial sustainability, with the support of the merger partner and with corresponding careful budgetary management, increased student enrolment and higher average class sizes.

STUDENT NUMBERS

The Adult Education Centre is funded according to the levels of activity that it generates. In 2024-25, the Adult Education Centre generated a funding value of £2,598,161 (2023-24: £2,447,267). The total number of students enrolled onto courses was 3,040 (2023-24: 2,606). Student retention was 97% (2023-24: 96%).

MARY WARD SETTLEMENT
REPORT OF THE BOARD OF TRUSTEES
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STUDENT ACHIEVEMENTS

In 2024-25 there were 462 examination entries of which 383 were successful (2023-24: 323 and 280 respectively). The overall achievement rate was 96% (2023-24: 96%), which is assessed using the Recognising and Rewarding Progress and Achievement (RARPA) strategy.

CURRICULUM DEVELOPMENTS

In 2024-25, the Adult Education Centre successfully navigated changes in funding rules, including the expanded eligibility for loans and the introduction of free courses for jobs. These adjustments were managed effectively, allowing the Adult Education Centre to maintain a balanced and responsive curriculum offer.

Building on insights from the first year of delivery, the curriculum underwent significant refinement. Evidence and data were used to identify popular and less popular courses, enabling a strategic shift in provision. The timing of learning was also reconsidered to better suit working adults, with increased demand for shorter, bite-sized courses offered on weekends and evenings. While maintaining a mix and balance across the curriculum, the Adult Education Centre reduced offerings that saw lower enrolment, even though they were part of the initial pilot year.

These changes led to measurable improvements compared to the previous year, including:

- Enhanced engagement with small businesses for training opportunities.
- Securing a partnership with a national employer who invested in several accredited courses, contributing to increased revenue.

Curriculum planning continues to be informed by a robust needs analysis of local communities, alongside a broader view of adult education across London. The Adult Education Centre has demonstrated agility in reviewing and realigning its curriculum to reflect shifting priorities and funding constraints, while preserving its distinctive character and learning patterns.

In 2024-25, the Adult Education Centre sustained its commitment to offering courses funded entirely by student fees, successfully delivering these across the curriculum. The strategic approach focused on optimising the mix of fully funded and paid-for provision, ensuring maximum delivery within the constraints of space and resource costs. These efforts have resulted in continued improvement and impact. In 2024-25 enrolments rose by 23% and fee income by 23%.

Community Outreach continued to be successful at providing courses for older people, minority groups and hard-to-reach communities to reduce social isolation and access to education. Due to financial pressures and the need to reduce costs, however, the Centre closed its community outreach programme.

Partnerships with external agencies such as Waltham Forest LA and Newham Works and charities such as Helen Bamber Foundation and Just Homes continue to develop to provide referrals to meet students' needs to learn English and help them into work. In Work Skills and Employability, Level 1 and Level 2 courses continue to be offered; these offer transferrable work skills including Functional Skills, ICT Users, Digital Skills for Work as well as non-accredited options such as Excel and "Making a Start To Support You with Your Computer". The review and redevelopment of this area has proved successful and seen an increase in enrolments.

A partnership with Birkbeck University resulting in a co-designed and co-delivered number of Pathways workshops to offer advice and guidance to progress into education and work continues to be offered. Although 24+ Loan funding continues to be offered in Community Interpreting, Counselling and Art and Design, the take up of student loans has declined because some students are now eligible for full funding on some of these courses at Level 3 and level 4 following a change in the GLA's Funding Flexibilities (ref "GLA

MARY WARD SETTLEMENT
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CURRICULUM DEVELOPMENTS (CONTINUED)

Adult Skills Fund 2025-26: Funding and Performance Management Rules for Grant Funded Providers”). Progression routes in Community Interpreting into specialist areas have also been offered, e.g., Level 6 - Preparation for the Diploma in Public Service Interpreting: Law Option was delivered in partnership with a national employer.

PAYMENT PERFORMANCE

The Late Payment of Commercial Debts (Interest) Act 1998, which came into force on 1st November 1998, requires colleges, in the absence of agreement to the contrary, to make payments to suppliers within 30 days of either the provision of goods or services or the date on which the invoice was received.

The target set by the Treasury for payment to suppliers within 30 days is 95%. During the accounting period 1st August 2024 to 31st July 2025, following the financial difficulties referred to elsewhere in this Report, the Settlement fell short of this target, with an estimated 75% of its invoices paid within 30 days. An improvement in the cash position following the year-end, has enabled the Settlement to improve its payment performance with the aim of meeting the 95% target for the second half of 2025-26. The Settlement incurred no interest charges in respect of late payment for this period.

EVENTS AFTER THE END OF THE REPORTING PERIOD

Significant post-balance sheet events are set out in Note 22.

FUTURE DEVELOPMENTS

ADULT EDUCATION CENTRE

The Centre plans to continue to be a distinct and high quality provider of adult and continuing education, to increase its provision for students over the next 3 years and to improve from the “Inadequate” financial status as measured by the DfE within the life of the 4 year Recovery Plan. The Centre’s Recovery Plan sets out targets for steady growth over the 4 year Recovery Period which, if targets are met, will enable the Centre to begin repayment of the DfE emergency funding following the end of the 2025-26 year, with full repayment by 2028-29. It is expected that there will be continuing development of a range of courses funded by using flexibilities, student loans and Free Courses For Jobs, as well as expanding Tailored Learning provision into new and innovative areas. The long-term impact of Covid-19 combined with domestic financial pressures has had an on-going impact on the habits and expectations of students. . Consequently, the Centre is continually reviewing the appropriateness and viability of its provision, alongside its marketing and communications strategy, in order to remain relevant and attractive to students.

Alongside the Recovery Plan, as part of the SPA process and as noted above, the Centre has actively considered merger opportunities with other compatible Further Education (“FE”) Institutions in order to provide a more financially robust future. Following the year-end date a number of FE providers were asked to provide Expressions of Interest, and shortlisted parties were invited to present detailed plans for a merger. At the date of signing, the Board has identified Newham College of Further Education as a potential merger partner and has begun due diligence to be completed to both parties’ satisfaction prior to agreement of terms.

MARY WARD LEGAL CENTRE

Looking forward the Centre expects to be able to achieve the following:

- To ensure pan-London provision of its specialist advice in housing, welfare benefits and debt.
- To review and develop its pro bono service.
- To develop its public law work under a legal aid contract.
- To expand its outreach provision to Family Hubs and explore health settings.
- To take an active role in advice networks, and work in partnership with local advice providers and community organisations.
- To continue to seek new sources of income and funding to deliver specialist legal advice services including raising unrestricted income.

MARY WARD SETTLEMENT
REPORT OF THE BOARD OF TRUSTEES
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FUTURE DEVELOPMENTS (CONTINUED)

BLACKFRIARS SETTLEMENT

Looking forward Blackfriars Settlement expects to be able to achieve the following, as part of its Strategic Plan:

- To maintain and develop the range of activities currently offered to the local community by the Settlement - primarily for the elderly and for people experiencing mental health issues;
- To partner Mary Ward Adult Education Centre in hosting adult education classes at the Rushworth Street premises; and
- To partner Mary Ward Legal Centre in hosting Legal Advice clinics and drop-in services at the Rushworth Street premises.

GOING CONCERN

The Settlement incurred an operating deficit of £576,000 for the year (2023-24: £20,000) against an original budgeted surplus of £123,000. The underperformance in relation to the original budget was primarily the consequence of a more difficult than anticipated performance at the Adult Education Centre following its relocation to Stratford at the start of the 2023-24 financial year.

While 2024-25 began more strongly than the previous year, with an increase in enrolments and tuition fees for 2024-25 around 20% higher overall, than for 2023-24, and up to 30% higher than its final year in central London, the costs of running the new Mary Ward Centre, were higher than expected. Even with the modest increase in student numbers, cash receipts overall were lower than cash outflows, putting severe pressure on cash balances.

Consequently, in January 2025, the Settlement approached the Department for Education (DfE) for financial assistance, accepting a loan facility of £500,000 to be drawn down between April and October 2025. The Centre has worked closely with the Further Education Commissioner's (FEC) team to put a financial Recovery Plan in place with the aim of re-building the Settlement's finances to a sustainable level over a 4 year Recovery Period.

As part of its financial Recovery Plan, the Settlement has developed detailed financial projections which include targets, and modelling the impact of risks and uncertainties associated with those plans and those of its ongoing operations. Additionally, as part of the SPA process the Board actively considered merger opportunities with other compatible Further Education ("FE") Institutions in order to provide a more financially robust future for the Settlement, and has identified Newham College of Further Education as a potential merger partner, able to provide stronger financial resilience to enable the work of the Settlement to continue. The potential merger is subject to a process of due diligence and formal approval by the Board.

Notwithstanding any merger, the Settlement's challenge for the next few years will be to bring the ratio of tuition fee income and curriculum delivery costs to a sustainable level, enabling the Adult Education Centre to rebuild its operational cash, and for the Legal Centre and Blackfriars to continue to secure sufficient, reliable, income streams to support their key operations, including the core costs that underpin them.

Cashflows and budgets to July 2027 and beyond include the following assumptions:

- A certain level of tuition fee income vs costs of delivery
- Delivery of the full adult education budget
- Careful management of the costs of running the Settlement's estate
- Careful management of the costs and operations of the subsidiaries
- Confirmation from the DfE that repayment of the emergency loan of £500,000 will not be required on October 2026 and the agreement of affordable terms following an affordability review in July 2026

MARY WARD SETTLEMENT
REPORT OF THE BOARD OF TRUSTEES
FOR THE YEAR ENDED 31 JULY 2025

GOING CONCERN (CONTINUED)

- Support from commercial lenders, specifically in relation to action over potential breach(es) of covenant during the Recovery Period.

As the most likely outcome in response to the particular challenges that have been facing the Settlement in the immediate aftermath of its relocation to Stratford is a merger with Newham College of Further Education with the transfer of net assets and liabilities to another entity (although there is a possibility that the legal entity remains), the Board has approved these financial statements on a basis other than Going Concern, following an assessment at its meeting in April 2026. No adjustments to book values have been made as a result of this.

RESOURCES

The Settlement has a variety of resources that it can deploy in pursuit of its strategic objectives. Tangible resources include the freehold of the Mary Ward Centre on Stratford High Street in the London Borough of Newham and the long term leasehold (995 years) of 1 Rushworth Street.

Financial

The Settlement has £11,871,000 of net assets (2023-24: £12,447,000). The balance owing to the Charity Bank Limited was £3,260,000, to the Social Investment Business was £106,000 and to the DfE was £400,000 as at 31st July 2025 (2023-24: £3,300,000, £251,000 and £nil, respectively).

People

The Senior Management Team comprised five members of staff and is expected to remain at this level for the foreseeable future. The staff teams of the Adult Education Centre, the Legal Centre and Blackfriars are settled, with a low turnover. The Adult Education Centre employs a wide range of sessional tutors, many of whom have taught at Mary Ward for many years.

Reputation

The Settlement has a very well established reputation and draws students and clients from across London and beyond. The Adult Education Centre is known as ‘the friendly place to learn’. It is also well known for its ability to support students with both physical and learning difficulties. The Legal Centre is well regarded in the legal community, shown by the continuing support of a number of major law firms. Blackfriars runs a wide variety of well-established clubs, activities and services for older people and for people with mental health issues and continues to be well regarded in its local community in the London Borough of Southwark.

PRINCIPAL RISKS AND UNCERTAINTIES

The Settlement has undertaken further work during the year to develop and embed the system of internal control, including financial, operational and risk management which is designed to protect the Settlement’s assets and reputation.

Based on the Strategic Plan, the Senior Management Team regularly undertakes a comprehensive review of the risks to which the Settlement is exposed. They identify systems and procedures including specific preventable actions which should mitigate any potential impact on the Settlement. The internal controls are then implemented and the subsequent year’s appraisal will review their effectiveness and progress against risk mitigation actions. In addition to the annual review, the Senior Management Team will also consider any risks which may arise as a result of a new area of work being undertaken by the Settlement.

A risk register is maintained at the Settlement level, which is reviewed regularly by the Audit and Risk Committee. The risk register identifies the key risks, the likelihood of those risks occurring, their potential impact on the Settlement and its subsidiaries and the actions being taken to reduce and mitigate the risks. Risks are prioritised using a consistent scoring system. The risk register includes a separate section for each business stream and, as needed, for major projects.

MARY WARD SETTLEMENT
REPORT OF THE BOARD OF TRUSTEES
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PRINCIPAL RISKS AND UNCERTAINTIES (CONTINUED)

Outlined below is a description of the principal risk factors that have the potential to have a significant impact on the Settlement. Not all the factors are within the Settlement's control:

- Destabilisation as a result of combined and continued unprecedented change
- The ongoing effects of the current economic environment, including difficulties in retaining and recruiting staff as a result of being unable to keep pace with salary inflation
- Risks in connection with the relocation to a new area of London, and the operation of a newly developed site
- Increasing mismatch between work demands and the capacity of staff to deliver
- Risks in relation to the use of ageing IT solutions
- The combination of slow growth and rising costs leading to cashflow pressures

STAKEHOLDER RELATIONSHIPS

The Settlement has many stakeholders including:

- students;
- clients;
- funding bodies;
- staff;
- local employers (with specific links);
- our local authorities;
- the Mayor of London's office;
- local community and voluntary organisations; and
- other colleges, in particular other AECs.

The Settlement recognises the importance of these relationships and is active in their maintenance and development.

EQUAL OPPORTUNITIES AND EMPLOYMENT OF DISABLED PERSONS

A Single Equality Policy is in place and is published on the Settlement's website. The Settlement also publishes an Annual Equality Report, which includes its equality objectives. This ensures compliance with all of the relevant legislation, including the Equality Act 2010. The Settlement also undertakes equality impact assessments on policies and procedures as appropriate.

The Settlement is committed to ensuring equality of opportunity for all who learn and work there. It respects and values positively differences in race, gender, sexual orientation, ability, class and age. It strives vigorously to remove conditions which place people at a disadvantage and it will actively combat bigotry. This policy will be resourced, implemented and monitored on a planned basis.

The Settlement considers all applications from disabled persons, bearing in mind the aptitudes of the individuals concerned. Where an existing employee becomes disabled, every effort is made to ensure that employment with the Settlement continues. The Settlement's policy is to provide training, career development and opportunities for promotion, which are, as far as possible, identical to those for other employees.

DISABILITY STATEMENT

The Settlement seeks to achieve the objectives set down in the Disability Discrimination Act 1995 as amended by the Special Educational Needs and Disability Acts 2001 and 2005 and the Equality Act of 2010 by:

- having a management structure bringing together the support for learners with disabilities and learning difficulties and the provision of additional learning support;
- the supply of specialist equipment for use by students with disabilities;
- the continuing investment in resources to support students with learning difficulties and/or disabilities; and

MARY WARD SETTLEMENT
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DISABILITY STATEMENT (CONTINUED)

- the continuing programme of staff development to ensure the provision of a high level of appropriate support for students who have learning difficulties and/or disabilities.

In 2024-25 22% (2023-24: 23%) of the student body declared a disability or learning difficulty. This remains high in comparison with adult and further education colleges in general which is between 14% and 15%.

FUNDRAISING

The Settlement aims to achieve best practice in the way in which it communicates with donors and other supporters. It takes care with both the tone of its communications and the accuracy of its data to minimise the pressures on supporters. It applies best practice to protect supporters' data and never sells or shares data, and ensures that communication preferences can be changed at any time. The Settlement manages its own fundraising activities and, during the period under review, has employed the services of a professional fundraising organisation who have made one of their employees available to provide hands-on expertise and operational input. The Settlement undertakes to react to and investigate any complaints regarding its fundraising activities and to learn from them and improve its service.

During 2024-25, the Settlement received no complaints about its fundraising activities.

TRADE UNION FACILITY TIME

There were no employees who were relevant union officials during the period, so there was no time or percentage of the pay bill spent on facility time. There were no paid trade union activities during the year.

DISCLOSURE OF INFORMATION TO AUDITORS

The members of the Board who held office at the date of approval of this report confirm that, so far as they are each aware, there is no relevant audit information of which the Settlement's auditors are unaware; and each member has taken all the steps that he or she ought to have taken to be aware of any relevant audit information and to establish that the Settlement's auditors are aware of that information.

Approved by order of the members of the Board on 21st April 2026 and signed on their behalf by:

Veronica Daly

[Veronica Daly \(Apr 28, 2026 17:17:07 GMT+1\)](#)

Veronica Daly

Chair

28/04/2026

MARY WARD SETTLEMENT

STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL

FOR THE YEAR ENDED 31 JULY 2025

STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL

The following statement is provided to enable readers of the Annual Report and Financial Statements of the Settlement to obtain a better understanding of its governance and legal structure. The statement covers the period from 1st August 2024 to 31st July 2025 and up to the date of the approval of the Annual Report and Financial Statements.

The Settlement endeavours to conduct its business:

- in accordance with the seven principles identified by the Committee on Standards in Public Life (selflessness, integrity, objectivity, accountability, openness, honesty and leadership);
- in full accordance with the guidance to colleges from the Association of Colleges in The Code of Good Governance for English Colleges; and
- having due regard to the UK Corporate Governance Code (“the Code”) insofar as it is applicable to its operational activities.

The Settlement is committed to exhibiting best practice in all aspects of corporate governance and, in particular, the Board has adopted and complied with the Code of Good Governance. The Board has not adopted, and therefore does not apply, the UK Corporate Governance Code. However, we have reported on our Corporate Governance arrangements by drawing upon best practice available, including those aspects of the UK Corporate Governance Code we consider to be relevant to the further education sector and best practice.

There was a period during the year when the Clerk to the Board was not fully available and consequently the Register of Interests was not kept fully up to date. Board members and other key members of staff declared their interests as required, at all meetings during this time, and following the appointment of Carol Meade as Clerk to the Board after the year end date, this matter has been remedied.

In the opinion of the Board, the Settlement complies with all the provisions of the Code of Good Governance, and it has complied throughout the year ended 31st July 2025. The Board recognises that, as a body entrusted with both public and private funds, it has a particular duty to observe the highest standards of corporate governance at all times.

The Settlement is a registered charity. The trustees confirm that they have had due regard for the Charity Commission's guidance on public benefit and that the required statements appear elsewhere in these Financial Statements.

THE BOARD

The members of the Board, or on the Boards of its subsidiaries, who served during the year and up to the date of signature of this report are as listed in the following table:

Member	Date of appointment	Term of office	Date of leaving	Elected trustees	Position and Committees served
Ms A Akande Pierre-Noel	June 24	4 years			Finance
Ms F Bates	March 2024	6 months ⁽¹⁾	December 2024		Chair (until date of resignation), Governance & Nominations (Chair)
Ms R Brain***	October 2019	4 years			
Ms N Cartner	Reappointed June 2022	4 years			Quality Improvement Group (Chair), Governance & Nominations, Marketing & Communications

MARY WARD SETTLEMENT
STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL
FOR THE YEAR ENDED 31 JULY 2025

THE BOARD (CONTINUED)

Member	Date of appointment	Term of office	Date of leaving	Elected trustees	Position and Committees served
Mr G Collins	May 2018	4 years			Vice Chair, Audit & Risk, Finance (Chair), Governance and Nominations
Ms V Daly	December 2024	4 years			Chair, Governance & Nominations (Chair)
Ms F DelGuidice**	May 2022	3 years		Student	
Ms K Duong	May 2018	4 years	October 2024		
Mr M Ellis	December 2025	4 years			
Ms E Henry**	May 2022	3 years		Staff	Quality Improvement Group
Mr T Hucker**	May 2022	3 years		Student	Finance, Quality Improvement Group
Mr N Janmohamed	June 2024	4 years			Audit Risk (Chair), Governance & Nominations
Mr F Martins***	September 2020	4 years			Governance & Nominations
Ms B Montoya	June 2017 extended to June 2022	4 years			Governance & Nominations
Mr P Nichols*	December 2021	4 years			Finance
Ms V Taylor	September 2025	4 years			Treasurer, Finance, Governance & Nominations
Ms S Todd	September 2020	4 years	October 2024		Governance & Nominations,
Ms E Wyatt*	Oct 2016 reappointed June 2021	4 years			Finance
Ms B Campbell acted as Clerk to the Board until 31 st July 2025. Ms C Meade was appointed as Clerk to the Board in March 2026.					

(1) Ms F Bates was appointed on a temporary basis as interim Chair of Trustees following the resignation of the previous Chair pending the selection and appointment of a new, permanent Chair

* Trustees of MWLC only

**Trustees of MWS only

*** Trustees of Blackfriars Settlement only

In addition to the Board, other people who served on committees during the year and up to the date of signature of this report were as listed in the following table:

Member	Date of Appointment	Date of resignation	Status of appointment	Committees served
Ms F Stormer	Re-appointed June 2023		External representative	Audit & Risk

It is the Board's responsibility to bring independent judgement to bear on issues of strategy, performance, resources and standards of conduct.

The Board is provided with regular and timely information on the overall financial performance of the Settlement together with other information such as performance against funding targets, proposed capital

MARY WARD SETTLEMENT

STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL

FOR THE YEAR ENDED 31 JULY 2025

THE BOARD (CONTINUED)

expenditure, quality matters and personnel related matters such as health and safety and environmental issues.

The Board conducts some of its business through a number of committees. Each committee has terms of reference which have been approved by the Board. These committees are Governance & Nominations, Remuneration, Finance, Audit & Risk, Marketing & Communications and Quality & Improvement.

Full minutes of all meetings except those deemed to be confidential are available from the Clerk clerk@marywardcentre.ac.uk or by writing to the Registered Office address.

ATTENDANCE

The table below summarises the attendance at Board and sub-committee meetings for the year to 31st July 2025. For trustees of subsidiary company boards, the number of meetings refers only to those meetings of the subsidiary they represent.

Member	Board	Finance	Audit & Risk	Quality & Improvement
Ms A Akande Pierre-Noel	3 of 4	2 of 4		
Ms F Bates	2 of 2	2 of 2	1 of 2	
Ms R Brain	3 of 4		2 of 3	4 of 4
Ms N Cartner	2 of 3			4 of 4
Mr G Collins	3 of 4	3 of 4	3 of 3	
Ms V Daly	3 of 3	2 of 2	1 of 1	
Ms F DelGuidice	1 of 4			
Ms K Duong	0 of 0		1 of 1	
Mr M Ellis	0 of 0			
Ms E Henry	3 of 4			0 of 4
Mr T Hucker	4 of 4	2 of 4		4 of 4
Mr N Janmohamed	4 of 4		3 of 3	
Mr F Martins	3 of 4			
Ms B Montoya	4 of 4			
Mr P Nichols	3 of 4	4 of 4		
Ms V Taylor	0 of 0			
Ms S Todd	0 of 0			
Ms E Wyatt	2 of 4	2 of 4		
Ms F Stormer			1 of 3	

The Remuneration Committee, Marketing and Communications Committee and Governance and Nominations Committee did not meet during the year.

In addition to the committees shown above, the following working groups operated during the year:

- Friends & Alumni - overseeing relationships with friends and alumni, reviewing and seeking fundraising opportunities
- Restructure - tasked with reviewing the group structure of the Mary Ward Settlement group following the ONS Reclassification of Colleges in November 2022
- Chair Recruitment - tasked with the appointment of the new, permanent Chair of Trustees

MARY WARD SETTLEMENT
STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL
FOR THE YEAR ENDED 31 JULY 2025

THE BOARD (CONTINUED)

The above working groups were not operated as formal committees with registers of attendance, nor were they formally clerked. However all significant discussions were reported back to the full Board, and a record of any decisions taken by the Board was formally noted as part of the full board minutes.

The Clerk maintains a register of financial and personal interests of the members of the Board. The register is available from the Clerk at the address provided above.

All members of the Board are able to take independent professional advice in furtherance of their duties at the Settlement's expense and have access to the Clerk to the Board, who is responsible to the Board for ensuring that all applicable procedures and regulations are complied with. The appointment and removal of the Clerk are matters for the Board as a whole.

Formal agendas, papers and reports are supplied to members in a timely manner, prior to board meetings. Briefings are also provided on an ad-hoc basis.

The Board has a strong and independent non-executive element and no individual or group dominates its decision-making process. The Board considers that each of its non-executive members is independent of management and free from any business or other relationship which could materially interfere with the exercise of their independent judgement.

There is a clear division of responsibility in that the roles of the Chair and the Warden, the Accounting Officer, are separate.

APPOINTMENTS TO THE BOARD

With the exception of ex-officio appointments, members of the Board hold office for a period of four years (increased from three years by special resolution at the AGM in March 2016). Elected trustees currently on the Board will serve the term to which they were elected. Appointed members may be re-appointed for a second term of four years on the recommendation of the Governance and Nominations Committee. Third and further terms of four years may exceptionally be approved by the board on recommendation of the Governance and Nominations Committee if it is considered that this would produce a better balance of knowledge, skills, commitment and experience amongst the members.

Student and staff members of the Board are eligible to stand for re-election at the end of their term. Staff members are not eligible to serve as members if they cease to be a member of staff of the Settlement. Student members may continue to the end of their elected term of office even if they cease to be students of the Adult Education Centre during their term.

The Board is responsible for ensuring that appropriate training is provided as required.

TRUSTEE INDUCTION AND TRAINING

Each new trustee has an induction programme designed to meet their needs as a trustee. The content of the programme will vary depending on their level of experience as a charity trustee and their knowledge and understanding of the Settlement.

The programme will include spending time with each of the key management personnel. They are also encouraged to attend appropriate external training events where these will facilitate the undertaking of their role.

MARY WARD SETTLEMENT
STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL
FOR THE YEAR ENDED 31 JULY 2025

BOARD PERFORMANCE

As part of its annual self-assessment process the Centre commissioned an external review of its governance practices during the 2023-24 financial year, following which a report and plan of action was agreed. The next external review is scheduled for the 2026-27 financial year.

REMUNERATION COMMITTEE

The membership of the Remuneration Committee is entirely ex-officio and comprises five members made up of the Chair, the Treasurer, and the chairs of the other committees. The Committee's responsibilities are to make recommendations to the Board on the remuneration and benefits of the Warden and other senior post-holders, and to oversee staff terms and conditions including annual cost of living increases.

Details of remuneration for the year ended 31st July 2025 are set out in note 10 to the Financial Statements.

THE GOVERNANCE AND NOMINATIONS COMMITTEE

The Governance and Nominations Committee comprises four members. The Committee is responsible for advising the Board on the composition, balance and appointment of the Board and its committees. It also ensures that members undergo a regular skills audit and that an annual assessment of training needs takes place.

AUDIT AND RISK COMMITTEE

The Audit and Risk Committee comprises up to five members. No member of staff is permitted to serve on the Audit and Risk Committee. The Committee operates in accordance with written terms of reference approved by the Board. The Audit and Risk Committee provides a forum for reporting by the Settlement's internal and financial statements auditors, who have access to the committee for independent discussion, without the presence of Settlement management.

The Settlement's internal auditors review the systems of internal control, risk management controls and governance process in accordance with an agreed plan of input and report their findings to management and the Audit and Risk Committee.

Management is responsible for the implementation of agreed audit recommendations and internal audit undertake periodic follow up reviews to ensure such recommendations have been implemented.

The Audit and Risk Committee also advises the Board on the appointment of internal, regularity and financial statements auditors and their remuneration for both audit and non-audit work, as well as reporting annually to the Board.

THE FINANCE COMMITTEE

The Finance Committee comprises up to five members. The Committee is responsible for advising the Board on all strategic finance related matters.

THE MARKETING AND COMMUNICATIONS COMMITTEE

The Marketing and Communications Committee comprises up to six members. The Committee is responsible for advising the Board on all marketing, communications and related matters.

THE QUALITY AND IMPROVEMENT COMMITTEE

The Quality and Improvement Committee comprises up to five members with a focus on the performance of the Adult Education Centre. The Committee is responsible for advising the Board on all educational quality improvement related matters.

MARY WARD SETTLEMENT
STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL
FOR THE YEAR ENDED 31 JULY 2025

RELATED PARTIES AND CO-OPERATION WITH OTHER ORGANISATIONS

None of the trustees receive remuneration or other benefit from their work with the Settlement. For the year under review, no trustees received remuneration in the year for their role as a trustee. There were no expenses and no related party transactions for the year ended 31st July 2025 (2023-24: none) other than donated legal services valued at £10,000 (2023-24: £nil), provided by a trustee, Mr N Janmohammed on behalf of the legal firm Charles Russell Speechlys LLP. This transaction has been treated as a Value in Kind donation.

Any connection between a trustee or senior manager of the Settlement and any organisation associated with the Settlement must be disclosed to the Board in the same way as any contractual relationship with a related party. See note 24 for details of related party transactions.

The Settlement has built up strong positive relationships over many years with a range of agencies in the public, private and charity sector.

INTERNAL CONTROL

SCOPE OF RESPONSIBILITY OF INTERNAL CONTROL

The Board is ultimately responsible for the Settlement's system of internal control and for reviewing its effectiveness. However, such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against material misstatement or loss.

The Board has delegated the day to day responsibility to the Warden, as Accounting Officer, for maintaining a sound system of internal control that supports the achievement of the Settlement's policies, aims and objectives, whilst safeguarding the public funds and assets for which she is personally responsible, in accordance with the responsibilities assigned to her in the Financial Memorandum between the Adult Education Centre and the DfE. She is also responsible for reporting to the Board any material weaknesses or breakdowns in internal control.

THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Settlement policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place at the Settlement for the year ended 31st July 2025 and up to the date of approval of the Annual Report and Financial Statements.

CAPACITY TO HANDLE RISK

The Board has reviewed the key risks to which the Settlement is exposed, together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board is of the view that there is a formal ongoing process for identifying, evaluating and managing the Settlement's significant risks that has been in place for the year ended 31st July 2025 and up to the date of approval of the Annual Report and Financial Statements. This process is regularly reviewed by the Board.

MARY WARD SETTLEMENT
STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL
FOR THE YEAR ENDED 31 JULY 2025

THE RISK AND CONTROL FRAMEWORK

The system of internal financial control is based on a framework of regular management information, administrative procedures including the segregation of duties, and a system of delegation and accountability. In particular, it includes:

- comprehensive budgeting systems with an annual budget which is reviewed and agreed by the governing body;
- regular reviews by the governing body of periodic and annual financial reports which indicate financial performance against forecasts;
- setting targets to measure financial and other performance;
- clearly defined capital investment control guidelines; and
- the adoption of formal project management disciplines where appropriate.

The Settlement has an internal audit service, which operates in accordance with the requirements of the DfE's *Post 16 Audit Code of Practice*. The work of the internal audit service is informed by an analysis of the risks to which the Settlement is exposed, and annual internal audit plans are based on this analysis. The analysis of risks and the internal audit plans are endorsed by the Settlement's governing body on the recommendation of the Audit and Risk Committee. At least annually, the internal audit service provides the governing body with a report on internal audit activity in the Settlement. The report includes the internal audit service's independent opinion on the adequacy and effectiveness of the Settlement's system of risk management, controls and governance processes.

THE REVIEW OF EFFECTIVENESS

As Accounting Officer, the Warden has responsibility for reviewing the effectiveness of the system of internal control. Her review of the effectiveness of the system of internal control is informed by:

- the work of the internal auditors;
- the work of the executive managers within the Settlement who have the responsibility for the development and maintenance of the internal control framework; and
- comments made by the Settlement's Financial Statements auditors and the Regularity auditors in their management letters and other reports.

The Warden has been advised on the implications of the result of her review of the effectiveness of the system of internal control by the Audit and Risk Committee which oversees the work of the internal auditor and other sources of assurance, and a plan to address weaknesses and ensure continuous improvement of the system is in place.

The Senior Management Team receives reports setting out key performance and risk indicators and considers possible control issues brought to their attention by early warning mechanisms, which are embedded within the departments and reinforced by risk awareness training. The Senior Management Team and the Audit and Risk Committee also receive regular reports from the internal auditor and other sources of assurance, which include recommendations for improvement. The Audit and Risk Committee's role in this area is confined to a high-level review of the arrangements for internal control. The Committee's agenda includes a regular item for consideration of risk and control and it receives reports thereon from the Senior Management Team. The emphasis is on obtaining the relevant degree of assurance and not merely reporting by exception. At its December 2025 meeting the Audit and Risk Committee carried out the annual assessment for the year ended 31st July 2025 by considering documentation from the Senior Management Team and internal audit service, as well as reviewing events since the year end.

Based on the advice of the Audit and Risk Committee and the Warden, the Board is of the opinion that the Settlement has an adequate and effective framework for governance, risk management and control, and has fulfilled its statutory responsibility for "*the effective and efficient use of resources, the solvency of the institution and the body and the safeguarding of their assets*".

MARY WARD SETTLEMENT
STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL
FOR THE YEAR ENDED 31 JULY 2025

GOING CONCERN

The Settlement incurred an operating deficit of £576,000 for the year (2023-24: £20,000) against an original budgeted surplus of £123,000. The underperformance in relation to the original budget was primarily the consequence of a more difficult than anticipated performance at the Adult Education Centre following its relocation to Stratford at the start of the 2023-24 financial year.

While 2024-25 began more strongly than the previous year, with an increase in enrolments and tuition fees for 2024-25 around 20% higher overall, than for 2023-24, and up to 30% higher than its final year in central London, the costs of running the new Mary Ward Centre, were higher than expected. Even with the modest increase in student numbers, cash receipts overall were lower than cash outflows, putting severe pressure on cash balances.

Consequently, in January 2025, the Settlement approached the DfE for financial assistance, accepting a loan facility of £500,000 to be drawn down between April and October 2025. The Centre has worked closely with the Further Education Commissioner's (FEC) team to put a financial Recovery Plan in place with the aim of re-building the Settlement's finances to a sustainable level over a 4 year Recovery Period.

As part of its financial Recovery Plan, the Settlement has developed detailed financial projections which include targets, and modelling the impact of risks and uncertainties associated with those plans and those of its ongoing operations. Additionally, as part of the SPA process the Board actively considered merger opportunities with other compatible Further Education ("FE") Institutions in order to provide a more financially robust future for the Settlement, and has identified Newham College of Further Education as a potential merger partner, able to provide stronger financial resilience to enable the work of the Settlement to continue. The potential merger is subject to a process of due diligence and formal approval by the Board.

Notwithstanding any merger, the Settlement's challenge for the next few years will be to bring the ratio of tuition fee income and curriculum delivery costs to a sustainable level, enabling the Adult Education Centre to rebuild its operational cash, and for the Legal Centre and Blackfriars to continue to secure sufficient, reliable, income streams to support their key operations, including the core costs that underpin them. Cashflows and budgets to July 2027 and beyond include the following assumptions:

- A certain level of tuition fee income vs costs of delivery
- Delivery of the full adult education budget
- Careful management of the costs of running the Settlement's estate
- Careful management of the costs and operations of the subsidiaries
- Confirmation from the DfE that repayment of the emergency loan of £500,000 will not be required on October 2026 and the agreement of affordable terms following an affordability review in July 2026
- Support from commercial lenders, specifically in relation to action over potential breach(es) of covenant during the Recovery Period.

As the most likely outcome in response to the particular challenges that have been facing the Settlement in the immediate aftermath of its relocation to Stratford is a merger with Newham College of Further Education with the transfer of net assets and liabilities to another entity (although there is a possibility that the legal entity remains), the Board has approved these financial statements on a basis other than Going Concern, following an assessment at its meeting in April 2026. No adjustments to book values have been made as a result of this.

MARY WARD SETTLEMENT
STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL
FOR THE YEAR ENDED 31 JULY 2025

Approved by order of the members of the Board on 21st April 2026 and signed on their behalf by

Veronica Daly
Chair

Veronica Daly

Veronica Daly (Apr 28, 2026 17:17:07 GMT+1)

28/04/2026

Susan Craggs
Interim Accounting Officer

Susan Craggs

Susan Craggs (Apr 28, 2026 17:45:34 GMT+1)

28/04/2026

MARY WARD SETTLEMENT
STATEMENT OF RESPONSIBILITIES OF THE BOARD OF TRUSTEES
FOR THE YEAR ENDED 31 JULY 2025

The trustees (who are also directors of the Settlement for the purposes of company law) are responsible for preparing the trustees' report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Settlement and of the income and expenditure of the Settlement for that period.

In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in Statement of Recommended Practice: Accounting for Further and Higher Education;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Settlement will continue in operation.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the Settlement 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 Settlement and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Each of the trustees confirms that:

- so far as the trustee is aware, there is no relevant audit information of which the Settlement's auditor is unaware; and
- the trustee has taken all the steps that he/she ought to have taken as a trustee in order to make himself/herself aware of any relevant audit information and to establish that the Settlement's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

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

Small Companies Note:

In preparing this report the trustees have taken advantage of the small companies' exemptions provided by section 415A of the Companies Act 2006.

Approved by order of the members of the Board on 21st April 2026.

Veronica Daly

[Veronica Daly \(Apr 28, 2026 17:17:07 GMT+1\)](#)

Veronica Daly
Chair

28/04/2026

MARY WARD SETTLEMENT

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MARY WARD SETTLEMENT FOR THE YEAR ENDED 31 JULY 2025

Independent auditor's report to the members of Mary Ward Settlement

Opinion

We have audited the financial statements of Mary Ward Settlement (the 'charitable parent company') and its subsidiaries (the 'group') for the year ended 31 July 2025 which comprise the consolidated statement of financial activities, the consolidated and charitable parent company statement of comprehensive income, the consolidated statement of changes in reserves, the consolidated and parent charitable company balance sheets, the consolidated statement of cash flows and the notes to the financial statements, including the principal 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 group's and of the charitable parent company's affairs as at 31 July 2025 and of the group's 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 group 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.

Emphasis of matter - financial statements prepared on a basis other than going concern

We draw attention to the information contained in note 1 'Going concern' on pages 38 and 39 of the financial statements, which indicates that the financial statements have been prepared on a basis other than going concern as the expectation is that the group will merge with Newham College of Further Education, subject to due diligence. No adjustments to book values have been made as a result of this. Our opinion is not modified in respect of this matter.

Other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine

MARY WARD SETTLEMENT
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MARY WARD SETTLEMENT
FOR THE YEAR ENDED 31 JULY 2025

whether there is a material misstatement in the financial statements. 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 is also the directors' report for the purposes of company law and includes the strategic report, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- ◆ the trustees' report, which is also the directors' report for the purposes of company law and includes the strategic report, has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the charitable parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report including the strategic 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 parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- ◆ the charitable parent 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.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, 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 group's and the charitable parent 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 group or the charitable parent 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

MARY WARD SETTLEMENT
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MARY WARD SETTLEMENT
FOR THE YEAR ENDED 31 JULY 2025

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

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.

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- ◆ the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- ◆ we identified the laws and regulations applicable to the group through discussions with management, and from our knowledge and experience of the Further Education and charity sectors;
- ◆ we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the group, including the Companies Act 2006; the Charities Act 2011; Statement of Recommended Practice: Accounting for Further and Higher Education 2019 (the 2019 FE HE SORP), funding agreements with the DfE and associated funding rules, DfE regulations, data protection legislation, anti-bribery, safeguarding, employment, health and safety legislation;
- ◆ we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- ◆ identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the group's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- ◆ making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- ◆ considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- ◆ performed analytical procedures to identify any unusual or unexpected relationships;
- ◆ tested journal entries to identify unusual transactions; and
- ◆ assessed whether judgements and assumptions made in determining the accounting estimates set out in the accounting policies were indicative of potential bias.

MARY WARD SETTLEMENT
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MARY WARD SETTLEMENT
FOR THE YEAR ENDED 31 JULY 2025

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- ◆ agreeing financial statement disclosures to underlying supporting documentation;
- ◆ reading the minutes of trustees' meetings;
- ◆ enquiring of management as to actual and potential litigation and claims.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the trustees and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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.



Catherine Biscoe (Senior Statutory Auditor)
For and on behalf of Buzzacott Audit LLP, Statutory Auditor
130 Wood Street
London
EC2V 6DL

Date: 29 April 2026

MARY WARD SETTLEMENT
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
INCLUDING AN INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 JULY 2025

	Notes	Un- restricted Funds £'000	Restricted Funds £'000	Total 2025 £'000	Un- restricted Funds £'000	Restricted Funds £'000	Total 2024 £'000
INCOME							
<i>Donations and fundraising</i>	2	584	99	683	595	66	661
<i>Income from generating funds</i>	3	183	-	183	188	-	188
<i>Income from charitable activities:</i>							
Adult education	4	3,841	-	3,841	3,717	4	3,721
Community services	5	34	209	243	32	225	257
Legal services	5	134	897	1,031	139	838	977
<i>Investment income</i>		-	-	-	2	-	2
Total income		4,776	1,205	5,981	4,673	1,133	5,806
EXPENDITURE							
<i>Cost of raising funds:</i>							
Generating donations and grants	6	49	-	49	48	-	48
<i>Expenditure on charitable activities:</i>							
Adult education		4,370	-	4,370	3,828	-	3,828
Community services		74	655	729	77	619	696
Legal services		-	1,423	1,423	-	1,263	1,263
Total expenditure	7/8	4,493	2,078	6,571	3,953	1,882	5,835
Surplus / (Deficit) before tax		283	(873)	(590)	720	(749)	(29)
Taxation		-	-	-	-	-	-
Surplus / (Deficit) for the year		283	(873)	(590)	720	(749)	(29)
Actuarial gain in respect of pension schemes	23	14	-	14	9	-	9
Transfers between funds	21	(873)	873	-	(749)	749	-
Total Comprehensive expenditure for the year		(576)	-	(576)	(20)	-	(20)
Represented by:							
Unrestricted comprehensive expenditure		(576)	-	(576)	(20)	-	(20)

MARY WARD SETTLEMENT
CONSOLIDATED AND CENTRE STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 JULY 2025

	Notes	2025 Group £'000	2025 Centre £'000	2024 Group £'000	2024 Centre £'000
INCOME					
Funding body grants	4	3,151	3,151	3,156	3,156
Tuition fees and education contracts	4	690	690	565	560
Other income from charitable activities	5	1,274	-	1,234	-
Other income - rent receivable	3	183	57	188	28
Investment income		-	-	2	-
Donations and fundraising	2	683	23	661	163
Total income		5,981	3,921	5,806	3,907
EXPENDITURE					
Staff costs	10	3,771	2,478	3,403	2,156
Other operating expenses	9	1,821	1,111	1,690	1,127
Depreciation	12	767	692	499	426
Interest and other finance costs	11	212	210	243	240
Total expenditure		6,571	4,491	5,835	3,949
Deficit before tax		(590)	(570)	(29)	(42)
Taxation		-	-	-	-
Deficit for the year		(590)	(570)	(29)	(42)
Actuarial gain in respect of pension schemes	23	14	14	9	9
Total Comprehensive Expenditure for the year		(576)	(556)	(20)	(33)
Represented by:					
Unrestricted Comprehensive Expenditure		(576)	(556)	(20)	(33)

MARY WARD SETTLEMENT
CONSOLIDATED STATEMENT OF CHANGES IN RESERVES
FOR THE YEAR ENDED 31 JULY 2025

	Group Income and expenditure account £'000	Centre Income and expenditure account £'000
Balance as at 31st July 2023	12,467	9,512
Deficit from the income and expenditure account	(29)	(42)
Other comprehensive income	9	9
Total comprehensive expenditure for the year	(20)	(33)
 Balance as at 31st July 2024	 12,447	 9,479
Deficit from the income and expenditure account	(590)	(570)
Other comprehensive income	14	14
Total comprehensive expenditure for the year	(576)	(556)
 Balance as at 31st July 2025	 <u>11,871</u>	 <u>8,923</u>

MARY WARD SETTLEMENT
CONSOLIDATED AND CENTRE BALANCE SHEETS
FOR THE YEAR ENDED 31 JULY 2025

Company number: 00046188

	Notes	2025 Group £'000	2025 Centre £'000	2024 Group £'000	2024 Centre £'000
Non current assets					
Tangible fixed assets	12	26,797	24,130	26,938	24,230
Investments	13	31	-	31	-
		<u>26,828</u>	<u>24,130</u>	<u>26,969</u>	<u>24,230</u>
Current assets					
Work in Progress		241	-	269	-
Trade and other receivables	14	478	371	488	436
Cash and cash equivalents	18	801	400	860	412
		<u>1,520</u>	<u>771</u>	<u>1,617</u>	<u>848</u>
Less: Creditors - amounts falling due within one year	15	(1,881)	(1,382)	(1,771)	(1,245)
Net current liabilities		<u>(361)</u>	<u>(611)</u>	<u>(154)</u>	<u>(397)</u>
Total assets less current liabilities		26,467	23,519	26,815	23,833
Creditors - amounts falling due after more than one year	16	(14,596)	(14,596)	(14,368)	(14,354)
Provisions					
Defined benefit obligations	23	-	-	-	-
Total net assets		<u>11,871</u>	<u>8,923</u>	<u>12,447</u>	<u>9,479</u>
Restricted Reserves		8	8	9	9
Unrestricted reserves					
Income and expenditure account		4,099	3,771	3,811	3,537
Other Unrestricted Reserves		5,144	5,144	5,933	5,933
Designated Reserves:					
Fixed Asset Reserve		<u>2,620</u>	<u>-</u>	<u>2,694</u>	<u>-</u>
Total reserves		<u>11,871</u>	<u>8,923</u>	<u>12,447</u>	<u>9,479</u>

The Financial Statements on pages 33 to 60 were approved and authorised for issue by the Board on 21st April 2026 and signed on its behalf by:

Veronica Daly
Chair

Veronica Daly

Veronica Daly (Apr 28, 2026 17:17:07 GMT+1)

28/04/2026

Susan Craggs
Interim Accounting Officer

Susan Craggs

Susan Craggs (Apr 28, 2026 17:45:34 GMT+1)

28/04/2026

MARY WARD SETTLEMENT
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 JULY 2025

		2025	2024
	Notes	£'000	£'000
Cash flow from operating activities			
Deficit for the year		(590)	(29)
Adjustment for non-cash items			
Depreciation	12	767	499
Release of deferred income		(343)	(207)
Decrease / (Increase) in work in progress		28	(15)
Decrease in debtors	14	10	450
Decrease in creditors due within one year	15	(91)	(672)
Pension costs less contributions payable (including administration cost)	23	14	9
Adjustment for investing activities			
Investment income		-	(2)
Interest payable	11	256	289
Net cash flow from operating activities		<u>51</u>	<u>322</u>
Cash flows from investing activities			
Investment income		-	2
Payments made to acquire fixed assets	12	(626)	(806)
Capital grants received		557	348
		<u>(69)</u>	<u>(456)</u>
Cash flows from financing activities			
Interest paid		(256)	(289)
Net new borrowings		400	—
Repayments of amounts borrowed		(185)	(142)
		<u>(41)</u>	<u>(431)</u>
Decrease in cash and cash equivalents in the year	18	<u>(59)</u>	<u>(565)</u>
Cash and cash equivalents at the beginning of the year		<u>860</u>	<u>1,425</u>
Cash and cash equivalents at the end of the year	18	<u>801</u>	<u>860</u>

MARY WARD SETTLEMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2025

1 ACCOUNTING POLICIES

Statement of accounting policies and estimation techniques

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Financial Statements.

Basis of preparation

These Financial Statements have been prepared in accordance with the *Statement of Recommended Practice: Accounting for Further and Higher Education 2019 (the 2019 FE HE SORP)*, the *College Accounts Direction for 2024 to 2025* and in accordance with Financial Reporting Standard 102 - “*The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS102)*” and the *Companies Act 2006*. The Settlement is a public benefit entity and has therefore applied the relevant public benefit requirements of FRS102.

The preparation of financial statements in compliance with FRS102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Settlement’s accounting policies.

The Financial Statements are presented in sterling and are rounded to the nearest thousand.

Basis of accounting

The Financial Statements are prepared in accordance with the historical cost convention as modified by the use of previous valuations as deemed cost at transition for certain non-current assets.

Basis of consolidation

The consolidated Financial Statements include the Adult Education Centre and its subsidiaries, the Mary Ward Legal Centre, and Blackfriars Settlement, both controlled by the Settlement. Control is achieved where the Settlement has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

Going concern

The Settlement incurred an operating deficit of £576,000 for the year (2023-24: £20,000) against an original budgeted surplus of £123,000. The underperformance in relation to the original budget was primarily the consequence of a more difficult than anticipated performance at the Adult Education Centre following its relocation to Stratford at the start of the 2023-24 financial year.

While 2024-25 began more strongly than the previous year, with an increase in enrolments and tuition fees for 2024-25 around 20% higher overall, than for 2023-24, and up to 30% higher than its final year in central London, the costs of running the new Mary Ward Centre, were higher than expected. Even with the modest increase in student numbers, cash receipts overall were lower than cash outflows, putting severe pressure on cash balances.

Consequently, in January 2025, the Settlement approached the Department for Education (DfE) for financial assistance, accepting a loan facility of £500,000 to be drawn down between April and October 2025. The Centre has worked closely with the Further Education Commissioner’s (FEC) team to put a financial Recovery Plan in place with the aim of re-building the Settlement’s finances to a sustainable level over a 4 year Recovery Period.

MARY WARD SETTLEMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2025

Going concern (continued)

As part of its financial Recovery Plan, the Settlement has developed detailed financial projections which include targets, and modelling the impact of risks and uncertainties associated with those plans and those of its ongoing operations. Additionally, as part of the SPA process the Board actively considered merger opportunities with other compatible Further Education (“FE”) Institutions in order to provide a more financially robust future for the Settlement, and has identified Newham College of Further Education as a potential merger partner, able to provide stronger financial resilience to enable the work of the Settlement to continue. The potential merger is subject to a process of due diligence and formal approval by the Board.

Notwithstanding any merger, the Settlement’s challenge for the next few years will be to bring the ratio of tuition fee income and curriculum delivery costs to a sustainable level, enabling the Adult Education Centre to rebuild its operational cash, and for the Legal Centre and Blackfriars to continue to secure sufficient, reliable, income streams to support their key operations, including the core costs that underpin them. Cashflows and budgets to July 2027 and beyond include the following assumptions:

- A certain level of tuition fee income vs costs of delivery
- Delivery of the full adult education budget
- Careful management of the costs of running the Settlement’s estate
- Careful management of the costs and operations of the subsidiaries
- Confirmation from the DfE that repayment of the emergency loan of £500,000 will not be required on October 2026 and the agreement of affordable terms following an affordability review in July 2026
- Support from commercial lenders, specifically in relation to action over potential breach(es) of covenant during the Recovery Period.

As the most likely outcome in response to the particular challenges that have been facing the Settlement in the immediate aftermath of its relocation to Stratford is a merger with Newham College of Further Education with the transfer of net assets and liabilities to another entity (although there is a possibility that the legal entity remains), the Board has approved these financial statements on a basis other than Going Concern, following an assessment at its meeting in April 2026. No adjustments to book values have been made as a result of this.

Recognition of income

Income is recognised in the period in which the Settlement has entitlement to the income and the amount can be measured reliably and it is probable that the income will be received. Income is deferred only when the Settlement has to fulfil conditions before becoming entitled to it or where the donor or funder has specified that the income is to be expended in a future accounting period.

Revenue funding

Government revenue grants, including funding body recurrent grants and other grants, are accounted for under the accrual model as permitted by FRS102. Funding body recurrent grants are measured in line with best estimates for the period of what is receivable and depend on the particular income stream involved. Any under or over achievement for the Adult Skills Budget is adjusted for and reflected in the level of recurrent grant recognised in the income and expenditure account. The final grant income is normally determined with the conclusion of the year end reconciliation process with the funding body at the end of November following the year end, and the results of any funding audits.

MARY WARD SETTLEMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2025

Revenue funding (continued)

Donations and grants are recognised when the Settlement has confirmation of both the amount and settlement date. In the event of donations and grants pledged but not received, the amount is accrued for where the receipt is considered probable. In the event that a donation or grant is subject to conditions that require a level of performance before the Settlement is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the Settlement and it is probable that those conditions will be fulfilled in the reporting period.

Fee and contractual income represent the amounts receivable for the services provided to clients, excluding value added tax, under contractual obligations which are performed gradually over time. Incomplete contracts at the balance sheet date are accounted for by reference to the fair value of the work performed and amounts due but not received at the balance sheet date are described in the Financial Statements as contractual income debtors.

Capital grant funding

Government capital grants are capitalised, held as deferred income and recognised in income over the expected useful life of the asset, under the accrual method permitted by FRS102. Other non-governmental, capital grants are recognised in income when the Settlement is entitled to the funds, subject to any performance related conditions being met.

Fee income

Income from tuition fees is stated gross of any expenditure which is not a discount and is recognised in the period for which it is received and includes all fees payable by students or their sponsors, for example the National Health Service.

Investment income

All income from short term deposits is credited to the income and expenditure account in the period in which it is earned on a receivable basis.

Rental income is stated gross of any expenditure and is recognised in the period for which it is payable.

Other income

Other sundry income is recognised to the extent that it is probable that the economic benefits will flow to the Settlement and the revenue can be measured reliably. It is measured at fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Agency arrangements

The Settlement acts as an agent in the collection and payment of various discretionary support funds. Related payments received from funding bodies and subsequent disbursements to students are excluded from the income and expenditure of the Settlement, where the Settlement is exposed to minimal risks or enjoys minimal economic benefit related to the transactions.

Accounting for post-employment benefits

Post-employment benefits to employees of the Settlement are provided by the Teachers' Pension Scheme (TPS) and the Local Government Pension Scheme (LGPS). These are defined benefit schemes, which are contracted out of the State Second Pension (for men born on or before 6th April 1951 and women born on or before 6th April 1953).

MARY WARD SETTLEMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2025

Teachers' Pension Scheme

The TPS is an unfunded scheme. Contributions to the TPS are calculated so as to spread the cost of pensions over employees' working lives with the Settlement in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by qualified actuaries on the basis of valuations using a prospective benefit method.

The TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as an expense in the income statement in the periods during which services are rendered by employees.

The London Pension Fund Authority

The LGPS is a funded scheme. The assets of the LGPS are measured using closing fair values. LGPS liabilities are measured using the projected unit credit method and discounted at the current rate of return on a high quality corporate bond of equivalent term and currency to the liability. The actuarial valuations are obtained at least triennially and are updated at each Balance Sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred.

Net interest on the net defined benefit liability/asset is also recognised in the Statement of Comprehensive Income and comprises the interest cost on the defined obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in interest and other finance costs.

Actuarial gains and losses are recognised immediately in the Statement of Comprehensive Income.

Short term Employment benefits

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

Non-current assets - Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses.

Land and buildings

Freehold buildings are depreciated on a straight-line basis over their expected useful economic life of 40 years. Freehold land is not depreciated as it is considered to have an infinite useful life.

The Settlement has a policy of depreciating major adaptations to freehold buildings over the period of their useful economic life of 40 years.

Where land and buildings are acquired with the aid of specific grants, they are capitalised and depreciated as above. The related government grants are credited to a deferred income account within creditors, and are released to the income and expenditure account over the expected useful economic life of the related asset on a systematic basis consistent with the depreciation policy. The deferred income is allocated between creditors due within one year and those due after more than one year. Non-government grants are recognised in the Statement of Comprehensive Income when the Settlement becomes entitled to them.

MARY WARD SETTLEMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2025

Non-current assets - Tangible fixed assets (continued)

A review of impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying amount of any fixed asset may not be recoverable.

Subsequent expenditure on existing fixed assets

Where significant expenditure is incurred on tangible fixed assets after initial purchase, it is charged to income in the period it is incurred, unless it increases the future benefits to the Settlement, in which case it is capitalised and depreciated on the relevant basis.

Plant, Fixtures and Fittings and Equipment

Plant and equipment costing less than £1,000 per individual item is recognised as expenditure in the period of acquisition. All other equipment is capitalised at cost.

Plant and equipment is depreciated as follows:

Fixtures and fittings	over 5 years on a straight line basis
IT equipment	over 10 years on a straight line basis
Mechanical Plant	over 20 years on a straight line basis

Treatment of Government Capital Grants

Where land and buildings or other assets are acquired with the aid of specific government grants, they are capitalised and depreciated as above. Government grants used in the acquisition of a combination of capital asset categories are amortised in proportion with the total capital spend to which the grant contributed. The related government grants are credited to a deferred income account within creditors, and are released to the income and expenditure account over the expected useful economic life of the related asset on a systematic basis consistent with the depreciation policy. The deferred income is allocated between creditors due within one year and those due after more than one year. Non-government grants are recognised in the Statement of Comprehensive Income when the Centre becomes entitled to them.

Borrowing costs

Borrowing costs are recognised as expenditure in the period in which they are incurred.

Leased assets

Costs in respect of operating leases are charged on a straight-line basis over the lease term.

Investments

Listed investments are stated at fair value, with movements recognised in the Statement of Comprehensive Income. Investments comprising unquoted equity instruments are measured at fair value, estimated using a valuation technique.

Cash and cash equivalents

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

Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash with insignificant risk of change in value. An investment qualifies as a cash equivalent when it has a maturity of 3 months or less from the date of acquisition.

MARY WARD SETTLEMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2025

Financial liabilities and equities

Financial liabilities and equity are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form. All loans, investments and short term deposits held by the Settlement are classified as basic financial instruments in accordance with FRS102.

These instruments are initially recorded at the transaction price less any transaction costs (historical cost). FRS102 requires that basic financial instruments are subsequently measured at amortised cost, however the Settlement has calculated that the difference between historical cost and amortised cost basis is not material and so these financial instruments are stated on the Balance Sheet at historical cost. Loans and investments that are payable or receivable within one year are not discounted.

Taxation

The Settlement is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Settlement is potentially exempt from taxation in respect of income and capital gains received within categories covered by sections 478-488 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

The Settlement is partially exempt in respect of Value Added Tax, so that it can only recover a minor element of VAT charged on its inputs. Irrecoverable VAT on inputs is included in the costs of such inputs and added to the cost of tangible fixed assets as appropriate, where the inputs themselves are tangible fixed assets by nature.

Provisions and contingent liabilities

Provisions are recognised when the Settlement, or one of its subsidiaries, has a present legal or constructive obligation as a result of a past event, it is probable that a transfer of economic benefit will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Where the effect of time value of money is material, the amount expected to be required to settle the obligation is recognised at present value using a pre-tax discount rate. The unwinding of the discount is recognised as a finance cost in the Statement of Comprehensive Income in the period that it arises.

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

Judgements in applying accounting policies and key sources of estimation of uncertainty

In preparing these Financial Statements, management have made the following judgements:

- To determine whether leases entered into by the Settlement, either as a lessor or a lessee are operating or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis.
- To determine whether there are indicators of impairment of the Settlement's tangible assets. Factors taken in to consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and, where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit.
-

MARY WARD SETTLEMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2025

Judgements in applying accounting policies and key sources of estimation of uncertainty (continued)

- To estimate the proportion of TPS grant income to recognise where that grant income is received or receivable in relation to specific categories of costs.

Other key sources of estimation uncertainty

- **Tangible fixed assets**

Tangible fixed assets, other than investment properties, are depreciated over their useful lives, taking into account residual values where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and the projected disposal values.

- **Local Government Pension Scheme**

The present value of the LGPS defined benefit asset or liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 23, will impact the carrying amount of the pension asset or liability. Furthermore, a roll forward approach which projects results from the latest full actuarial valuation performed at 31st March 2022, has been used by the actuary in valuing the pension asset at 31st July 2025. Any difference between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension asset or liability.

- **Donated Services**

Donated professional services are recognised as income when the Settlement has control over them, any conditions associated with the donated service having been met, the receipt of economic benefit from the use by the Settlement of the item is probable and that the economic benefit can be measured reliably. In accordance with the FE/HE SORP (FRS102), the time of general volunteers is not recognised.

On receipt, donated professional services are recognised on the basis of the value of the gift to the Settlement which is the amount that the Settlement would have been willing to pay to obtain those services on the open market; a corresponding amount is then recognised in expenditure in the same period as the receipt.

2 DONATIONS AND FUNDRAISING

	2025 Group	2025 Centre	2024 Group	2024 Centre
	£'000	£'000	£'000	£'000
Income from general fundraising and donations	361	13	427	157
Value in kind donations	322	10	234	5
Total	683	23	661	163

3 ACTIVITIES FOR GENERATING FUNDS

	2025 Group	2025 Centre	2024 Group	2024 Centre
	£'000	£'000	£'000	£'000
Rent received	183	57	188	28
Total	183	57	188	28

MARY WARD SETTLEMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2025

4A ADULT EDUCATION

	2025 Group	2025 Centre	2024 Group	2024 Centre
	£'000	£'000	£'000	£'000
Grants receivable	3,151	3,151	3,156	3,156
Tuition fees	690	690	560	560
Education contracts	-	-	5	-
Total	3,841	3,841	3,721	3,716

4B FUNDING BODY GRANTS

	Group and Centre	Group and Centre
	2025 £'000	2024 £'000
DfE recurrent grant	2,687	2,557
DfE non recurrent grants	121	392
Releases of deferred capital grants	343	207
Total	3,151	3,156

4c TUITION FEES AND EDUCATION CONTRACTS

	2025 Group	2025 Centre	2024 Group	2024 Centre
	£'000	£'000	£'000	£'000
Adult education fees	652	652	517	517
Fees for FE loan supported courses	38	38	43	43
Education contracts	-	-	5	-
Total	690	690	565	560

5 OTHER INCOME FROM CHARITABLE ACTIVITIES

	2025 Group	2025 Centre	2024 Group	2024 Centre
	£'000	£'000	£'000	£'000
Grants receivable - Legal Centre	679	-	617	-
Legal fees and disbursements	352	-	360	-
Total - Legal Services	1,031	-	977	-
Other Grants receivable	243	-	257	-
Total	1,274	-	1,234	-

MARY WARD SETTLEMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2025

6 COST OF RAISING FUNDS

	2025	2024
	Group	Group
	£'000	£'000
Adult education – staff costs	22	21
Legal services – staff costs	12	12
Other – staff costs	15	15
Total	49	48

7 TOTAL CHARITABLE EXPENDITURE

	Direct	Support	Total
	costs	Costs	2025
	£'000	£'000	Group
			£'000
Adult education	1,954	2,416	4,370
Legal services	996	427	1,423
Community Services	266	463	729
	<u>3,216</u>	<u>3,306</u>	<u>6,522</u>

	Direct	Support	Total
	costs	Costs	2024
	£'000	£'000	Group
			£'000
<i>Adult education</i>	1,833	1,995	3,828
<i>Legal services</i>	738	525	1,263
<i>Community Services</i>	247	449	696
	<u>2,818</u>	<u>2,969</u>	<u>5,787</u>

MARY WARD SETTLEMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2025

8 SUPPORT COSTS

	Community Services £'000	Adult education £'000	Legal services £'000	Total 2025 Group £'000
Staff costs	199	947	265	1,411
Travel and subsistence	-	3	-	3
Publicity	-	90	1	91
Premises costs	148	346	100	594
Administration	22	93	42	157
Auditor's remuneration	17	63	19	99
Legal and professional fees	1	68	-	69
Bank charges	-	3	-	3
Interest payable	2	211	-	213
Amortisation and depreciation	74	692	-	766
	<u>463</u>	<u>2,516</u>	<u>427</u>	<u>3,406</u>

	Community Services £'000	Adult education £'000	Legal services £'000	Total 2024 Group £'000
<i>Staff costs</i>	169	790	228	1,187
<i>Travel and subsistence</i>	—	3	—	3
<i>Publicity</i>	—	59	—	59
<i>Premises costs</i>	173	166	77	416
<i>Administration</i>	15	187	38	240
<i>Auditor's remuneration</i>	11	67	21	99
<i>Legal and professional fees</i>	5	54	161	220
<i>Bank charges</i>	—	3	—	3
<i>Interest payable</i>	3	240	—	243
<i>Amortisation and depreciation</i>	73	426	—	499
	<u>449</u>	<u>1,995</u>	<u>525</u>	<u>2,969</u>

Support costs include:

	2025 Group £'000	2025 Centre £'000	2024 Group £'000	2024 Centre £'000
Auditor's remuneration:				
Financial Statements audit	78	42	78	56
Regularity audit	3	3	3	3
Internal audit	5	5	5	5
TPS Audit	3	3	3	3
Other	10	—	10	—

MARY WARD SETTLEMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2025

9 OTHER OPERATING EXPENSES

	2025 Group £'000	2025 Centre £'000	2024 Group £'000	2024 Centre £'000
Teaching costs	178	178	202	202
Non-teaching costs	1,022	487	809	392
Premises costs	621	446	679	533
Total	<u>1,821</u>	<u>1,111</u>	<u>1,690</u>	<u>1,127</u>

10 STAFF COSTS

The average number of persons (including key management personnel) employed by the Settlement during the year, described as both individuals and full-time equivalents was:

	2025		2024	
	No.	fte	No.	fte
Adult Education Centre staff	155	43	137	45
Legal Centre staff	21	19	26	21
Blackfriars staff	13	10	13	10
	<u>189</u>	<u>72</u>	<u>176</u>	<u>76</u>

The difference between the number of teaching staff and the full-time equivalent is the large number of part-time tutors employed by the Mary Ward Adult Education Centre.

	2025		2024	
<i>Adult Education Centre:</i>	No.	Fte	No.	Fte
Teaching staff	123	20	107	22
Non-teaching staff	32	23	30	23
	<u>155</u>	<u>43</u>	<u>137</u>	<u>45</u>

Staff costs for the above persons

	2025 £'000	2024 £'000
Adult Education Centre staff	2,478	2,156
Legal Centre staff	901	894
Blackfriars staff	392	353
	<u>3,771</u>	<u>3,403</u>

MARY WARD SETTLEMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2025

10 STAFF COSTS (CONTINUED)

	2025 Group	2025 Centre	2024 Group	2024 Centre
	£'000	£'000	£'000	£'000
Wages and salaries	2,990	1,869	2,785	1,691
Social security costs	282	173	230	136
Other pension costs (including LGPS adjustments of £59,000 (2023-24: £55,000))	435	372	388	329
Restructuring costs	64	64	-	-
	<u>3,771</u>	<u>2,478</u>	<u>3,403</u>	<u>2,156</u>

Key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Settlement and are represented by the trustees, who receive no remuneration, and the Senior Management Team, which comprised the Warden (who is also the Accounting Officer), the Director of Community and Adult Education, the Director of Mary Ward Legal Centre, the Director of Blackfriars Settlement and the Director of Finance and Resources.

	2025 Group	2025 Centre	2024 Group	2024 Centre
	No.	No.	No.	No.
The number of key management personnel	<u>5</u>	<u>3</u>	<u>5</u>	<u>3</u>

The number of key management personnel who received annual emoluments, excluding pension contributions but including benefits in kind, in the following ranges was:

	2025 Group	2025 Centre	2024 Group	2024 Centre
	£'000	£'000	£'000	£'000
£50,001 to £55,000 p.a.	1	-	1	-
£65,001 to £70,000 p.a.	1	-	1	-
£80,001 to £85,000 p.a.	1	1	1	1
£85,001 to £90,000 p.a.	2	2	2	2
	<u>5</u>	<u>3</u>	<u>5</u>	<u>3</u>

Key management personnel emoluments are made up as follow:

	2025 Group	2025 Centre	2024 Group	2024 Centre
	£'000	£'000	£'000	£'000
Salaries	382	242	366	237
Employers National Insurance	49	32	44	29
Pension contributions	48	39	43	35
Total key management emoluments	<u>479</u>	<u>313</u>	<u>453</u>	<u>301</u>

MARY WARD SETTLEMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2025

10 STAFF COSTS (CONTINUED)

The above emoluments include amounts payable to the Accounting Officer (who is also the highest paid officer) of:

	2025 Group and Centre £'000	2024 Group and Centre £'000
Salaries	89	87
Pension contributions	<u>7</u>	<u>7</u>

Relationship of Accounting Officer pay and remuneration expressed as a multiple

	2025	2024
Accounting Officer's basic salary as a multiple of the median of all staff	2.1	1.8
Accounting Officer's total remuneration as a multiple of the median of all staff	<u>2.0</u>	<u>1.7</u>

No trustees received any payment from the Settlement, making no claims for travel and subsistence or any other expenses (2024 – none).

11 INTEREST AND OTHER FINANCE COSTS

	2025 Group £'000	2025 Centre £'000	2024 Group £'000	2024 Centre £'000
On bank and government agency loans	256	254	289	286
Pension finance costs (note 23)	<u>(44)</u>	<u>(44)</u>	<u>(46)</u>	<u>(46)</u>
Total	<u>212</u>	<u>210</u>	<u>243</u>	<u>240</u>

12 TANGIBLE FIXED ASSETS - GROUP

	Land and buildings Freehold £'000	Leasehold £'000	Equipment £'000	Total £'000
Cost				
As at 1 st August 2024	22,233	3,375	2,601	28,209
Additions	220	7	399	626
As at 31st July 2025	<u>22,453</u>	<u>3,382</u>	<u>3,000</u>	<u>28,835</u>
Depreciation				
At 1 st August 2024	300	699	272	1,271
Charge for the year	505	67	195	767
At 31st July 2025	<u>805</u>	<u>766</u>	<u>467</u>	<u>2,038</u>
Net book value as at 31st July 2025	<u>21,648</u>	<u>2,616</u>	<u>2,533</u>	<u>26,797</u>
<i>Net book value as at 31st July 2024</i>	<u><i>21,933</i></u>	<u><i>2,676</i></u>	<u><i>2,329</i></u>	<u><i>26,938</i></u>

MARY WARD SETTLEMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2025

12 TANGIBLE FIXED ASSETS - CENTRE

	Land and buildings		Equipment	Total
	Freehold	Leasehold		
	£'000	£'000	£'000	£'000
Cost				
As at 1 st August 2024	22,233	-	2,460	24,693
Additions	220	-	372	592
As at 31st July 2025	22,453	-	2,832	25,285
Depreciation				
At 1 st August 2024	300	-	163	463
Charge for the year	505	-	187	692
At 31st July 2025	805	-	350	1,155
Net book value as at 31st July 2025	21,648	-	2,482	24,130
<i>Net book value as at 31st July 2024</i>	<i>21,933</i>	<i>-</i>	<i>2,297</i>	<i>24,230</i>

13 INVESTMENTS - GROUP

	2025 Group £'000	2024 Group £'000
Investments		
Total value of portfolio as at 1st August 2024 and at 31st July 2025	31	31
Cost of listed investments at 31 st July 2025	3	3
Investments held at 31 st July 2025 comprised the following:		
	2025 Group only £'000	2024 Group only £'000
UK equities	30	30
Unlisted investments	1	1
Total	31	31

MARY WARD SETTLEMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2025

14 DEBTORS

	2025 Group £'000	2025 Centre £'000	2024 Group £'000	2024 Centre £'000
Amounts falling due within one year:				
Trade receivables	235	50	251	97
Other debtors	27	12	6	6
Amounts owed by group undertakings	-	161	-	137
Prepayments and accrued income	216	148	231	196
	<u>478</u>	<u>371</u>	<u>488</u>	<u>436</u>

15 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2025 Group £'000	2025 Centre £'000	2024 Group £'000	2024 Centre £'000
Bank loans and overdrafts	174	168	184	160
Trade payables	145	132	54	39
Amounts owed to group undertaking	-	43	—	41
Bursary creditor	22	22	10	10
VAT creditor	17	4	2	6
Other taxation and social security	106	86	56	40
Accrual for untaken annual leave	104	65	105	59
Other accruals and deferred income	757	320	989	529
Deferred income - government capital grants	522	522	311	311
Other creditors	34	20	60	50
Total	<u>1,881</u>	<u>1,382</u>	<u>1,771</u>	<u>1,245</u>

16 CREDITORS: AMOUNTS FALLING DUE AFTER ONE YEAR

	2025 Group £'000	2025 Centre £'000	2024 Group £'000	2024 Centre £'000
Bank loans	3,592	3,592	3,367	3,353
Deferred income - government capital grants	11,004	11,004	11,001	11,001
Total	<u>14,596</u>	<u>14,596</u>	<u>14,368</u>	<u>14,354</u>

MARY WARD SETTLEMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2025

17 MATURITY OF DEBT

Bank loans and overdrafts are repayable as follows:

	2025 Group	2025 Centre	2024 Group	2024 Centre
	£'000	£'000	£'000	£'000
In one year or less	174	168	184	160
Between two and five years	719	719	370	357
More than five years	2,873	2,873	2,997	2,997
Total	3,766	3,760	3,551	3,514

The Settlement has four loans, the first three of which are repayable by instalments, and secured by a fixed charge on property, as follows:

With the Social Investment Business, with interest payable at 5%, falling due by September 2026.

With the Social Investment Business, with interest payable at 5%, falling due by March 2026.

With The Charity Bank Ltd, repayable over 23 years from February 2025. Interest is payable at 2.45% above base.

£400,000 drawn down from a facility of £500,000 with the DfE is repayable on 31st October 2026, subject to an affordability review. Interest is payable at the Public Sector Loan Rate.

18 CASH AND CASH EQUIVALENTS AND CHANGE IN NET (DEBT) FUNDS

	At 1 August 2024 £'000	Group Cash flows £'000	At 31 July 2025 £'000
Cash and cash equivalents	860	(59)	801
Loans	(3,551)	(215)	(3,766)
	(2,691)	(274)	(2,965)

19 CAPITAL AND OTHER COMMITMENTS

	Group and Centre 2025 £'000	2024 £'000
Commitments contracted for at 31 st July	-	170

MARY WARD SETTLEMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2025

20 LEASE OBLIGATIONS

At 31st July the Settlement had minimum lease payments under non-cancellable operating leases as follows:

	2025 Group £'000	2025 Centre £'000	2024 Group £'000	2024 Centre £'000
Land and buildings				
Not later than one year	33	-	32	—
Between two and five years	65	-	98	—
	<u>98</u>	<u>-</u>	<u>130</u>	<u>—</u>
	2025 Group £'000	2025 Centre £'000	2024 Group £'000	2024 Centre £'000
Equipment				
Not later than one year	23	16	23	16
Between two and five years	10	-	26	16
	<u>33</u>	<u>16</u>	<u>49</u>	<u>32</u>

21 RESTRICTED FUNDS

Where restricted funds are in deficit a transfer is made from unrestricted funds to meet the deficit.

22 EVENTS AFTER THE REPORTING PERIOD

Following acceptance of a £500,000 loan facility from the DfE, drawn down in April and October 2025, the Settlement has worked closely with the Further Education Commissioner's (FEC) team to put a financial Recovery Plan in place. As part of this recovery plan the Board actively considered merger opportunities with other compatible Further Education ("FE") Institutions in order to provide a more financially robust future for the Settlement, and has identified Newham College of Further Education as a potential merger partner, able to provide stronger financial resilience to enable the work of the Settlement to continue. The merger is subject to a process of due diligence and formal approval by the Board.

MARY WARD SETTLEMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2025

23 DEFINED BENEFIT OBLIGATIONS

The Settlement's employees belong to two principal post-employment defined benefit plans: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by the London Pensions Fund Authority. Both are multi-employer defined-benefit schemes.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest formal actuarial valuation of the TPS was 31st March 2020 and of the LGPS 31st March 2022.

Total pension cost for the year	2025	2024
	£'000	£'000
Teachers' Pension Scheme: contributions paid	243	227
Local Government Pension Scheme:		
Contributions paid	66	45
FRS102 (s28) charge	59	55
Charge to the Statement of Comprehensive Income	125	100
- LGPS		
Defined Contribution costs	27	26
Total Pension Cost for Year within staff costs	395	353

There were no outstanding or prepaid contributions at either the beginning or the end of the financial year. All contributions due for the year had been paid.

The employees of the Legal Centre and Blackfriars belong to defined contribution pension schemes operated by the National Employers Savings Trust (NEST) and Aviva, respectively.

Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. These regulations apply to teachers in schools, colleges and other educational establishments. Membership is automatic for teachers and lecturers at eligible institutions.

Teachers and lecturers are able to opt out of the TPS.

The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis - these contributions, along with those made by employers, are credited to the Exchequer under arrangements governed by the above Act. Retirement and other pension benefits are paid by public funds provided by Parliament.

The valuation of the TPS is carried out in line with regulations made under the Public Service Pension Act 2013. Valuations credit the teachers' pension account with a real rate of return assuming funds are invested in notional investments that produce that real rate of return.

The latest actuarial review of the TPS was carried out as at 31st March 2020 and published by the DfE in October 2023. The valuation reported total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £262 billion, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £222 billion, giving a notional past service deficit of £40 billion.

MARY WARD SETTLEMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2025

23 DEFINED BENEFIT OBLIGATIONS (CONTINUED)

As a result, employer contribution rates were increased from 23.68% of pensionable pay to 28.68% from 1st April 2024. A full copy of the valuation report and supporting documentation can be found on the Teachers' Pension Scheme website.

The employer's pension costs paid to TPS in the period amounted to £263,000 (2023-24: £227,000).

FRS102 (Section 28)

Under the definitions set out in FRS102 (28.11), the TPS is a multi-employer pension plan. The Centre is unable to identify its share of the underlying assets and liabilities of the scheme.

Accordingly, the Settlement has taken advantage of the exemption in FRS102 and has accounted for its contributions to the scheme as if it were a defined-contribution scheme. The Settlement has set out above the information available on the scheme and the implications for the Settlement in terms of the anticipated contribution rates.

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate funds administered by the London Pension Fund Authority. The total contribution made for the year ended 31st July 2025 was £99,000 (2023-24: £94,000), of which employer's contributions totalled £66,000 (2023-24: £45,000) and employees' contributions totalled £33,000 (2023-24: £49,000). The agreed contribution rates for future years are 8.9% for employers and range from 5.5% to 12.5% for employees, depending on salary.

Principal Actuarial Assumptions

The following information is based upon a full actuarial valuation of the fund at 31st March 2022 updated to 31st July 2025 by a qualified independent actuary

	At 31 st July 2025	At 31 st July 2024
Rate of increase in salaries	3.80%	3.85%
Rate of increase for pensions in payment / inflation	2.80%	2.85%
Discount rate for scheme liabilities	5.70%	5.05%
Inflation assumption	3.10%	3.20%

The current mortality assumptions include sufficient allowance for future improvements in mortality rates. The assumed life expectations on retirement age 65 are:

	At 31 st July 2025	At 31 st July 2024
Retiring today		
Males	20.4	20.1
Females	23.9	23.8
Retiring in 20 years		
Males	21.2	20.9
Females	24.6	24.5

MARY WARD SETTLEMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2025

23 DEFINED BENEFIT OBLIGATIONS
(CONTINUED)

	At 31 st July 2025 £'000	At 31 st July 2024 £'000
Sensitivity		
Discount rate +0.1%	3,694	3,830
Discount rate -0.1%	3,803	3,950
Mortality assumption - 1 year increase	3,843	3,997
Mortality assumption - 1 year decrease	3,655	3,784

The Settlement's share of the assets and liabilities in the plan at the Balance Sheet date and the expected rates of return were:

	Value as at 31 st July 2025 £'000	Value as at 31 st July 2024 £'000
Equities	2,980	2,892
Target Return Portfolio	1,024	785
Infrastructure	570	515
Property	453	429
Cash	104	155
Total fair value of plan assets	5,131	4,776

The amount included in the Balance Sheet in respect of the defined benefit pension plan is as follows:

	2025 £'000	2024 £'000
Fair value of plan assets	5,131	4,776
Present value of plan liabilities	(3,748)	(3,889)
	1,383	887
Asset restriction (see note below)	(1,383)	(887)
Net pensions asset	-	-

As the LGPS asset is irrecoverable, recognition of its value on the balance sheet has been restricted to £nil by limiting the value of the actuarial gain.

MARY WARD SETTLEMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2025

23 DEFINED BENEFIT OBLIGATIONS (continued)

Amounts recognised in the Statement of Comprehensive Income in respect of the plan are:

	2025	2024
	£'000	£'000
Amounts included in staff costs		
Employer service cost (net of employee contributions)	124	100
Total operating charge	<u>124</u>	<u>100</u>
Amounts included in interest and other finance costs		
Net interest income	(45)	(47)
Administrative charge	1	1
Pension finance income	<u>(44)</u>	<u>(46)</u>

	2025	2024
	£'000	£'000
Amounts recognised in Other Comprehensive Income		
Return on assets	135	62
Experience (loss) / gain arising on defined benefit obligations	(35)	16
Changes in assumptions	410	(82)
Asset restriction movement	(496)	13
Amounts recognised in Other Comprehensive Income	<u>14</u>	<u>9</u>

Movement in net defined liability during the year

	2025	2024
	£'000	£'000
Deficit in scheme at 1 st August	—	(576)
Movement in year:		
Employer service cost (net of employee contributions)	(124)	(100)
Employer contributions	66	45
Net interest on liabilities	45	47
Administration charge	(1)	(1)
Actuarial gain	14	9
Deficit in scheme at 31st July	<u>-</u>	<u>-</u>

Asset and Liability reconciliation	2025	2024
	£'000	£'000
Changes in the present value of defined benefit obligations		
Defined benefit obligations at start of period	3,889	3,673
Current service cost	92	100
Past service cost	32	-
Interest cost	196	186
Contributions by Scheme participants	33	49
Experience loss / (gain) on defined benefit obligations	35	(16)
Change in financial assumptions	(426)	89
Change to demographic assumptions	16	(7)
Estimated benefits paid	(119)	(185)
Defined benefit obligations at end of period	<u>3,748</u>	<u>3,889</u>

MARY WARD SETTLEMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2025

23 DEFINED BENEFIT OBLIGATIONS (continued)

Changes in the fair value of plan assets	2025	2024
	£'000	£'000
Fair value of plan assets at start of period	4,776	4,573
Interest on plan assets	241	233
Return on plan assets	135	62
Administration cost	(1)	(1)
Employer contributions	66	45
Contributions by Scheme participants	33	49
Benefits paid	(119)	(185)
Fair value of plan assets at end of period	<u>5,131</u>	<u>4,776</u>

24 RELATED PARTY TRANSACTIONS

Owing to the nature of the Settlement's operations and the composition of the board being drawn from local public and private sector organisations, it is inevitable that transactions will take place with organisations in which a member of the board may have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Settlement's financial regulations and normal procurement procedures.

The only related party transactions during the year took the form of recharges to group entities for services provided, totalling £402,912 (2023-24: £340,838) and for services received, totalling £117,655 (2023-24: £100,000), and for professional legal services totalling £10,000, provided pro bono by Charles Russell Speechlys LLC, with whom a board member had an interest through their employment.

Other than those disclosed in note 10, there were no expenses paid to or on behalf of the trustees during the year (2023-24: £nil).

No trustee has received any remuneration or waived any payments from the Settlement, except in their capacity as a member of staff (2023-24: £nil).

25 AMOUNTS DISBURSED AS AGENT

	Group and Centre	
	2025	2024
	£'000	£'000
Funding body grants - hardship support	-	30
Funding body grants - 24+ advanced learning loans	22	40
	<u>22</u>	<u>70</u>
Disbursed to students	-	(59)
Administration costs	-	(1)
Balance unspent as at 31 st July, included in creditors	<u>22</u>	<u>10</u>

Funding body grants are available solely for students. In the majority of instances, the Settlement only acts as a paying agent. In these circumstances, the grants and related disbursements are therefore excluded from the Statement of Comprehensive Income.

MARY WARD SETTLEMENT

England & Wales - Charity number 223066

Accounts



MARY WARD SETTLEMENT
(A COMPANY LIMITED BY GUARANTEE)
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2024

MARY WARD SETTLEMENT (A COMPANY LIMITED BY GUARANTEE) TRADING AS MARY WARD CENTRE
COMPANY NUMBER 00046188 CHARITY NUMBER 223066

MARY WARD SETTLEMENT
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2024

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MARY WARD SETTLEMENT
REPORT FROM THE CHAIR
FOR THE YEAR ENDED 31 JULY 2024

Following the completion of its Property Strategy, in September 2023, Mary Ward Settlement finally relocated from Queen Square in Central London, its home for 40 years, to the newly developed Queensway House, now renamed as The Mary Ward Centre, in Stratford, East London. Consequently, despite earlier delays to the construction timetable, the Settlement was able to open its doors to students for the first time in this new location, as planned, for the start of the 2023-24 academic year.

The Settlement continued to face construction-related challenges during this first year. While the Settlement was able to occupy, and the majority of teaching facilities were ready for the delivery of classes, Practical Completion was not achieved until late November 2023, and the construction team remained on-site, finishing off work, for the majority of the autumn term. We were unable to deliver the planned summer taster courses prior to the start of the year, and this, combined with the continued presence of the construction team, impacted enrolments and the Settlement's ability to deliver the learning experience in the way we would have wanted, from day 1. Nevertheless, classes were well attended, with enrolments increasing over the year, and student numbers, total enrolments and tuition fees were all higher than 2022-23.

Provision at Blackfriars was also well-attended - particularly those classes offering fully funded learning options such as ESOL, Literacy and Maths and Work Skills. Provision for these learners was, as in 2022-23, also supported by the Multiply initiative, for which we were granted funding at a more generous rate than the usual AEB funding. The proportion of fully funded learners (those who pay a NIL fee) rose overall from 47% in 2022-23 to 50% in 2023-24 whilst the number of concession fee payers fell by 1% due to more flexibility to fund some learners at Level 3. The percentage of students paying a full fee fell by 2% to 36%.

The Community Outreach team continued to deliver in the community, building on the relationships established in the years before the Settlement's relocation to Stratford. The vast majority of the work of the Community Outreach team took place in Newham and East London, working directly with community partners, including Newham Chinese Association in Beckton, Deafroots in Stratford, Bangladeshi communities with Jubilee Street GP Practice CIC in Shadwell and older communities in Mile End and Wapping. Again this year, the team were also at the 'Great Get Together' at the Olympic Park in Stratford, delivering craft workshops and giving information and advice about Mary Ward to around 300 participants as well as raising awareness about our move.

We earned 100% of the total Multiply funding available and successfully achieved the tolerance level of a minimum of 97% against our GLA and ESFA AEB funding allocations and consequently there was no clawback of income from these sources.

Despite the challenges, the Settlement was able to support 2,606 (2022-23: 2,355) learners on 5,579 (2022-23: 5,372) course places with their learning throughout the year using a range of face-to-face, distance and online methods. Students on all accredited courses were supported to work towards their assessments and gain their qualifications. As a result of delays to the move, the start of term was pushed back to as late as possible and enrolment was slower than expected. Ongoing building works during the first term resulted in the pace of enrolment and recovery being slower than expected. ESOL continues to be the largest proportion of exams taken across the curriculum. The vast majority of courses took place face-to-face. All Visual and Performing Arts, IT, and Literacy and Maths classes are now face-to-face. Some ESOL courses continue with a blended approach to support development of digital skills as part of their course.

The Mary Ward Legal Centre ("the Legal Centre") has had another extremely busy year, assisting over 1,400 people with their legal issues during 2023-24. The Legal Centre has provided specialist advice casework and representation in the areas of debt, housing and welfare benefits, as well as generalist advice as part of its holistic service provision, and a pro bono service offering advice on employment, housing, consumer, general civil litigation, and family law. The advice has been provided at the Legal Centre's offices and at various outreach locations.

The Legal Centre added to the locations from which it operates during this period, moving into the new Mary Ward Centre building in Stratford, Newham. The Legal Centre now operates from offices in Camden and Newham, whilst serving people from any borough in London. The expansion into Newham is much-needed given the lack of specialist advice provision in the borough and the level of need.

MARY WARD SETTLEMENT
REPORT FROM THE CHAIR
FOR THE YEAR ENDED 31 JULY 2024

Demand for the Legal Centre's services is at an unprecedented level due to the continuing impact of the cost-of-living crisis. The Centre was pleased to secure an additional year's funding from the GLA (through the London Legal Support Trust) to help address increased demand by providing additional specialist housing and welfare benefits advice.

The pressures on the clients approaching the Legal Centre for help are considerable. Many face homelessness, poor housing conditions impacting their health, growing debts as they struggle financially, loss of essential welfare benefits (many of which are to support those with a disability and/or a long-term health condition), and discrimination. Clients often present with multiple issues and these are often complex and inter-related.

The legal advice sector is facing a recruitment and retention crisis, which impacts the Legal Centre's ability to maintain and grow service provision. To help address this, the Legal Centre is supporting several trainee solicitors and apprentices to become social welfare lawyers. This has only been possible through the generous funding from the Justice First Fellowship scheme, Linklaters and the GLA.

The hard work and commitment of the Legal Centre's staff and pro bono volunteers has resulted in many successful outcomes for clients, including reducing homelessness, increasing incomes, reducing debts, improving housing conditions and wellbeing.

We are grateful to the following funders and donors for 2023-24 who have enabled the Legal Centre to continue its work in changing lives: London Borough of Camden, Legal Aid Agency, Money and Pensions Service (Debt Free Advice), Trust for London, Access to Justice Foundation, Legal Education Foundation, London Legal Support Trust, Henry Smith Charity, GLA, AB Charitable Trust, St Andrew Holborn, Linklaters, Clifford Chance, Weil Gotshal & Manges, Bishop & Sewell LLP, Powell Gilbert LLP, and Farrer & Co. The centre is also grateful for the continued pro bono support from Eversheds Sutherland.

At Blackfriars Settlement ("Blackfriars") this year has been one of mixed fortunes, marked by significant achievements and notable challenges. Working alongside an incredible community of people and organisations, we have responded to increased demand despite operating with a reduced staff team. We have delivered more events, activities and courses, and increased volunteer hours – a heartening testament to the dedication and commitment of our team and wider community. While we have benefited from generous support from long-term funders, sustaining funding for rising costs continues to be a pressing challenge.

This year, our Mental Health & Wellbeing service supported 135 individuals, reflecting a 21% increase on the previous year. Thanks to additional funding from the National Lottery, our team expanded from two to three staff members for most of the year, enhancing capacity to meet the growing complexity of members' needs. However, in May, we returned to a two-person team following the departure of a long-term manager and limited funding, with a team reconfiguration necessary while new funding outcomes are awaited. In response to cost of living pressures, we expanded our session offerings, including a healthy breakfast discussion group aimed at supporting wellbeing through nutritional education and social engagement. We also began a new IT project to support members to improve their basic skills, to access services and connect better with the wider community.

Our Positive Ageing service engaged 293 individuals, with 10,419 total attendances—a 5% and 10% increase, respectively, over the prior year. We participated in the national 'Age Without Limits' campaign against ageism and collaborated with partners to broaden our session offerings. We also continued delivery of our Ageing Well Southwark partnership, working with NHS and Council Commissioners on the future of the programme. Volunteer participation remained particularly strong in this service, particularly with corporate volunteers and long-term member supporters, demonstrating the value of community-driven support.

The Orb Project experienced considerable growth in numbers, with 365 event attendances, this is an over 200% increase from the previous year. In April, a new two-year Awards for All grant was awarded enabling us to develop and expand our community activities and consider how we develop our programme so that in addition to engaging through events, our users are linked to wider programmes ensuring our commitment to partnership, inclusivity and outreach.

MARY WARD SETTLEMENT
REPORT FROM THE CHAIR
FOR THE YEAR ENDED 31 JULY 2024

Throughout the winter, we served as a "Warm Space" for local residents, welcoming 80 new visitors alongside our regular service users. We discovered a strong preference for communal dining and social warmth over take-away meals. Recognising that food insecurity and the need for social connection persist year-round, we are prioritising strategies to meet this need sustainably as we plan future services.

Education has been a key area of growth, with a particular emphasis on digital and creative digital courses. Partnerships with New City College and a grant from the Local Skills Improvement Fund facilitated well-attended taster sessions in the spring, and enabled us to upgrade our digital resources.

Volunteers continue to be the cornerstone of our work, with an increase in volunteer hours this year. Long-term volunteers have been instrumental across all services, including Positive Ageing, Mental Health & Wellbeing, Create Space, and Adult Education. Their roles span teaching, facilitating, listening, cooking, cleaning, and providing companionship. Corporate volunteers and regular contributors from dedicated volunteer members, bring invaluable energy and enthusiasm that enable us to extend our reach and impact.

Despite a solid financial foundation, we conclude the year with a deficit due to broader economic pressures and shifting funding landscapes. Securing sustainable funding remains a top priority, and we are immensely grateful to our long-standing and core funders for their unwavering support. Their flexibility in transitioning from project-specific to core funding has been pivotal.

We extend our deepest gratitude to our funders, volunteers, and partners whose generosity and dedication fuels our mission and enables Blackfriars Settlement to thrive as a vital centre in our community.

Veronica Daly
Veronica Daly (Apr 16, 2025 16:27 GMT+1)

Veronica Daly
Chair

16/04/2025

MARY WARD SETTLEMENT
REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 JULY 2024

REFERENCE DETAILS

Charity number: 223066
Company number: 00046188
Address and Registered Office: The Mary Ward Centre, 275-285 High Street, London E15 2TF

KEY MANAGEMENT PERSONNEL

Key management personnel are defined as members of the Settlement's Senior Management Team and were represented by the following in 2023-24:

Warden, CEO; Accounting Officer	Therese Reinheimer-Jones
Director of Adult and Community Education	Sue Craggs
Director of Finance and Resources	Juliet Woodford
Director of the Mary Ward Legal Centre	Paula Twigg
Director of Blackfriars Settlement	Liz Ranger

BOARD OF TRUSTEES

A full list of the Trustees is given on pages 21-22 of these Financial Statements.

Ms. Beverley Campbell acted as Clerk to the Trustees throughout the year under review.

PROFESSIONAL ADVISERS

FINANCIAL STATEMENTS AUDITOR AND REPORTING ACCOUNTANTS	Buzzacott Audit LLP 130 Wood Street London EC2V 6DL

INTERNAL AUDITOR	Validera 30 Camp Road Farnborough Hants GU14 6EW

BANKERS	The Co-operative Bank plc 3rd floor, St Paul's House 10 Warwick Lane London EC4M 7BP

INVESTMENT MANAGER	Rathbone Greenbank Investments 10 Queen Square Bristol BS1 4NT

MARY WARD SETTLEMENT
REPORT OF THE BOARD OF TRUSTEES
FOR THE YEAR ENDED 31 JULY 2024

NATURE, OBJECTIVES AND STRATEGIES

The Board of Trustees (“the Board”) is pleased to present its Annual Report, together with the Financial Statements of Mary Ward Settlement (“the Settlement”) for the year ended 31st July 2024. This report is also prepared to meet the requirements for a Directors’ Report and Financial Statements for Companies Act purposes.

LEGAL STATUS

The Settlement is a registered charity (number 223066) and company limited by guarantee (number 46188), first registered in December 1895. It provides adult education and community services under its trading name of the Mary Ward Centre (“the Adult Education Centre”). The Settlement is also the controlling entity of the Mary Ward Legal Centre (“the Legal Centre”) and Blackfriars Settlement (“Blackfriars”), both of which are wholly owned subsidiaries.

For the purpose of these Financial Statements, references to the Settlement or Group, refer to the activities and consolidated results of the Adult Education Centre, the Legal Centre and Blackfriars, whilst references to the Adult Education Centre or Centre include only those activities and results of the parent entity trading as Mary Ward Centre in its role as an Institute of Adult Learning (IAL). References to the Board or to the trustees refer to the Board of the Settlement or to its trustees, unless specifically stated otherwise.

OBJECTS AND MISSION

The objects for which the Settlement is established are the advancement of public education and the promotion of social service for the benefit of the community. The Settlement’s mission is to develop and provide excellent, innovative and wide ranging adult education and community services.

PUBLIC BENEFIT

In setting and reviewing the Settlement’s strategic objectives, the Board has had due regard for the Charity Commission’s guidance on public benefit and particularly upon its supplementary guidance on the advancement of education. The guidance sets out the requirement that all organisations wishing to be recognised as charities must demonstrate, explicitly, that their aims are for the public benefit.

In delivering its mission, the Settlement provides the following identifiable public benefits through the advancement of education and community services:

- High quality teaching;
- Advice, information, assistance and representation dealing with housing, debt, welfare benefits and other financial and legal problems;
- Widening participation and tackling social exclusion;
- Strong student support systems, particularly for students with physical and learning difficulties; and
- Vocational support where appropriate.

The effectiveness of the Settlement’s delivery of public benefit is covered throughout the Trustee’s Report.

IMPLEMENTATION OF THE STRATEGIC PLAN

The Centre worked towards the objectives of the Strategic Plan covering the period 2023-2028, of which a key element includes establishing the Centre at its new location in Stratford, in the London Borough of Newham, and achieving long term sustainability with a wider reach of adult education and community support and advisory services across London.

The freehold site originally known as Queensway House now renamed as The Mary Ward Centre, at Stratford was purchased in July 2018 with the aim of redeveloping the site and relocating services from the 2022-23 academic year. The impact of the Covid-19 pandemic from March 2020, and its aftermath, was primarily responsible for delays to the planning process, inflation in the construction sector and the consequential uncertainty over funding led, inevitably, to a delay in completion of the project. Instead of, opening to students on site for the start of the 2022-23 academic year, construction was not substantially complete

MARY WARD SETTLEMENT
REPORT OF THE BOARD OF TRUSTEES
FOR THE YEAR ENDED 31 JULY 2024

IMPLEMENTATION OF THE STRATEGIC PLAN (CONTINUED)

until September 2023. The Centre began its relocation from that date, opening its doors to students just a few weeks later in the autumn of 2023 for the start of the 2023-24 academic year. Practical Completion, however, was delayed until the end of November 2023.

CORE VALUES AND OBJECTIVES

The Centre is guided by the Core Values and Strategic Aims. Acknowledging the imminent completion of the new site at Stratford, at a Strategy Day in June 2023, the Board met to consider the Strategic Plan for the period 2023-28, and subsequently, the following Core Values and Strategic Aims were agreed across the Mary Ward Settlement group.

Core Values

- **PEOPLE:** we ensure the needs of students and service users are at the heart of everything we do
- **COMMUNITY:** we value and contribute positively to the communities we serve
- **LEARNING:** we provide access to learning that enriches people's lives, increases opportunities, and diminishes disadvantage
- **JUSTICE:** we are committed to social justice and provide access to secure legal rights
- **RESPECT:** we value and support staff, teams and volunteers, and develop their talents
- **EQUALITY:** we foster equality, seek to eliminate discrimination and improve inclusion
- **INTEGRITY:** we are honest, fair, accountable and financially responsible
- **SUSTAINABILITY:** we actively seek sustainable practices
- **EXCELLENCE:** we strive for excellence as individuals, teams and as an institution

Strategic Aims

- **Contributing to local and London economies**
We will contribute to social and economic prosperity by extending our work into new areas whilst supporting more vibrant, tolerant, safe and healthy communities where everyone has the opportunity for learning, to build skills and meet personal or professional goals.
- **Enrich and strengthen the communities we serve**
We will strengthen local communities' ability to access support, advice, learning and employment, reducing social isolation and improving life chances.
- **Provide flexible and outstanding, demand-led provision and services**
We will grow and maintain a diverse, agile and adaptable workforce delivering demand-led and co-created provision that can respond to the demands of its users, changing priorities and local needs.
- **Be a visible and valued partner and place**
We will be a well known, trusted and respected partner, a 'go to' for input, development and advice across all of the sectors that our work encompasses.
- **Ensure current and future stability**
We will ensure current and future organisational stability and sustainability through financial health, leadership, governance and a skilled work force.

The Board monitors the performance of the Centre against the plan and reviews and updates the plan annually.

The most significant impact of the delay to the Centre's Property Strategy was the late move of the Centre to its new Stratford site and disruption to plans for the start of term, including the taster courses planned as part of the marketing strategy. The presence of the construction company on-site, completing the last stages of the build during the autumn term disrupted the Centre's ability to provide the full range of

MARY WARD SETTLEMENT
REPORT OF THE BOARD OF TRUSTEES
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CORE VALUES AND OBJECTIVES (continued)

classes, and in the way it would have wished, from the start of the year. This impacted on income from fees which, though higher than the previous year, at £560,000 compared to £529,000, did not build as quickly as the Centre would have hoped. At the Blackfriars site, however, provision continued strongly, with fees increasing from £66,000 in 2022-23 to £79,000 for 2023-24, although enrolments and student numbers declined to 1,427 and 615, respectively, compared to 1,522 and 714 in the previous year.

Unlike recent years, when the Centre would have prioritised mitigation of losses by maintaining close control of direct costs, the decision was taken to maintain provision at Stratford where possible, prioritising those classes that contribute most to funders' priorities as well as those where it was believed enrolments would increase, given time.

STRATEGIC REPORT

ACHIEVEMENTS AND PERFORMANCE

PERFORMANCE INDICATORS

ADULT EDUCATION CENTRE

A series of performance indicators have been agreed to monitor the successful implementation of the policies. The performance against the Adult Education Centre's targets is set out in the table below:

Key Performance Indicator	Target 2023-24	Achieved 2023-24	Target 2022-23	Achieved 2022-23
Maximise the number of people who access adult education	2,500	2,606	2,500	2,355
Maximise the number of course enrolments	5,500	5,579	5,500	5,372
Maximise the average number of students per course	10	9	10	9.5
Maintain high average level of student retention; AND Maintain high retention across ALL courses	90%+	96%	90% +	95%
Maintain high level of student satisfaction	95%+	96%	95%+	94%
Maintain high level of average achievement on non-accredited courses; AND Maintain high level of achievement on ALL non-accredited courses	90%+	96%	96% across all levels and lengths	95%
Improved average success rates for students taking accredited courses	90%+	87%	90%+	86%
Improved success rates on ALL non -accredited qualifications	90%+	96%	95%	93%
The % of students reporting additional benefits is increasing	n/a	All students who returned a questionnaire reported at least one additional benefit to learning	n/a	All students who returned a questionnaire reported at least one additional benefit to learning

MARY WARD SETTLEMENT
REPORT OF THE BOARD OF TRUSTEES
FOR THE YEAR ENDED 31 JULY 2024

ACHIEVEMENTS AND PERFORMANCE (CONTINUED)

ADULT EDUCATION CENTRE (CONTINUED)

The Adult Education Centre is committed to monitoring a range of key sector indicators and is required to complete the Annual Finance Record for the ESFA. The Adult Education Centre's financial health grading was assessed by the ESFA as "Requires Improvement" (2022-23: "Requires Improvement"). This 'Requires Improvement' financial health grade arises directly as a result of the execution of the Property Strategy, primarily the drawdown of a commercial mortgage to fund the redevelopment of The Mary Ward Centre at Stratford, and the challenges of a period of high inflation and economic instability seen over the past 12 months which have increased costs and reduced cash balances in the short term.

MARY WARD LEGAL CENTRE

The Legal Centre's specific achievements for 2023-24 are outlined below:

- Continuing to prevent homelessness, improve people's housing conditions, combat poverty, help people reduce their debt and maximise their income through providing free specialist casework and representation in housing, debt and welfare benefits;
- Securing additional grant funding and donations to deal with the impact of the cost of living crisis;
- Helping 1,400 people with their legal issues;
- Expanding its delivery location in Newham by moving into new premises in Stratford;
- Working in partnership with local organisations to deliver outreach advice;
- Delivering against contractual funding outputs and outcomes;
- Continuing to meet the Law Society's legal practice quality mark - Lexcel - and being commended for sustaining an extremely high level of compliance against the standard.
- Delivering a pro bono advice service to help more people who cannot access help from legal aid to resolve their legal issues;
- Securing funding from the GLA through the London Legal Support Trust to increase the Centre's capacity to provide specialist housing and welfare benefits advice pan-London;
- Securing funding for a generalist adviser to provide holistic support and increase the Centre's outreach in Camden;
- Supporting three members of staff to train as trainee solicitors;
- Clients receiving help with their welfare benefits appeals achieved an average increase of £87 a week in benefits;
- Playing an active role in local advice partnerships in Camden and Newham;
- Working in partnership with other community organisations and food banks in Newham to provide specialist advice in food bank users.

The actual performance against the agreed targets are set out in the table below:

Key Performance Indicator	Target 2023-24	Achieved 2023-24	Target 2022-23	Achieved 2022-23
Meet annual target for matter starts	1,230	1,407	1,480	1,887
Maintain the number of people who get advice through pro bono clinics	100	122	175	174
Maintain a high level of client satisfaction	95%	99%	95%	99%
Maintain the high % of cases that have a positive outcome	92%	96%	92%	95%
A high % of clients who respond to our survey report an improvement in health and well-being	88%	96%	88%	94%

MARY WARD SETTLEMENT
REPORT OF THE BOARD OF TRUSTEES
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BLACKFRIARS SETTLEMENT

Positive Ageing

Positive Ageing supports community members over 60 through a range of activities including clubs, trips, food. Positive Ageing has received a steady flow of new referrals over the year, from a wide range of services and people walking in the Settlement. Needs have continued to become more complex, with the team dealing with safeguarding issues. Many referrals which do not meet the existing threshold for social care intervention, and an increasing number of members and referrals with early dementia.

A wide range of activities were delivered this year alongside the incredible support of community partners and volunteers, including:

- Approximately 4,000 meals were served to our members and supported by hundreds of volunteers including our long standing service volunteers and hundreds of employees from local companies
- We delivered over 900 clubs and activities in the year, including Crusoe Club for the visually impaired, Forget Me Nots to support strengthening memory, Franks Men's Club and a range of creative and physical fitness classes to support wellbeing
- We developed partnerships with grassroots organisations and cultural institutions including the Heritage Museum for film showings and sharing local history talks and photography
- There were a number of member trips to the seaside and to London cultural institutions including Kew Gardens, Tate Modern and the Queens gallery at Buckingham Palace
- The Nightingales Older people's singing group attended a number of external events including an event at Southwark Council to celebrate the International Day of Older People.
- Outreach coffee mornings continued at Rowland Hill House, Lucy Brown House (sheltered accommodation, for residents only) and Darwin Court (sheltered accommodation with cafe space for everyone 60+)
- Art Partnership with Art Academy, art workshops with Artist during our coffee morning at Rowland Hill House, Artist also works with students from Haberdasher Academy, exhibition was in January at Bankside Gallery with an evening private viewing together with students and members, artworks were then exhibited at the school for a term and then at BFS. The group of members at Rowland Hill House also produced artworks for the hoardings on Stamford Street (collaboration with Hines)
- We had 2 7-weeks workshops developed with our long term partners, Create, to engage members in sculpture and music
- Hosted a talent show on Age without limits Action Day which members cited as a highlight of their year
- We organised and supported digital inclusion workshops 'How to manage health digitally' with Clear Community Web to support people to access health information online.

Mental Health and Wellbeing

This year saw an increase in demand for this service, with a rise in the number of referrals from a wide variety of agencies and services. The number of people supported was 135, an increase of 21% on 2022-23 and of these 45 of these people were new to the service. This year we received 64 new referrals, an increase of 26% on the previous year.

The needs of our members are complex. Most have severe and enduring mental health challenges, and many have a dual diagnosis or complex post-traumatic stress disorder. Levels of need amongst members have remained high, with the cost-of-living crisis, climate crisis and war in Ukraine and Palestine, changes to benefits systems all contributing to higher levels of anxiety and depression.

The service delivers a broad range of high-quality services:

- The Lottery funded Thinking Ahead Project has continued supporting us in building skills and confidence amongst members, working towards them accessing other educational opportunities, supporting volunteering and enabling members to contribute to their community. Our uplift in funding supported:

MARY WARD SETTLEMENT
REPORT OF THE BOARD OF TRUSTEES
FOR THE YEAR ENDED 31 JULY 2024

BLACKFRIARS SETTLEMENT (CONTINUED)

- A Cost-of-Living Project worker to offer 1:1 casework and group facilitation discussion coinciding with healthy breakfast club to support people with personalised advice on housing, budgets and healthcare.
- We developed and hosted a mental health and wellbeing conference 'Take Five' for World Mental Health Day focused on activities linked to the five ways of wellbeing; over 120 people attended and were engaged in activities and learning.
- We started a specific IT project - Confident & Safe Online, funded by the Access Foundation and the Elephant & Castle Community Fund. This provided IT support and training in a safe and accessible format for our MHWB members. It supported members to increase their confidence in using digital online and to their ability to use computers to manage benefits, make online applications and access other services and opportunities.
- The service hosted student placements including Art Therapy students on placement from Roehampton University to offer more intense working 1:1 with members with regular supervision work. We also hosted a social work student from LSBU to support their practical experience and development with Practice placement supervision.
- Day trips and events including visits to cultural institutions to inspire creativity and support independence with external community links to the Tower of London, Kew Gardens, Royal Art Exhibition and the Young Vic theatre.
- A creative writing course was piloted with an external community creative to support some of our members to increase their skills in writing and expression. This helped us to consider how we can use art and creativity as a way of building connections and understanding in our community.
- We have supported members to progress into volunteering roles supporting the development of skills, confidence and connections to our wider community including gardening, cooking, and IT tech support.
- Staff training delivered by Tavistock supported us to practice and refresh our teams on group facilitation work for clinical/professional staff.

Create Space Visual Design

This year the Studio doubled its Local Skills Improvement Fund staff taking on a new part-time designer and increasing the number of volunteers. The Studio also played an important part in the Local Skills Improvement Fund work undertaking in partnership with the Mary Ward Centre, hosting volunteers wanting to build their work skills. This will continue into the next year.

Adult Education

Mary Ward delivered a wide range of courses and classes throughout the year, students numbers were down but enrolments (this is students taking more than one class and progressing) were up year on year.

The Orb Space

Our Death Café was again a regular event. We ran a Creative Week with a number of different creative sessions which proved extremely popular and all had a waiting list. We hosted an incredible and well attended Black History Month event, with healthy Caribbean Food and poetry and creativity celebrating the best of black culture and history.

Warm Space

During the winter months the Settlement was again a Warm Space for local people to use, we offered healthy soup to take away and re-heat quickly and cheaply at home.

Legal Clinic

During Covid our free legal advice clinic, run in partnership with City Law School moved online. This was a successful move, making the service more efficient and accessible. This move is now permanent, ending our role physically hosting the clinic.

MARY WARD SETTLEMENT
REPORT OF THE BOARD OF TRUSTEES
FOR THE YEAR ENDED 31 JULY 2024

ACHIEVEMENTS AND PERFORMANCE (CONTINUED)

BLACKFRIARS SETTLEMENT (CONTINUED)

The actual performance compared to prior years is set out in the table below:

Key Performance Indicator	2023-24	2022-23	2021-22	2020-21
MHWB				
No of members supported	135	112	93	108
No of referrals	64	51	41	46
No of new members	24	35	20	13
PA				
No of members supported	533	670	584	529
No of new members	68	72	184	103
No of people attending sessions	291	280	289	219
No of attendances	10,419	9,462	8,805	5,460
No befriended members	533	112	124	180
No befriending referrals	68	52	98	64

FINANCIAL REVIEW

The Settlement had an operating deficit of £20,000 in the year (2022-23: surplus of £91,000). This was before the inclusion of a £55,000 (2022-23: £70,000) Local Government Pension Scheme (“LGPS”) service cost; £47,000 LGPS finance credit (2022-23: cost of £18,000); and £1,000 (2022-23: £2,000) LGPS administration cost. The deficit for the year after inclusion of those costs was £29,000 (2022-23: surplus of £1,000). Additionally, an actuarial gain of £9,000 was made by the LGPS (2022-23: gain of £666,000). Overall, total comprehensive expenditure for the year was £10,000 (2022-23: total comprehensive income £667,000).

The Settlement’s accumulated reserves fell to £12,447,000 (2022-23: £12,467,000). The Settlement’s target is to increase reserves, by a minimum of 1% of income, before taking into account the impact of LGPS costs.

The written down value of fixed assets increased to £26,938,000 (2022-23: £26,631,000). Capital expenditure in the year totalled £806,000 (2022-23: £7,853,000), all but £156,000 of which related to the development of the freehold property, Queensway House, in Stratford, East London, now renamed and known as The Mary Ward Centre.

The depreciation charge for the year totalled £499,000 (2022-23: £93,000). The value of the investment funds held by the Settlement remained at £31,000 (2022-23: £31,000).

The Settlement’s operational income rose by £741,000 to £5,806,000 (2022-23: £5,065,000), reflecting an increase in Adult Education grants including non-recurrent capital and revenue grants and release of deferred capital grants for the first time following completion of the Property Strategy, with the new Mary Ward Centre now in use and an increase in value of donated pro bono services provided to the Legal Centre.

Costs of the Settlement rose by £771,000 to £5,835,000 (2022-23: £5,064,000). This increase reflects expenditure associated with the non-recurrent grants and pro bono services noted above, higher costs of operating from the new Mary Ward Centre including depreciation charged on the building for the first time, from the date of Practical Completion, and higher staff costs reflecting a modest 2.5% pay award in addition to a small rise in the FTE number of staff.

The Adult Education Centre’s income rose by £552,000 to £3,907,000 (2022-23: £3,355,000) and changes in grant income noted above.

MARY WARD SETTLEMENT
REPORT OF THE BOARD OF TRUSTEES
FOR THE YEAR ENDED 31 JULY 2024

FINANCIAL REVIEW (CONTINUED)

Costs at the Adult Education Centre rose by £613,000 to £3,949,000 (2022-23: £3,336,000) reflecting the higher costs associated with the new Mary Ward Centre, and the higher staffing levels noted above.

The Legal Centre's income increased by £253,000 to £1,330,000 (2022-23: £1,077,000), of which £977,000 (2022-23: £878,000) came from operational grants and funding for legal advisory services and £353,000 (2022-23: £199,000) from donations and other fundraising, including value in kind donations of £228,000 (2022-23: £75,000) from pro bono advice and the provision of legal trainees.

Legal Centre costs rose by £173,000 to £1,294,000 (2022-23: £1,121,000). This primarily reflects the estimated value of donated legal services from pro bono advice noted above and an increase in the direct costs of casework including billing services.

At Blackfriars, operational income was £688,000 for the period (2022-23: £732,000). The fall in income reflecting a lower level of donations and legacies and lower rental income. Operational expenditure was broadly stable at £710,000 (2022-23: £707,000, reflecting a similar level of activity overall.

The 2023-24 Financial Statements and associated Notes are set out on pages 35 to 63.

TREASURY MANAGEMENT

Treasury management is the management of the Settlement's cash flows, its banking, money market and capital market transactions, the effective control of the risks associated with those activities and the pursuit of optimum performance consistent with those risks.

Following the reclassification of colleges by the ONS in November 2022 all new borrowing requires the consent of HM Treasury. Subject to such consent, short term borrowing for temporary revenue purposes is authorised by the Accounting Officer and such arrangements are also restricted by limits in the Settlement's Financial Memorandum agreed with the Education and Skills Funding Agency. All other borrowing requires the authorisation of the Board in order to comply with the Financial Memorandum.

There was a net decrease in the cash held by the Settlement of £565,000 to £860,000 (2022-23: increase of £778,000 to £1,425,000). Expenditure of £806,000 in relation to the development of the new Mary Ward Centre continued to be the most significant outflow, offset by capital grant receipts of £348,000.

RESERVES POLICY

The Settlement recognises the importance of reserves in the financial stability of the organisation and has a stated Reserves Policy to hold a minimum of 1 to 3 month's operating expenditure as unrestricted free reserves. Consequently the Settlement continues to ensure that it has adequate reserves to support its core activities.

As at the balance sheet date the Settlement's unrestricted reserves were £12,438,000 (2022-23: £12,458,000) of which £2,694,000 were unrestricted fixed asset reserves (2022-23: £2,771,000) and £9,744,000 were other unrestricted reserves (2022-23: £9,687,000). Restricted reserves totalled £9,000 (2022-23: £9,000).

Of these reserves £214,000 (2022-23: £351,000) are immediately available, or at short notice and can be drawn upon to meet the working capital needs of the Settlement.

The relative stability of reserves, at the Balance Sheet date, reflects the largely static level of operational activity of all 3 organisations, with operational funding streams largely unchanged or falling. As anticipated, the costs of implementing the Property Strategy have resulted in the Settlement's free reserves falling below

MARY WARD SETTLEMENT
REPORT OF THE BOARD OF TRUSTEES
FOR THE YEAR ENDED 31 JULY 2024

RESERVES POLICY (CONTINUED)

target during 2023-24. It is the Board's intention to restore the Settlement's reserves, excluding any impact from the LGPS, to at least the minimum target level as soon as practical.

It is anticipated that the 2024-25 financial year will be difficult, as the Adult Education Centre strives to grow its business in an area with high need, where the free and low cost provision is in highest demand, and where the costs of running our operations continue to increase.

CURRENT AND FUTURE DEVELOPMENTS AND PERFORMANCE

FINANCIAL HEALTH

In 2023-24 the Centre achieved a "Requires Improvement" ESFA financial health grading (2022-23: "Requires Improvement"). This financial health rating was achieved against the backdrop of the strategic activity taken by the Centre to secure its future through implementation of the Property Strategy over the past 6-7 financial years, which has seen the cash balance and free reserves fluctuating, but ultimately falling over the whole of this extended period, as well as the drawdown of a commercial mortgage, needed to fund the development work at The Mary Ward Centre, Stratford.

The Property Strategy was agreed by the Board because the Centre's primary site at 42 Queen Square was approaching the end of a long lease in July 2022, and had been on beneficial terms for many years. The landlord indicated that if it were to offer a new lease it would be at a considerably higher rent. After careful consideration of the risks and opportunities, the Board adopted a strategy that, once implemented, would help provide for a financially sustainable future for the Centre. With the redevelopment work of new Mary Ward Centre reaching Practical Completion in November 2023, and the organization having operated from this site throughout 2023-24, the Property Strategy is now complete.

The premises at 1 Rushworth Street enable the Settlement to operate from two permanent sites in two London boroughs. In addition, the Legal Centre retains a lease of office and meeting space at 10 Great Turnstile in Camden, enabling it to meet and service its clients from a third site.

In the medium to long term, the completion of the redevelopment of The Mary Ward Centre in Stratford completes the Property Strategy, and should ultimately see a return to much stronger operational results and financial sustainability. However it is anticipated that in the short term, the Centre's relocation to a new area of London will require investment in the curriculum, marketing and resources. We expect this to put pressure on operating surpluses and cash balances and, in turn, on the ESFA financial health grade. This will mean a return to a "Good", or better, financial health grading is unlikely for a few years following the opening of The Mary Ward Centre.

Based on our forecasts the "Good" and better, financial health grading achieved in recent years was always expected to fall to during the execution of the final phase of the Property Strategy. Consequently, given the challenges faced over 2023-24, the "Requires Improvement" outcome reported for the period is an expected result.

STUDENT NUMBERS

The Centre is funded according to the levels of activity that it generates. In 2023-24, the Centre generated a funding value of £2,447,267 (2022-23: £2,446,364). The total number of students enrolled onto courses was 2,606 (2022-23: 2,355). Student retention was 96% (2022-23: 95%).

MARY WARD SETTLEMENT
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STUDENT ACHIEVEMENTS

In 2023-24 there were 323 examination entries of which 280 were successful (2022-23: 453 and 407 respectively). Overall success is 96% (2022-23: 95%). Student achievement in non-accredited courses is 96% (2022-23: 94%), which is assessed using the Recognising and Rewarding Progress and Achievement (RARPA) strategy.

CURRICULUM DEVELOPMENTS

Curriculum planning at the Centre combines a needs analysis of local communities with a broader perspective of its contribution to adult education across London. The Centre has been effective in reviewing and realigning its curriculum to meet changing priorities and funding constraints, whilst retaining the distinctive characteristics of the curriculum and patterns of learning. In 2023-24 the Centre continued to offer courses within the curriculum financed entirely from student fees and successfully ran such courses across the curriculum. In response to funding and community need, the Centre's strategy was to ensure the mix and balance of the curriculum, maximising both the amount of fully funded and paid-for provision that could be delivered within the constraints of space and cost of resourcing. Improvements have been made on the previous year. In 2023-24 enrolments rose by 4% and fee income by 5%.

Community Outreach continue to be successful at providing courses for older people, minority groups and hard to reach communities to reduce social isolation and access to education. The vast majority of this work now takes place in Stratford and East London.

Partnerships with external agencies such as Waltham Forest LA and charities such as Helen Bamber Foundation continue to develop to provide referrals to meet students' needs to learn English and help them get work. In Work Skills and Employability, Level 1 and Level 2 courses continue to be offered; these offer transferrable work skills including Functional Skills, ICT Users, Key Skills for Work as well as non-accredited options such as Excel and MS Office. To support the improvement of digital skills the Centre has introduced Essential Digital Skills, Essentials Digital Skills for Work/Job Seekers. A partnership with Birkbeck University resulting in a co-designed and co-delivered number of Pathways workshops to offer advice and guidance to progress into education and work continues to be offered. Although 24+ Loan provision continues to be offered in Community Interpreting, Counselling and Art and Design, the Centre makes use of funding flexibilities to fully fund individuals on some of these courses at Level 3. Progression routes in Community Interpreting into specialist areas have also been offered, e.g., Level 6 - Preparation for the Diploma in Public Service Interpreting; Law Option.

In 2023-24 the Centre continued to receive Multiply Funding from the GLA to support the improvement of maths skills across London. This funding is for 3 years and got underway in January 2023. To date the Centre has met its targets associated with this project and received the funding allocated. Courses have included First Steps into Maths, Maths for ESOL as well as a range of creative programmes where maths skills are embedded such as Hat Making, Aromatherapy, Healthy Eating and Nutrition and Gardening.

PAYMENT PERFORMANCE

The Late Payment of Commercial Debts (Interest) Act 1998, which came into force on 1st November 1998, requires colleges, in the absence of agreement to the contrary, to make payments to suppliers within 30 days of either the provision of goods or services or the date on which the invoice was received.

The target set by the Treasury for payment to suppliers within 30 days is 95%. During the accounting period 1st August 2023 to 31st July 2024, the Centre paid 95% of its invoices within 30 days. The Centre incurred no interest charges in respect of late payment for this period.

MARY WARD SETTLEMENT
REPORT OF THE BOARD OF TRUSTEES
FOR THE YEAR ENDED 31 JULY 2024

EVENTS AFTER THE END OF THE REPORTING PERIOD

Significant post-balance sheet events are set out in Note 22.

FUTURE DEVELOPMENTS

ADULT EDUCATION CENTRE

The Adult Education Centre plans to continue to be a distinct and high quality provider of adult and continuing education, to increase its provision for students over the next 3 years and to return to an 'outstanding' financial status with the ESFA within the life of the new strategic plan.

The Adult Education Centre will continue to diversify its income streams and thereby reduce its dependency on ESFA and GLA and plans to continue to work towards higher tuition fee income, without compromising access to education for those with the greatest needs. It is expected that there will be continuing development of a range of courses funded by using funding flexibilities, student loans and Free Courses For Jobs. The long term impact of Covid-19 as well as the impact of the delay of the building on the habits and expectations of students continues to be a major factor in the immediate plans for the Adult Education Centre and, consequently, its marketing and communications strategy in order to recruit new students in its new area.

The implementation of the Property Strategy saw The Mary Ward Centre in the London Borough of Newham, opened as a new centre for the provision of our adult education curriculum, alongside our site at 1 Rushworth St in the London Borough of Southwark. The new site allows for a major review of the curriculum and particular emphasis is being given to the specific needs of the community in this part of East London.

The Adult Education Centre will continue to manage its costs effectively, mindful that staff costs represent more than two thirds of total expenditure. Greater efforts will be made to make effective use of more volunteers in a more structured and better way.

The public funding environment remains challenging and there is no immediate end in sight to this. Outcomes from the ONS review will bring substantial change to the sector and the organisation is considering its plans to minimise the impact of this.

MARY WARD LEGAL CENTRE

Looking forward the Legal Centre expects to be able to achieve the following:

- To ensure pan-London provision of its specialist advice in housing, welfare benefits and debt;
- To continue to provide a pro bono service;
- To continue to develop new advice provision in Newham;
- Provide advice in health settings;
- To expand its outreach provision in Camden, including generalist advice as part of its holistic provision;
- To take an active role in advice networks, and work in partnership with local advice providers and community organisations; and
- To continue to seek new sources of income and funding to deliver specialist legal advice services including raising unrestricted income.

BLACKFRIARS SETTLEMENT

Looking forward Blackfriars Settlement expects to be able to achieve the following, as part of the its Strategic Plan:

- To maintain and develop the range of activities currently offered to the local community by the Settlement - primarily for the elderly and for people experiencing mental health issues;
- To partner Mary Ward Adult Education Centre in hosting adult education classes at the Rushworth Street premises; and
- To partner Mary Ward Legal Centre in hosting Legal Advice clinics and drop-in services at the Rushworth Street premises.
-

MARY WARD SETTLEMENT
REPORT OF THE BOARD OF TRUSTEES
FOR THE YEAR ENDED 31 JULY 2024

GOING CONCERN

The Settlement incurred an operating deficit of £20,000 for the year (2022-23: surplus of £91,000) against an original budgeted surplus of £125,000. The underperformance in relation to the original budget was primarily the consequence of a more difficult than anticipated start to the 2023-24 year at the Adult Education Centre following its relocation to Stratford. While the completion of the new Mary Ward Centre had been expected to take place well before the commencement of the 2023-24 academic year, allowing the summer for extensive marketing, there were delays to some aspects of the construction. These delays were largely out of the control of the Settlement and its construction team, including the connection of utility supplies. The result was that Practical Completion was delayed until the end of November 2023, and curriculum provision for the majority of term 1 was carried out while sharing the space with the construction team as they completed the remaining work. Consequently, the launch of Adult Education at the new Mary Ward Centre was not as successful in this year as had been hoped, and although the site was brought quickly into full use after Practical Completion, the impact of being unable to open fully from the start of the year was significant.

It was deemed important to carry on as anticipated, to plan for, and provide a wide curriculum, keeping classes open with lower than the minimum student numbers than would normally be acceptable. Consequently, the ratio of costs to tuition fee income was lower than budgeted, leading to the lower than budgeted operating result as well as a reduction in cash held.

The Settlement's second year in Stratford began more strongly, with an increase in enrolments and tuition fees for 2024-25 around 20% higher overall, than for 2023-24, and up to 30% higher than its final year in central London. Nevertheless, the costs of running the new Mary Ward Centre, including servicing the commercial debt which helped fund the construction work, have been higher than expected. Even with the modest increase in student numbers, cash receipts for the first term of 2024-25 have been lower than cash outflows.

Consequently, in January 2025, the Settlement approached the Education & Skills Funding Agency (ESFA) for financial assistance. The Settlement is in the process of working closely with the Further Education Commissioner's (FEC) team to put a financial recovery plan in place and to re-build the Settlement's finances to a sustainable level. For 2024-25, while the Settlement's budget anticipates a positive EBITDA, it is expected to record an operating deficit overall, along with a further reduction in cash before allowing for any financial assistance from the ESFA which is expected to be drawn in April 2025.

Alongside these challenges facing the Adult Education Centre, Blackfriars, which has a long leasehold interest in its premises, lost a key tenant from 31st December 2024, contributing over £100,000 pa to its running costs. Despite wide and early marketing, it has so far been unable to find a suitable replacement for this space. Should this situation continue, and in the absence of alternative sources of replacement income, Blackfriars is actively marketing the space and seeking to attract commercial usage of its surplus space and facilities. However if by the end of the year this has not achieved any results it could report a deficit of up to £75,000 for the 2024-25 financial year, with cash balances falling below desirable levels, putting additional financial strain on this part of the Settlement's operations. Activity at the Legal Centre remains strong, with 76% of its budgeted income for 2024-25 confirmed. The remaining 24% comprises Legal Aid Agency work which makes a strong contribution, though cashflow is dependant on the progress of casework and the subsequent billing.

MARY WARD SETTLEMENT
REPORT OF THE BOARD OF TRUSTEES
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Our challenge for the next few years will be to bring the ratio of tuition fee income and curriculum delivery costs to a sustainable level, enabling the Settlement to rebuild its operational cash. Cashflows and budgets to April 2026 and beyond include the following assumptions:

- A certain level of tuition fee income vs costs of delivery
- Delivery of the full adult education budget
- Careful management of the costs of running the Settlement's estate
- Careful management of the costs and operations of the subsidiaries

There are inherently material uncertainties within the above assumptions. While recognising that these are as a result of the particular challenges that have been facing the Settlement in the immediate aftermath of its relocation to Stratford, the Board considers that the Going Concern is appropriate, following an assessment at its meeting in April 2025.

The following factors provide the Board with assurance that the Settlement remains a going concern, albeit with recognition that there are material uncertainties:

- Temporary cash injection from the ESFA, allowing us to support the cost of delivery while building on student enrolment numbers
- Funding Body grants from both the ESFA and GLA have been confirmed for the period to July 2026
- The Settlement owns the freehold of its premises at Stratford
- The Settlement has been awarded significant capital grants during 2024-25 from the ESFA via partners, supporting an upgrade of its infrastructure across sites, demonstrating that funders have confidence in the role of the Settlement and its operations
- The Settlement is in the process of developing new streams of commercial income to complement the offering funded by the adult education budget. While this remains a work in progress, early signs with key partners demonstrate promise
- Cashflows are reviewed and updated regularly, and based on key assumptions outlined above, indicate that while working capital will need careful, ongoing, management, we should retain positive cash balances for a period of at least 12 months from the date the Board signs the financial statements
- The Settlement will continue to take steps to ensure that the Settlement's income and expenditure remain on target, and are brought back to sustainable levels with the Board of Trustees close monitoring
- The Settlement will be working closely with the FEC to develop and manage its detailed recovery plan over, at least, the next 12 months, providing additional expertise and support in the achievement of the aims outlined above

RESOURCES

The Settlement has a variety of resources that it can deploy in pursuit of its strategic objectives.

Tangible resources include the freehold of the Mary Ward Centre on Stratford High Street in the London Borough of Newham and the long term leasehold (995 years) of 1 Rushworth Street.

Financial

The Settlement has £12,457,000 of net assets (2022-23: £12,476,000). The balance owing to the Charity Bank Limited was £3,300,000 and to the Social Investment Business was £251,000 as at 31st July 2024 (2022-23: £418,000).

People

The Senior Management Team comprised five members of staff and is expected to remain at this level for the foreseeable future. The staff teams of the Adult Education Centre, the Legal Centre and Blackfriars are

MARY WARD SETTLEMENT
REPORT OF THE BOARD OF TRUSTEES
FOR THE YEAR ENDED 31 JULY 2024

RESOURCES (continued)

settled, with a low turnover. The Adult Education Centre employs a wide range of sessional tutors, many of whom have taught at Mary Ward for many years.

Reputation

The Settlement has a very well established reputation and draws students and clients from across London and beyond. The Adult Education Centre is known as ‘the friendly place to learn’. It is also well known for its ability to support students with both physical and learning difficulties. The Legal Centre is well regarded in the legal community, shown by the continuing support of a number of major law firms. Blackfriars runs a wide variety of well-established clubs, activities and services for older people and for people with mental health issues and continues to be well regarded in its local community in the London Borough of Southwark.

PRINCIPAL RISKS AND UNCERTAINTIES

The Settlement has undertaken further work during the year to develop and embed the system of internal control, including financial, operational and risk management which is designed to protect the Settlement’s assets and reputation.

Based on the Strategic Plan, the Senior Management Team regularly undertakes a comprehensive review of the risks to which the Settlement is exposed. They identify systems and procedures including specific preventable actions which should mitigate any potential impact on the Settlement. The internal controls are then implemented and the subsequent year’s appraisal will review their effectiveness and progress against risk mitigation actions. In addition to the annual review, the Senior Management Team will also consider any risks which may arise as a result of a new area of work being undertaken by the Settlement.

A risk register is maintained at the Settlement level, which is reviewed regularly by the Audit and Risk Committee. The risk register identifies the key risks, the likelihood of those risks occurring, their potential impact on the Settlement and its subsidiaries and the actions being taken to reduce and mitigate the risks. Risks are prioritised using a consistent scoring system. The risk register includes a separate section for each business stream and, as needed, for major projects.

Outlined below is a description of the principal risk factors that have the potential to have a significant impact on the Settlement. Not all the factors are within the Settlement’s control:

- Destabilisation as a result of combined and continued unprecedented change;
- Risks in connection with the realisation of the Property Strategy and relocation to a new area of London;
- The ongoing effects of the current economic environment; and
- Increasing mismatch between work demands and the capacity of staff to deliver.

STAKEHOLDER RELATIONSHIPS

The Settlement has many stakeholders including:

- students;
- clients;
- funding bodies;
- staff;
- local employers (with specific links);
- our local authorities;
- the Mayor of London’s office;
- local community and voluntary organisations; and
- other colleges, in particular other AECs.

The Settlement recognises the importance of these relationships and is active in their maintenance and development.

MARY WARD SETTLEMENT
REPORT OF THE BOARD OF TRUSTEES
FOR THE YEAR ENDED 31 JULY 2024

EQUAL OPPORTUNITIES AND EMPLOYMENT OF DISABLED PERSONS

A Single Equality Policy is in place and is published on the Settlement's website. The Settlement also publishes an Annual Equality Report, which includes its equality objectives. This ensures compliance with all of the relevant legislation, including the Equality Act 2010. The Settlement also undertakes equality impact assessments on policies and procedures as appropriate.

The Settlement is committed to ensuring equality of opportunity for all who learn and work there. It respects and values positively differences in race, gender, sexual orientation, ability, class and age. It strives vigorously to remove conditions which place people at a disadvantage and it will actively combat bigotry. This policy will be resourced, implemented and monitored on a planned basis.

The Settlement considers all applications from disabled persons, bearing in mind the aptitudes of the individuals concerned. Where an existing employee becomes disabled, every effort is made to ensure that employment with the Settlement continues. The Settlement's policy is to provide training, career development and opportunities for promotion, which are, as far as possible, identical to those for other employees.

DISABILITY STATEMENT

The Settlement seeks to achieve the objectives set down in the Disability Discrimination Act 1995 as amended by the Special Educational Needs and Disability Acts 2001 and 2005 and the Equality Act of 2010 by:

- having a management structure bringing together the support for learners with disabilities and learning difficulties and the provision of additional learning support;
- the supply of specialist equipment for use by students with disabilities;
- the continuing investment in resources to support students with learning difficulties and/or disabilities; and
- the continuing programme of staff development to ensure the provision of a high level of appropriate support for students who have learning difficulties and/or disabilities.

In 2023-24 23% (2022-23: 23%) of the student body declared a disability or learning difficulty. This remains high in comparison with adult and further education colleges in general which is between 14% and 15%.

FUNDRAISING

The Settlement aims to achieve best practice in the way in which it communicates with donors and other supporters. It takes care with both the tone of its communications and the accuracy of its data to minimise the pressures on supporters. It applies best practice to protect supporters' data and never sells or shares data, and ensures that communication preferences can be changed at any time. The Settlement manages its own fundraising activities and, during the period under review, has employed the services of a professional fundraising organisation who have made one of their employees available to provide hands-on expertise and operational input. The Settlement undertakes to react to and investigate any complaints regarding its fundraising activities and to learn from them and improve its service.

During 2023-24, the Settlement received no complaints about its fundraising activities.

TRADE UNION FACILITY TIME

There were no employees who were relevant union officials during the period, so there was no time or percentage of the pay bill spent on facility time. There were no paid trade union activities during the year.

MARY WARD SETTLEMENT
REPORT OF THE BOARD OF TRUSTEES
FOR THE YEAR ENDED 31 JULY 2024

DISCLOSURE OF INFORMATION TO AUDITORS

The members of the Board who held office at the date of approval of this report confirm that, so far as they are each aware, there is no relevant audit information of which the Settlement's auditors are unaware; and each member has taken all the steps that he or she ought to have taken to be aware of any relevant audit information and to establish that the Settlement's auditors are aware of that information.

Approved by order of the members of the Board on 1st April 2025 and signed on their behalf by:


Veronica Daly (Apr 16, 2025 16:27 GMT+1)

Veronica Daly
Chair

MARY WARD SETTLEMENT

STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL

FOR THE YEAR ENDED 31 JULY 2024

STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL

The following statement is provided to enable readers of the Annual Report and Financial Statements of the Settlement to obtain a better understanding of its governance and legal structure. The statement covers the period from 1st August 2023 to 31st July 2024 and up to the date of the approval of the Annual Report and Financial Statements.

The Settlement endeavours to conduct its business:

- in accordance with the seven principles identified by the Committee on Standards in Public Life (selflessness, integrity, objectivity, accountability, openness, honesty and leadership);
- in full accordance with the guidance to colleges from the Association of Colleges in The Code of Good Governance for English Colleges; and
- having due regard to the UK Corporate Governance Code (“the Code”) insofar as it is applicable to its operational activities.

The Settlement is committed to exhibiting best practice in all aspects of corporate governance and, in particular, the Board has adopted and complied with the Code of Good Governance. The Board has not adopted, and therefore does not apply, the UK Corporate Governance Code. However, we have reported on our Corporate Governance arrangements by drawing upon best practice available, including those aspects of the UK Corporate Governance Code we consider to be relevant to the further education sector and best practice.

In the opinion of the Board, the Settlement complies with all the provisions of the Code of Good Governance, and it has complied throughout the year ended 31st July 2024. The Board recognises that, as a body entrusted with both public and private funds, it has a particular duty to observe the highest standards of corporate governance at all times.

The Settlement is a registered charity. The trustees confirm that they have had due regard for the Charity Commission's guidance on public benefit and that the required statements appear elsewhere in these Financial Statements.

THE BOARD

The members of the Board, or on the Boards of its subsidiaries, who served during the year and up to the date of signature of this report are as listed in the following table:

Member	Date of appointment	Term of office	Date of leaving	Elected trustees	Position and Committees served
Ms A Akande Pierre-Noel	June 24	4 years			
Ms F Bates	March 2024	6 months ⁽¹⁾	December 2024		Chair, Governance & Nominations (Chair)
Ms R Brain***	October 2019	4 years			Audit & Risk, Quality Improvement Group
Ms N Cartner	Reappointed June 2022	4 years			Quality Improvement Group (Chair), Governance & Nominations, Marketing & Communications
Mr G Collins	May 2018	4 years			Vice Chair, Audit & Risk (Chair), Governance and Nominations
Mr J Collins	December 2020	4 years	June 2024		Quality Improvement Group

MARY WARD SETTLEMENT
STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL
FOR THE YEAR ENDED 31 JULY 2024

THE BOARD (CONTINUED)

Member	Date of appointment	Term of office	Date of leaving	Elected trustees	Position and Committees served
Ms C Cryne	May 2021	4 years	February 2024		Chair of Trustees, Governance & Nominations (Chair), Marketing & Communications
Ms V Daly	December 2024	4 years			Chair of Trustees
Ms F DelGuidice**	May 2022	3 years		Student	Quality Improvement Group
Ms K Duong	May 2018	4 years	October 2024		Treasurer; Audit & Risk; Finance (Chair); Governance and Nominations
Ms E Henry**	May 2022	3 years		Staff	Quality Improvement Group
Mr T Hucker	May 2022	3 years		Student	Finance, Quality Improvement Group
Mr N Janmohamed	June 2024	4 years			Audit Risk, Governance & Nominations
Mr F Martins***	September 2020	4 years			Governance and Nominations
Ms B Montoya	June 2017 extended to June 2022	4 years			Governance & Nominations, Marketing & Communications
Mr P Nichols*	December 2021	4 years			Finance
Ms S Selzer	September 2020	4 years	June 2024		Marketing & Communications
Ms S Todd	September 2020	4 years	October 2024		Governance & Nominations, Marketing & Communications (Chair)
Ms E Wyatt*	Oct 2016 reappointed June 2021	4 years			Finance
Ms B Campbell acts as Clerk to the Board					

(1) Ms F Bates was appointed on a temporary basis as interim Chair of Trustees following the resignation of Ms C Cryne, pending the selection and appointment of a new, permanent Chair

* Trustees of MWLC only

** Trustees of MWS only

*** Trustees of Blackfriars Settlement only

In addition to the Board, other people who served on committees during the year and up to the date of signature of this report were as listed in the following table:

Member	Date of Appointment	Date of resignation	Status of appointment	Committees served
Ms F Stormer	February 2019		External representative	Audit & Risk

It is the Board's responsibility to bring independent judgement to bear on issues of strategy, performance, resources and standards of conduct.

The Board is provided with regular and timely information on the overall financial performance of the Settlement together with other information such as performance against funding targets, proposed capital expenditure, quality matters and personnel related matters such as health and safety and environmental issues.

MARY WARD SETTLEMENT
STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL
FOR THE YEAR ENDED 31 JULY 2024

THE BOARD (CONTINUED)

The Board conducts some of its business through a number of committees. Each committee has terms of reference which have been approved by the Board. These committees are Governance & Nominations, Remuneration, Finance, Audit & Risk, Marketing & Communications and Quality & Improvement.

Full minutes of all meetings except those deemed to be confidential are available from the Clerk at the address below.

ATTENDANCE

The table below summarises the attendance at Board and sub-committee meetings for the year to 31st July 2024. For trustees of subsidiary company boards, the number of meetings refers only to those meetings of the subsidiary they represent.

Member	Board	Strategy days	Finance	Audit and Risk	Marketing and Comms	Quality and Improvement	Governance and Nominations
Ms A Akande Pierre-Noel	1 of 1	0 of 0					
Ms F Bates	2 of 2	0 of 0	1 of 1	1 of 1		1 of 1	
Ms R Brain	3 of 4	0 of 0		4 of 4		4 of 4	
Ms N Cartner	1 of 4	0 of 0			2 of 3	4 of 4	2 of 3
Mr G Collins	3 of 4	0 of 0		3 of 4			
Mr J Collins	4 of 4	0 of 0				2 of 3	
Ms C Cryne	2 of 2	0 of 0			3 of 3		2 of 3
Ms F DelGuidice	2 of 4	0 of 0				1 of 1	
Ms K Duong	1 of 4	0 of 0	4 of 4	2 of 4			3 of 3
Ms E Henry	3 of 4	0 of 0				2 of 4	
Mr T Hucker	3 of 4	0 of 0	1 of 4			2 of 4	
Mr N Janmohamed	1 of 1	0 of 0					
Mr F Martins	4 of 4	0 of 0				1 of 4	2 of 3
Ms B Montoya	2 of 4	0 of 0			3 of 3		
Mr P Nichols	4 of 4	0 of 0	4 of 4				
Ms S Selzer	0 of 4	0 of 0			3 of 3		
Ms S Todd	4 of 4	0 of 0			3 of 3		1 of 3
Ms E Wyatt	1 of 4	0 of 0	2 of 4				
Ms F Stormer				2 of 4			

The Remuneration Committee did not meet formally during 2023-24.

In addition to the committees shown above, the following working groups operated during the year:

Friends & Alumni	- overseeing relationships with friends and alumni, reviewing and seeking fundraising opportunities
Restructure	- tasked with reviewing the group structure of the Mary Ward Settlement group following the ONS Reclassification of Colleges in November 2022
Chair Recruitment	- tasked with the appointment of the new, permanent Chair of Trustees

MARY WARD SETTLEMENT
STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL
FOR THE YEAR ENDED 31 JULY 2024

The above working groups were not operated as formal committees with registers of attendance, nor were they formally clerked. However all significant discussions were reported back to the full Board, and a record of any decisions taken by the Board was formally noted as part of the full board minutes. The Clerk maintains **ATTENDANCE** (continued)

a register of financial and personal interests of the members of the Board. The register is available from the Clerk at the address below:

Mary Ward Settlement
42 Queen Square
London
WC1H 3AQ

All members of the Board are able to take independent professional advice in furtherance of their duties at the Settlement's expense and have access to the Clerk to the Board, who is responsible to the Board for ensuring that all applicable procedures and regulations are complied with. The appointment and removal of the Clerk are matters for the Board as a whole.

Formal agendas, papers and reports are supplied to members in a timely manner, prior to board meetings. Briefings are also provided on an ad-hoc basis.

The Board has a strong and independent non-executive element and no individual or group dominates its decision-making process. The Board considers that each of its non-executive members is independent of management and free from any business or other relationship which could materially interfere with the exercise of their independent judgement.

There is a clear division of responsibility in that the roles of the Chair and the Warden, the Accounting Officer, are separate.

APPOINTMENTS TO THE BOARD

With the exception of ex-officio appointments, members of the Board hold office for a period of four years (increased from three years by special resolution at the AGM in March 2016). Elected trustees currently on the Board will serve the term to which they were elected. Appointed members may be re-appointed for a second term of four years on the recommendation of the Governance and Nominations Committee. Third and further terms of four years may exceptionally be approved by the board on recommendation of the Governance and Nominations Committee if it is considered that this would produce a better balance of knowledge, skills, commitment and experience amongst the members.

Student and staff members of the Board are eligible to stand for re-election at the end of their term. Staff members are not eligible to serve as members if they cease to be a member of staff of the Settlement. Student members may continue to the end of their elected term of office even if they cease to be students of the Adult Education Centre during their term.

The Board is responsible for ensuring that appropriate training is provided as required.

TRUSTEE INDUCTION AND TRAINING

Each new trustee has an induction programme designed to meet their needs as a trustee. The content of the programme will vary depending on their level of experience as a charity trustee and their knowledge and understanding of the Settlement.

The programme will include spending time with each of the key management personnel. They are also encouraged to attend appropriate external training events where these will facilitate the undertaking of their role.

MARY WARD SETTLEMENT
STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL
FOR THE YEAR ENDED 31 JULY 2024

BOARD PERFORMANCE

As part of its annual self assessment process for the year ended 31st July 2024 the Settlement commissioned an external review of its governance practices following which a report and plan of action was agreed. In addition to the strategy days held during the year, the Chair has held one-on-one reviews with individual trustees as well as induction sessions with new trustees.

REMUNERATION COMMITTEE

The membership of the Remuneration Committee is entirely ex-officio and comprises five members made up of the Chair, the Treasurer, and the chairs of the other committees. The Committee's responsibilities are to make recommendations to the Board on the remuneration and benefits of the Warden and other senior post-holders, and to oversee staff terms and conditions including annual cost of living increases.

Details of remuneration for the year ended 31st July 2024 are set out in note 12 to the Financial Statements.

THE GOVERNANCE AND NOMINATIONS COMMITTEE

The Governance and Nominations Committee comprises four members. The Committee is responsible for advising the Board on the composition, balance and appointment of the Board and its committees. It also ensures that members undergo a regular skills audit and that an annual assessment of training needs takes place.

AUDIT AND RISK COMMITTEE

The Audit and Risk Committee comprises up to five members. No member of staff is permitted to serve on the Audit and Risk Committee. The Committee operates in accordance with written terms of reference approved by the Board. The Audit and Risk Committee provides a forum for reporting by the Settlement's internal and financial statements auditors, who have access to the committee for independent discussion, without the presence of Settlement management.

The Settlement's internal auditors review the systems of internal control, risk management controls and governance process in accordance with an agreed plan of input and report their findings to management and the Audit and Risk Committee.

Management is responsible for the implementation of agreed audit recommendations and internal audit undertake periodic follow up reviews to ensure such recommendations have been implemented.

The Audit and Risk Committee also advises the Board on the appointment of internal, regularity and financial statements auditors and their remuneration for both audit and non-audit work, as well as reporting annually to the Board.

THE FINANCE COMMITTEE

The Finance Committee comprises up to five members. The Committee is responsible for advising the Board on all strategic finance related matters.

THE MARKETING AND COMMUNICATIONS COMMITTEE

The Marketing and Communications Committee comprises up to six members. The Committee is responsible for advising the Board on all marketing, communications and related matters.

THE QUALITY AND IMPROVEMENT COMMITTEE

The Quality and Improvement Committee comprises up to five members with a focus on the performance of the Adult Education Centre. The Committee is responsible for advising the Board on all educational quality improvement related matters.

MARY WARD SETTLEMENT
STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL
FOR THE YEAR ENDED 31 JULY 2024

INTERNAL CONTROL

SCOPE OF RESPONSIBILITY OF INTERNAL CONTROL

The Board is ultimately responsible for the Settlement's system of internal control and for reviewing its effectiveness. However, such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against material misstatement or loss.

The Board has delegated the day to day responsibility to the Warden, as Accounting Officer, for maintaining a sound system of internal control that supports the achievement of the Settlement's policies, aims and objectives, whilst safeguarding the public funds and assets for which she is personally responsible, in accordance with the responsibilities assigned to her in the Financial Memorandum between the Adult Education Centre and the Education and Skills Funding Agency. She is also responsible for reporting to the Board any material weaknesses or breakdowns in internal control.

THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Settlement policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place at the Settlement for the year ended 31st July 2024 and up to the date of approval of the Annual Report and Financial Statements.

CAPACITY TO HANDLE RISK

The Board has reviewed the key risks to which the Settlement is exposed, together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board is of the view that there is a formal ongoing process for identifying, evaluating and managing the Settlement's significant risks that has been in place for the year ended 31st July 2024 and up to the date of approval of the Annual Report and Financial Statements. This process is regularly reviewed by the Board.

THE RISK AND CONTROL FRAMEWORK

The system of internal financial control is based on a framework of regular management information, administrative procedures including the segregation of duties, and a system of delegation and accountability. In particular, it includes:

- comprehensive budgeting systems with an annual budget which is reviewed and agreed by the governing body;
- regular reviews by the governing body of periodic and annual financial reports which indicate financial performance against forecasts;
- setting targets to measure financial and other performance;
- clearly defined capital investment control guidelines; and
- the adoption of formal project management disciplines where appropriate.

MARY WARD SETTLEMENT
STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL
FOR THE YEAR ENDED 31 JULY 2024

THE RISK AND CONTROL FRAMEWORK (CONTINUED)

The Settlement has an internal audit service, which operates in accordance with the requirements of the ESFA's *Post 16 Audit Code of Practice*. The work of the internal audit service is informed by an analysis of the risks to which the Settlement is exposed, and annual internal audit plans are based on this analysis. The analysis of risks and the internal audit plans are endorsed by the Settlement's governing body on the recommendation of the Audit and Risk Committee. At least annually, the internal audit service provides the governing body with a report on internal audit activity in the Settlement. The report includes the internal audit service's independent opinion on the adequacy and effectiveness of the Settlement's system of risk management, controls and governance processes.

THE REVIEW OF EFFECTIVENESS

As Accounting Officer, the Warden has responsibility for reviewing the effectiveness of the system of internal control. Her review of the effectiveness of the system of internal control is informed by:

- the work of the internal auditors;
- the work of the executive managers within the Settlement who have the responsibility for the development and maintenance of the internal control framework; and
- comments made by the Settlement's Financial Statements auditors and the Regularity auditors in their management letters and other reports.

The Warden has been advised on the implications of the result of her review of the effectiveness of the system of internal control by the Audit and Risk Committee which oversees the work of the internal auditor and other sources of assurance, and a plan to address weaknesses and ensure continuous improvement of the system is in place.

The Senior Management Team receives reports setting out key performance and risk indicators and considers possible control issues brought to their attention by early warning mechanisms, which are embedded within the departments and reinforced by risk awareness training. The Senior Management Team and the Audit and Risk Committee also receive regular reports from the internal auditor and other sources of assurance, which include recommendations for improvement. The Audit and Risk Committee's role in this area is confined to a high-level review of the arrangements for internal control. The Committee's agenda includes a regular item for consideration of risk and control and it receives reports thereon from the Senior Management Team. The emphasis is on obtaining the relevant degree of assurance and not merely reporting by exception. At its November 2024 meeting the Audit and Risk Committee carried out the annual assessment for the year ended 31st July 2024 by considering documentation from the Senior Management Team and internal audit service, as well as reviewing events since the year end.

Based on the advice of the Audit and Risk Committee and the Warden, the Board is of the opinion that the Settlement has an adequate and effective framework for governance, risk management and control, and has fulfilled its statutory responsibility for *"the effective and efficient use of resources, the solvency of the institution and the body and the safeguarding of their assets"*.

GOING CONCERN

The Settlement incurred an operating deficit of £20,000 for the year (2022-23: surplus of £91,000) against an original budgeted surplus of £125,000. The underperformance in relation to the original budget was primarily the consequence of a more difficult than anticipated start to the 2023-24 year at the Adult Education Centre following its relocation to Stratford. While the completion of the new Mary Ward Centre had been expected to take place well before the commencement of the 2023-24 academic year, allowing the summer for extensive marketing, there were delays to some aspects of the construction. These delays were largely out of the control of the Settlement and its construction team, including the connection of utility supplies. The result was that Practical Completion was delayed until the end of November 2023, and curriculum provision for the majority of term 1 was carried out while sharing the space with the construction team as they completed the remaining work. Consequently, the launch of Adult Education at

MARY WARD SETTLEMENT
STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL
FOR THE YEAR ENDED 31 JULY 2024

the new Mary Ward Centre was not as successful in this year as had been hoped, and although the site was brought quickly into full use after Practical Completion, the impact of being unable to open fully from the start of the year was significant.

It was deemed important to carry on as anticipated, to plan for, and provide a wide curriculum, keeping classes open with lower than the minimum student numbers than would normally be acceptable. Consequently, the ratio of costs to tuition fee income was lower than budgeted, leading to the lower than budgeted operating result as well as a reduction in cash held.

The Settlement's second year in Stratford began more strongly, with an increase in enrolments and tuition fees for 2024-25 around 20% higher overall, than for 2023-24, and up to 30% higher than its final year in central London. Nevertheless, the costs of running the new Mary Ward Centre, including servicing the commercial debt which helped fund the construction work, have been higher than expected. Even with the modest increase in student numbers, cash receipts for the first term of 2024-25 have been lower than cash outflows.

Consequently, in January 2025, the Settlement approached the Education & Skills Funding Agency (ESFA) for financial assistance. The Settlement is in the process of working closely with the Further Education Commissioner's (FEC) team to put a financial recovery plan in place and to re-build the Settlement's finances to a sustainable level. For 2024-25, while the Settlement's budget anticipates a positive EBITDA, it is expected to record an operating deficit overall, along with a further reduction in cash before allowing for any financial assistance from the ESFA which is expected to be drawn in April 2025.

Alongside these challenges facing the Adult Education Centre, the tenancy at one of the spaces let by Blackfriars, from its Rushworth Street premises, came to an end on 31st December 2024. The letting of this space has contributed over £100,000 pa to its running costs for many years. Despite wide and early marketing, Blackfriars has, so far, been unable to find a suitable replacement for this space. A number of professional property agents have been engaged, and the local authority has been approached in relation to the search. If this has not achieved any results by the end of the financial year, Blackfriars could report a deficit of up to the value of the lost rent associated with this vacant space for 2024-25, with cash balances falling below desirable levels, putting additional financial strain on this part of the Settlement's operations. Activity at the Legal Centre remains strong, with 76% of its budgeted income for 2024-25 confirmed. The remaining 24% comprises Legal Aid Agency work which makes a strong contribution, though cashflow is dependant on the progress of casework and the subsequent billing.

Our challenge for the next few years will be to bring the ratio of tuition fee income and curriculum delivery costs to a sustainable level, enabling the Settlement to rebuild its operational cash. Cashflows and budgets to April 2026 and beyond include the following assumptions:

- A certain level of tuition fee income vs costs of delivery
- Delivery of the full adult education budget
- Careful management of the costs of running the Settlement's estate
- Careful management of the costs and operations of the subsidiaries

There are inherently material uncertainties within the above assumptions. While recognising that these are as a result of the particular challenges that have been facing the Settlement in the immediate aftermath of its relocation to Stratford, the Board considers that the Going Concern is appropriate, following an assessment at its meeting in April 2025.

MARY WARD SETTLEMENT
STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL
FOR THE YEAR ENDED 31 JULY 2024

The following factors provide the Board with assurance that the Settlement remains a going concern, albeit with recognition that there are material uncertainties:

- Temporary cash injection from the ESFA, allowing us to support the cost of delivery while building on student enrolment numbers
- Funding Body grants from both the ESFA and GLA have been confirmed for the period to July 2026
- The Settlement owns the freehold of its premises at Stratford
- The Settlement has been awarded significant capital grants during 2024-25 from the ESFA via partners, supporting an upgrade of its infrastructure across sites, demonstrating that funders have confidence in the role of the Settlement and its operations
- The Settlement is in the process of developing new streams of commercial income to complement the offering funded by the adult education budget. While this remains a work in progress, early signs with key partners demonstrate promise
- Cashflows are reviewed and updated regularly, and based on key assumptions outlined above, indicate that while working capital will need careful, ongoing, management, we should retain positive cash balances for a period of at least 12 months from the date the Board signs the financial statements
- The Settlement will continue to take steps to ensure that the Settlement's income and expenditure remain on target, and are brought back to sustainable levels with the Board of Trustees close monitoring
- The Settlement will be working closely with the FEC to develop and manage its detailed recovery plan over, at least, the next 12 months, providing additional expertise and support in the achievement of the aims outlined above

Approved by order of the members of the Board on 1st April 2025 and signed on their behalf by

Veronica Daly
Veronica Daly (Apr 16, 2025 16:27 GMT+1)

Veronica Daly
Chair

16/04/2025

T.R-Jones
T.R-Jones (Apr 15, 2025 17:07 GMT+1)

Therese Reinheimer-Jones
Accounting Officer

15/04/2025

MARY WARD SETTLEMENT
STATEMENT OF RESPONSIBILITIES OF THE BOARD OF TRUSTEES
FOR THE YEAR ENDED 31 JULY 2024

The trustees (who are also directors of the Settlement for the purposes of company law) are responsible for preparing the trustees' report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Settlement and of the income and expenditure of the Settlement for that period.

In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Settlement will continue in operation.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Settlement 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 Settlement and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Each of the trustees confirms that:

- so far as the trustee is aware, there is no relevant audit information of which the Settlement's auditor is unaware; and
- the trustee has taken all the steps that he/she ought to have taken as a trustee in order to make himself/herself aware of any relevant audit information and to establish that the Settlement's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

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

Approved by order of the members of the Board on 1st April 2025.

Veronica Daly
Veronica Daly (Apr 16, 2025 16:27 GMT+1)
Veronica Daly
Chair

16/04/2025

MARY WARD SETTLEMENT

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MARY WARD SETTLEMENT FOR THE YEAR ENDED 31 JULY 2024

Opinion

We have audited the financial statements of Mary Ward Settlement ('the charitable company') and its subsidiaries (the 'group') for the year ended 31 July 2024 which comprise the group Statement of Comprehensive Income, the group Statement of Changes in Reserves, the group and charitable company Balance Sheets, the group Statement of Cash Flows, the principal accounting policies, and the Notes to the Financial Statements. 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 and the group's affairs as at 31 July 2024 and of the group's 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 group 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. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to the information contained in the trustees' report on pages 16 to 17 and 27 to 29 and to note 1 'Going concern' on pages 40 to 42 of the financial statements, which indicates that material uncertainties exist related to going concern. Our opinion is not modified in respect of this matter.

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.

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 and financial statements, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

MARY WARD SETTLEMENT
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MARY WARD SETTLEMENT
FOR THE YEAR ENDED 31 JULY 2024

Other information (continued)

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 themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- ◆ the information given in the strategic report and the trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- ◆ the trustees' report including the strategic report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report including the strategic report.

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

- ◆ adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- ◆ the group's financial statements are not in agreement with the accounting records or 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.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, 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 group'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 group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of 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.

MARY WARD SETTLEMENT
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MARY WARD SETTLEMENT
FOR THE YEAR ENDED 31 JULY 2024

Auditor's responsibilities for the audit of financial statements (continued)

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.

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- ◆ the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- ◆ we obtained an understanding of the legal and regulatory frameworks that are applicable to the group and determined that the most significant frameworks which are directly relevant to specific assertions in the financial statements are those that relate to the reporting framework: Statement of Recommended Practice: Accounting for Further and Higher Education 2019 (the 2019 FE HE SORP), the College Accounts Direction for 2023 to 2024, The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS102), the Companies Act 2006 and the Charities Act 2011), those that relate to data protection (General Data Protection Regulation), safeguarding, employment and health and safety; and
- ◆ identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the group's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- ◆ making enquiries of management as to their knowledge of actual, suspected and alleged fraud; and
- ◆ considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- ◆ performed analytical procedures to identify any unusual or unexpected relationships;
- ◆ tested journal entries to identify unusual transactions;
- ◆ assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias;
- ◆ used data analytics to investigate the rationale behind any significant or unusual transactions;
- ◆ tested authorisation controls on expenditure items, ensuring all expenditure was approved in line with the group's financial procedures; and
- ◆ performed substantive testing on grant income to ensure the income recognised complied with the funding agreements.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- ◆ agreeing financial statement disclosures to underlying supporting documentation;
- ◆ reading the minutes of meetings of those charged with governance; and
- ◆ enquiring of management as to actual and potential litigation and claims.

MARY WARD SETTLEMENT
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MARY WARD SETTLEMENT
FOR THE YEAR ENDED 31 JULY 2024

Auditor's responsibilities for the audit of financial statements (continued)

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the trustees and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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 this report

This report is made solely to the charity'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 charity's members those matters that 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 charity and the charity's members as a body, for our audit work, or the opinions we have formed.



Catherine Biscoe (Senior Statutory Auditor)
For and on behalf of Buzzacott Audit LLP, Statutory Auditor
130 Wood Street
London
EC2V 6DL

Date: 17 April 2025

MARY WARD SETTLEMENT
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
INCLUDING AND INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 JULY 2024

	Notes	Un- restricted Funds £'000	Restricted Funds £'000	Total 2024 £'000	Un- restricted Funds £'000	Restricted Funds £'000	Total 2023 £'000
INCOME							
<i>Donations and fundraising</i>	2	595	66	661	485	53	538
<i>Income for generating funds</i>	3	188	-	188	199	-	199
<i>Income from charitable activities:</i>							
Adult education	4	3,717	4	3,721	3,189	19	3,208
Community services	5	32	225	257	28	213	241
Legal services	5	139	838	977	120	758	878
<i>Investment income</i>		2	-	2	1	-	1
Total income		4,673	1,133	5,806	4,022	1,043	5,065
EXPENDITURE							
<i>Cost of raising funds:</i>							
Generating donations and grants	6	48	-	48	62	-	62
<i>Expenditure on charitable activities:</i>							
Adult education		3,828	-	3,828	3,199	-	3,199
Community services		77	619	696	77	616	693
Legal services		-	1,263	1,263	-	1,110	1,110
Total expenditure	7/8	3,953	1,882	5,835	3,338	1,726	5,064
Surplus / (Deficit) before tax		720	(749)	(29)	684	(683)	1
Taxation		-	-	-	-	-	-
Surplus / (Deficit) for the year		720	(749)	(29)	684	(683)	1
Actuarial gain in respect of pension schemes	23	9	-	9	666	-	666
Transfers between funds	21	(749)	749	-	(683)	683	-
Total Comprehensive Income for the year		(20)	-	(20)	667	-	667
Represented by:							
Unrestricted comprehensive income		(20)	-	(20)	667	-	667

MARY WARD SETTLEMENT
CONSOLIDATED AND CENTRE STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 JULY 2024

	Notes	2024 Group £'000	2024 Centre £'000	2023 Group £'000	2023 Centre £'000
INCOME					
Funding body grants	4	3,156	3,156	2,660	2,660
Tuition fees and education contracts	4	565	560	548	529
Other income from charitable activities	5	1,234	-	1,119	-
Other income - rent receivable	3	188	28	199	8
Investment income		2	-	1	-
Donations and fundraising	2	661	163	538	158
Total income		5,806	3,907	5,065	3,355
EXPENDITURE					
Staff costs	10	3,403	2,156	3,287	2,022
Other operating expenses	9	1,690	1,127	1,491	1,108
Depreciation	12	499	426	93	17
Interest and other finance costs	11	243	240	193	189
Total expenditure		5,835	3,949	5,064	3,336
(Deficit) / Surplus before tax		(29)	(42)	1	19
Taxation		-	-	-	-
(Deficit) / Surplus for the year		(29)	(42)	1	19
Actuarial gain in respect of pension schemes	23	9	9	666	666
Total Comprehensive Income for the year		(20)	(33)	667	685
Represented by:					
Unrestricted Comprehensive Income		(20)	(33)	667	685

MARY WARD SETTLEMENT
CONSOLIDATED STATEMENT OF CHANGES IN RESERVES
FOR THE YEAR ENDED 31 JULY 2024

	Group Income and expenditure account £'000	Centre Income and expenditure account £'000
Balance as at 31st July 2022	11,800	8,827
Surplus from the income and expenditure account	1	19
Other comprehensive income	666	666
Total comprehensive income for the year	667	685
 Balance as at 31st July 2023	 12,467	 9,512
Deficit from the income and expenditure account	(29)	(42)
Other comprehensive income	9	9
Total comprehensive expenditure for the year	(20)	(33)
 Balance as at 31st July 2024	 12,447	 9,479

MARY WARD SETTLEMENT
CONSOLIDATED AND CENTRE BALANCE SHEET
FOR THE YEAR ENDED 31 JULY 2024

COMPANY NUMBER 00046188

	Notes	2024 Group £'000	2024 Centre £'000	2023 Group £'000	2023 Centre £'000
Non current assets					
Tangible fixed assets	12	26,938	24,230	26,631	23,850
Investments	13	31	-	31	-
		<u>26,969</u>	<u>24,230</u>	<u>26,662</u>	<u>23,850</u>
Current assets					
Work in Progress		269	-	254	-
Trade and other receivables	14	488	436	938	729
Cash and cash equivalents	18	860	412	1,425	1,139
		<u>1,617</u>	<u>848</u>	<u>2,617</u>	<u>1,868</u>
Less: Creditors - amounts falling due within one year	15	(1,771)	(1,245)	(2,306)	(1,735)
Net current (liabilities) / assets		<u>(154)</u>	<u>(397)</u>	<u>311</u>	<u>133</u>
Total assets less current liabilities		26,815	23,833	26,973	23,983
Creditors - amounts falling due after more than one year	16	(14,368)	(14,354)	(14,506)	(14,471)
Provisions					
Defined benefit obligations	23	-	-	-	-
Total net assets		<u>12,447</u>	<u>9,479</u>	<u>12,467</u>	<u>9,512</u>
Restricted reserves					
Income and expenditure account					
Other Restricted Reserves		9	9	9	9
Unrestricted reserves					
Income and expenditure account		3,811	3,537	3,904	3,721
Other Unrestricted Reserves		5,933	5,933	5,783	5,782
Designated Reserves:					
Fixed Asset Reserve		2,694	-	2,771	-
Total reserves		<u>12,447</u>	<u>9,479</u>	<u>12,467</u>	<u>9,512</u>

The Financial Statements on pages 35 to 63 were approved and authorised for issue by the Board on 1st April 2025 and signed on its behalf by:

Veronica Daly
Veronica Daly (Apr 16, 2025 16:27 GMT+1)
Veronica Daly
Chair

16/04/2025

T.R-Jones
T.R-Jones (Apr 15, 2025 17:07 GMT+1)

Therese Reinheimer Jones
Accounting Officer

15/04/2025

MARY WARD SETTLEMENT
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 JULY 2024

		2024	2023
	Notes	£'000	£'000
Cash flow from operating activities			
(Deficit) / Surplus for the year		(29)	1
Adjustment for non-cash items			
Depreciation	12	499	93
Release of deferred income		(207)	-
Increase in work in progress		(15)	(54)
Decrease in debtors	14	450	1,538
(Decrease) / Increase in creditors due within one year	15	(672)	(60)
Pension costs less contributions payable (including administration cost)	23	9	90
Adjustment for investing activities			
Investment income		(2)	(1)
Interest payable	11	289	175
Net cash flow from operating activities		<u>322</u>	<u>1,782</u>
Cash flows from investing activities			
Investment income		2	1
Payments made to acquire fixed assets	12	(806)	(7,853)
Capital grants received		348	3,871
		<u>(456)</u>	<u>(3,981)</u>
Cash flows from financing activities			
Interest paid		(289)	(175)
Net new borrowings		-	3,290
Repayments of amounts borrowed		(142)	(138)
		<u>(431)</u>	<u>2,977</u>
(Decrease) / Increase in cash and cash equivalents in the year		<u>(565)</u>	<u>778</u>
Cash and cash equivalents at the beginning of the year		<u>1,425</u>	<u>647</u>
Cash and cash equivalents at the end of the year		<u>860</u>	<u>1,425</u>

MARY WARD SETTLEMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2024

1 ACCOUNTING POLICIES

Statement of accounting policies and estimation techniques

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Financial Statements.

Basis of preparation

These Financial Statements have been prepared in accordance with the *Statement of Recommended Practice: Accounting for Further and Higher Education 2019 (the 2019 FE HE SORP)*, the *College Accounts Direction for 2023 to 2024* and in accordance with Financial Reporting Standard 102 - “*The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS102)*” and the *Companies Act 2006*. The Settlement is a public benefit entity and has therefore applied the relevant public benefit requirements of FRS102.

The preparation of financial statements in compliance with FRS102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Settlement’s accounting policies.

The Financial Statements are presented in sterling and are rounded to the nearest thousand.

Basis of accounting

The Financial Statements are prepared in accordance with the historical cost convention as modified by the use of previous valuations as deemed cost at transition for certain non-current assets.

Basis of consolidation

The consolidated Financial Statements include the Adult Education Centre and its subsidiaries, the Legal Centre, and Blackfriars, both controlled by the Settlement. Control is achieved where the Settlement has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

Going concern

The Settlement incurred an operating deficit of £20,000 for the year (2022-23: surplus of £91,000) against an original budgeted surplus of £125,000. The underperformance in relation to the original budget was primarily the consequence of a more difficult than anticipated start to the 2023-24 year at the Adult Education Centre following its relocation to Stratford. While the completion of the new Mary Ward Centre had been expected to take place well before the commencement of the 2023-24 academic year, allowing the summer for extensive marketing, there were delays to some aspects of the construction. These delays were largely out of the control of the Settlement and its construction team, including the connection of utility supplies. The result was that Practical Completion was delayed until the end of November 2023, and curriculum provision for the majority of term 1 was carried out while sharing the space with the construction team as they completed the remaining work. Consequently, the launch of Adult Education at the new Mary Ward Centre was not as successful in this year as had been hoped, and although the site was brought quickly into full use after Practical Completion, the impact of being unable to open fully from the start of the year was significant.

It was deemed important to carry on as anticipated, to plan for, and provide a wide curriculum, keeping classes open with lower than the minimum student numbers than would normally be acceptable. Consequently, the ratio of costs to tuition fee income was lower than budgeted, leading to the lower than budgeted operating result as well as a reduction in cash held.

The Settlement’s second year in Stratford began more strongly, with an increase in enrolments and tuition fees for 2024-25 around 20% higher overall, than for 2023-24, and up to 30% higher than its final year in

MARY WARD SETTLEMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2024

Going concern (continued)

central London. Nevertheless, the costs of running the new Mary Ward Centre, including servicing the commercial debt which helped fund the construction work, have been higher than expected. Even with the modest increase in student numbers, cash receipts for the first term of 2024-25 have been lower than cash outflows.

Consequently, in January 2025, the Settlement approached the Education & Skills Funding Agency (ESFA) for financial assistance. The Settlement is in the process of working closely with the Further Education Commissioner's (FEC) team to put a financial recovery plan in place and to re-build the Settlement's finances to a sustainable level. For 2024-25, while the Settlement's budget anticipates a positive EBITDA, it is expected to record an operating deficit overall, along with a further reduction in cash before allowing for any financial assistance from the ESFA which is expected to be drawn in April 2025.

Alongside these challenges facing the Adult Education Centre, the tenancy at one of the spaces let by Blackfriars, from its Rushworth Street premises, came to an end on 31st December 2024. The letting of this space has contributed over £100,000 pa to its running costs for many years. Despite wide and early marketing, Blackfriars has, so far, been unable to find a suitable replacement for this space. A number of professional property agents have been engaged, and the local authority has been approached in relation to the search. If this has not achieved any results by the end of the financial year, Blackfriars could report a deficit of up to the value of the lost rent associated with this vacant space for 2024-25, with cash balances falling below desirable levels, putting additional financial strain on this part of the Settlement's operations. Activity at the Legal Centre remains strong, with 76% of its budgeted income for 2024-25 confirmed. The remaining 24% comprises Legal Aid Agency work which makes a strong contribution, though cashflow is dependant on the progress of casework and the subsequent billing.

Our challenge for the next few years will be to bring the ratio of tuition fee income and curriculum delivery costs to a sustainable level, enabling the Settlement to rebuild its operational cash. Cashflows and budgets to April 2026 and beyond include the following assumptions:

- A certain level of tuition fee income vs costs of delivery
- Delivery of the full adult education budget
- Careful management of the costs of running the Settlement's estate
- Careful management of the costs and operations of the subsidiaries

There are inherently material uncertainties within the above assumptions. While recognising that these are as a result of the particular challenges that have been facing the Settlement in the immediate aftermath of its relocation to Stratford, the Board considers that the Going Concern is appropriate, following an assessment at its meeting in April 2025.

The following factors provide the Board with assurance that the Settlement remains a going concern, albeit with recognition that there are material uncertainties:

- Temporary cash injection from the ESFA, allowing us to support the cost of delivery while building on student enrolment numbers
- Funding Body grants from both the ESFA and GLA have been confirmed for the period to July 2026
- The Settlement owns the freehold of its premises at Stratford
- The Settlement has been awarded significant capital grants during 2024-25 from the ESFA via partners, supporting an upgrade of its infrastructure across sites, demonstrating that funders have confidence in the role of the Settlement and its operations
- The Settlement is in the process of developing new streams of commercial income to complement the offering funded by the adult education budget. While this remains a work in progress, early signs with key partners demonstrate promise

MARY WARD SETTLEMENT
NOTES TO THE FINANCIAL STATEMENTS
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Going concern (continued)

- Cashflows are reviewed and updated regularly, and based on key assumptions outlined above, indicate that while working capital will need careful, ongoing, management, we should retain positive cash balances for a period of at least 12 months from the date the Board signs the financial statements
- The Settlement will continue to take steps to ensure that the Settlement's income and expenditure remain on target, and are brought back to sustainable levels with the Board of Trustees close monitoring
- The Settlement will be working closely with the FEC to develop and manage its detailed recovery plan over, at least, the next 12 months, providing additional expertise and support in the achievement of the aims outlined above

Recognition of income

Income is recognised in the period in which the Settlement has entitlement to the income and the amount can be measured reliably and it is probable that the income will be received. Income is deferred only when the Settlement has to fulfil conditions before becoming entitled to it or where the donor or funder has specified that the income is to be expended in a future accounting period.

Revenue funding

Government revenue grants, including funding body recurrent grants and other grants, are accounted for under the accrual model as permitted by FRS102. Funding body recurrent grants are measured in line with best estimates for the period of what is receivable and depend on the particular income stream involved. Any under or over achievement for the Adult Skills Budget is adjusted for and reflected in the level of recurrent grant recognised in the income and expenditure account. The final grant income is normally determined with the conclusion of the year end reconciliation process with the funding body at the end of November following the year end, and the results of any funding audits.

Donations and grants are recognised when the Settlement has confirmation of both the amount and settlement date. In the event of donations and grants pledged but not received, the amount is accrued for where the receipt is considered probable. In the event that a donation or grant is subject to conditions that require a level of performance before the Settlement is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the Settlement and it is probable that those conditions will be fulfilled in the reporting period.

Fee and contractual income represent the amounts receivable for the services provided to clients, excluding value added tax, under contractual obligations which are performed gradually over time. Incomplete contracts at the balance sheet date are accounted for by reference to the fair value of the work performed and amounts due but not received at the balance sheet date are described in the Financial Statements as contractual income debtors.

Capital grant funding

Government capital grants are capitalised, held as deferred income and recognised in income over the expected useful life of the asset, under the accrual method permitted by FRS102. Other non-governmental, capital grants are recognised in income when the Settlement is entitled to the funds, subject to any performance related conditions being met.

Fee income

Income from tuition fees is stated gross of any expenditure which is not a discount and is recognised in the period for which it is received and includes all fees payable by students or their sponsors, for example the National Health Service.

MARY WARD SETTLEMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2024

Investment income

All income from short term deposits is credited to the income and expenditure account in the period in which it is earned on a receivable basis.

Rental income is stated gross of any expenditure and is recognised in the period for which it is payable.

Other income

Other sundry income is recognised to the extent that it is probable that the economic benefits will flow to the Settlement and the revenue can be measured reliably. It is measured at fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Agency arrangements

The Settlement acts as an agent in the collection and payment of various discretionary support funds. Related payments received from funding bodies and subsequent disbursements to students are excluded from the income and expenditure of the Settlement, where the Settlement is exposed to minimal risks or enjoys minimal economic benefit related to the transactions.

Accounting for post-employment benefits

Post-employment benefits to employees of the Settlement are provided by the Teachers' Pension Scheme (TPS) and the Local Government Pension Scheme (LGPS). These are defined benefit schemes, which are contracted out of the State Second Pension (for men born on or before 6th April 1951 and women born on or before 6th April 1953).

Teachers' Pension Scheme

The TPS is an unfunded scheme. Contributions to the TPS are calculated so as to spread the cost of pensions over employees' working lives with the Settlement in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by qualified actuaries on the basis of valuations using a prospective benefit method.

The TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as an expense in the income statement in the periods during which services are rendered by employees.

The London Pension Fund Authority

The LGPS is a funded scheme. The assets of the LGPS are measured using closing fair values. LGPS liabilities are measured using the projected unit credit method and discounted at the current rate of return on a high quality corporate bond of equivalent term and currency to the liability. The actuarial valuations are obtained at least triennially and are updated at each Balance Sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred.

Net interest on the net defined benefit liability/asset is also recognised in the Statement of Comprehensive Income and comprises the interest cost on the defined obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in interest and other finance costs.

Actuarial gains and losses are recognised immediately in the Statement of Comprehensive Income.

MARY WARD SETTLEMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2024

Short term Employment benefits

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

Non-current assets - Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses.

Land and buildings

Freehold buildings are depreciated on a straight-line basis over their expected useful economic life of 40 years. Freehold land is not depreciated as it is considered to have an infinite useful life.

The Settlement has a policy of depreciating major adaptations to freehold buildings over the period of their useful economic life of 40 years.

Where land and buildings are acquired with the aid of specific grants, they are capitalised and depreciated as above. The related government grants are credited to a deferred income account within creditors, and are released to the income and expenditure account over the expected useful economic life of the related asset on a systematic basis consistent with the depreciation policy. The deferred income is allocated between creditors due within one year and those due after more than one year. Non-government grants are recognised in the Statement of Comprehensive Income when the Settlement becomes entitled to them.

A review of impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying amount of any fixed asset may not be recoverable.

Subsequent expenditure on existing fixed assets

Where significant expenditure is incurred on tangible fixed assets after initial purchase, it is charged to income in the period it is incurred, unless it increases the future benefits to the Settlement, in which case it is capitalised and depreciated on the relevant basis.

Plant, Fixtures and Fittings and Equipment

Plant and equipment costing less than £1,000 per individual item is recognised as expenditure in the period of acquisition. All other equipment is capitalised at cost.

Plant and equipment is depreciated as follows:

Fixtures and fittings	over 5 years on a straight line basis
IT equipment	over 10 years on a straight line basis
Mechanical Plant	over 20 years on a straight line basis

Treatment of Government Capital Grants

Where land and buildings or other assets are acquired with the aid of specific government grants, they are capitalised and depreciated as above. Government grants used in the acquisition of a combination of capital asset categories are amortised in proportion with the total capital spend to which the grant contributed. The related government grants are credited to a deferred income account within creditors, and are released to the income and expenditure account over the expected useful economic life of the related asset on a systematic basis consistent with the depreciation policy. The deferred income is allocated between creditors due within one year and those due after more than one year. Non-government grants are recognised in the Statement of Comprehensive Income when the Centre becomes entitled to them.

MARY WARD SETTLEMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2024

Borrowing costs

Borrowing costs are recognised as expenditure in the period in which they are incurred.

Leased assets

Costs in respect of operating leases are charged on a straight-line basis over the lease term.

Investments

Listed investments are stated at fair value, with movements recognised in the Statement of Comprehensive Income. Investments comprising unquoted equity instruments are measured at fair value, estimated using a valuation technique.

Cash and cash equivalents

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

Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash with insignificant risk of change in value. An investment qualifies as a cash equivalent when it has a maturity of 3 months or less from the date of acquisition.

Financial liabilities and equities

Financial liabilities and equity are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form.

All loans, investments and short term deposits held by the Settlement are classified as basic financial instruments in accordance with FRS102. These instruments are initially recorded at the transaction price less any transaction costs (historical cost). FRS102 requires that basic financial instruments are subsequently measured at amortised cost, however the Settlement has calculated that the difference between historical cost and amortised cost basis is not material and so these financial instruments are stated on the Balance Sheet at historical cost. Loans and investments that are payable or receivable within one year are not discounted.

Taxation

The Settlement is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Settlement is potentially exempt from taxation in respect of income and capital gains received within categories covered by sections 478-488 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

The Settlement is partially exempt in respect of Value Added Tax, so that it can only recover a minor element of VAT charged on its inputs. Irrecoverable VAT on inputs is included in the costs of such inputs and added to the cost of tangible fixed assets as appropriate, where the inputs themselves are tangible fixed assets by nature.

Provisions and contingent liabilities

Provisions are recognised when the Settlement, or one of its subsidiaries, has a present legal or constructive obligation as a result of a past event, it is probable that a transfer of economic benefit will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

MARY WARD SETTLEMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2024

Provisions and contingent liabilities (continued)

Where the effect of time value of money is material, the amount expected to be required to settle the obligation is recognised at present value using a pre-tax discount rate. The unwinding of the discount is recognised as a finance cost in the Statement of Comprehensive Income in the period that it arises.

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

Judgements in applying accounting policies and key sources of estimation of uncertainty

In preparing these Financial Statements, management have made the following judgements:

- To determine whether leases entered into by the Settlement, either as a lessor or a lessee are operating or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis.
- To determine whether there are indicators of impairment of the Settlement's tangible assets. Factors taken in to consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and, where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit.
- To estimate the proportion of TPS grant income to recognise where that grant income is received or receivable in relation to specific categories of costs.

Other key sources of estimation uncertainty

- **Tangible fixed assets**

Tangible fixed assets, other than investment properties, are depreciated over their useful lives, taking into account residual values where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and the projected disposal values.

- **Local Government Pension Scheme**

The present value of the LGPS defined benefit asset or liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 23, will impact the carrying amount of the pension asset or liability. Furthermore, a roll forward approach which projects results from the latest full actuarial valuation performed at 31st March 2022, has been used by the actuary in valuing the pension asset at 31st July 2024. Any difference between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension asset or liability.

- **Donated Services**

Donated professional services are recognised as income when the Settlement has control over them, any conditions associated with the donated service having been met, the receipt of economic benefit from the use by the Settlement of the item is probable and that the economic benefit can be measured reliably. In accordance with the FE/HE SORP (FRS102), the time of general volunteers is not recognised.

On receipt, donated professional services are recognised on the basis of the value of the gift to the Settlement which is the amount that the Settlement would have been willing to pay to obtain those services on the open market; a corresponding amount is then recognised in expenditure in the same period as the receipt.

MARY WARD SETTLEMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2024

2 DONATIONS AND FUNDRAISING

	2024 Group	2024 Centre	2023 Group	2023 Centre
	£'000	£'000	£'000	£'000
Income from general fundraising and donations	356	158	323	18
Income from capital fundraising	-	-	75	75
Income from fund raising and donations for bursary fund	71	-	11	11
Value in kind donations	234	5	129	54
Total	661	163	538	158

3 ACTIVITIES FOR GENERATING FUNDS

	2024 Group	2024 Centre	2023 Group	2023 Centre
	£'000	£'000	£'000	£'000
Rent received	188	28	199	8
Total	188	28	199	8

4A ADULT EDUCATION

	2024 Group	2024 Centre	2023 Group	2023 Centre
	£'000	£'000	£'000	£'000
Grants receivable	3,156	3,156	2,660	2,660
Tuition fees	560	560	529	529
Education contracts	5	-	19	-
Total	3,721	3,716	3,208	3,189

4B FUNDING BODY GRANTS

	Group and Centre	Group and Centre
	2024 £'000	2023 £'000
ESFA recurrent grant	2,557	2,591
ESFA non recurrent grants	392	69
Releases of deferred capital grants	207	-
Total	3,156	2,660

MARY WARD SETTLEMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2024

4c TUITION FEES AND EDUCATION CONTRACTS

	2024 Group	2024 Centre	2023 Group	2023 Centre
	£'000	£'000	£'000	£'000
Adult education fees	517	517	475	475
Fees for FE loan supported courses	43	43	54	54
Education contracts	5	-	19	-
Total	565	560	548	529

5 OTHER INCOME FROM CHARITABLE ACTIVITIES

	2024 Group	2024 Centre	2023 Group	2023 Centre
	£'000	£'000	£'000	£'000
Grants receivable - Legal Centre	617	-	573	-
Legal fees and disbursements	360	-	305	-
Total - Legal Services	977	-	878	-
Other Grants receivable	257	-	241	-
Total	1,234	-	1,119	-

MARY WARD SETTLEMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2024

6 COST OF RAISING FUNDS

	2024	2023
	Group	Group
	£'000	£'000
Adult education – staff costs	21	37
Legal services – staff costs	12	12
Other – staff costs	15	13
Total	48	62

7 TOTAL CHARITABLE EXPENDITURE

	Direct	Support	Total
	costs	Costs	2024
	£'000	£'000	Group
			£'000
Adult education	1,833	1,995	3,828
Legal services	738	525	1,263
Community Services	247	449	696
	<u>2,818</u>	<u>2,969</u>	<u>5,787</u>

	Direct	Support	Total
	costs	Costs	2023
	£'000	£'000	Group
			£'000
<i>Adult education</i>	1,605	1,594	3,199
<i>Legal services</i>	697	413	1,110
<i>Community Services</i>	252	441	693
	<u>2,554</u>	<u>2,448</u>	<u>5,002</u>

MARY WARD SETTLEMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2024

8 SUPPORT COSTS

	Other	Adult	Legal	Total
	£'000	education	services	2024
	£'000	£'000	£'000	Group
				£'000
Staff costs	169	790	228	1,187
Travel and subsistence	-	3	-	3
Publicity	-	59	-	59
Premises costs	173	166	77	416
Administration	15	187	38	240
Auditor's remuneration	11	67	21	99
Legal and professional fees	5	54	161	220
Bank charges	-	3	-	3
Interest payable	3	240	-	243
Amortisation and depreciation	73	426	-	499
	<u>449</u>	<u>1,995</u>	<u>525</u>	<u>2,969</u>

	Other	Adult	Legal	Total
	£'000	education	services	2023
	£'000	£'000	£'000	Group
				£'000
<i>Staff costs</i>	<i>181</i>	<i>834</i>	<i>226</i>	<i>1,241</i>
<i>Travel and subsistence</i>	<i>1</i>	<i>2</i>	<i>-</i>	<i>3</i>
<i>Publicity</i>	<i>-</i>	<i>54</i>	<i>2</i>	<i>56</i>
<i>Premises costs</i>	<i>148</i>	<i>188</i>	<i>123</i>	<i>459</i>
<i>Administration</i>	<i>21</i>	<i>130</i>	<i>41</i>	<i>192</i>
<i>Auditor's remuneration</i>	<i>10</i>	<i>74</i>	<i>21</i>	<i>105</i>
<i>Legal and professional fees</i>	<i>-</i>	<i>102</i>	<i>-</i>	<i>102</i>
<i>Bank charges</i>	<i>-</i>	<i>5</i>	<i>-</i>	<i>5</i>
<i>Interest payable</i>	<i>4</i>	<i>188</i>	<i>-</i>	<i>192</i>
<i>Amortisation and depreciation</i>	<i>76</i>	<i>17</i>	<i>-</i>	<i>93</i>
	<u>441</u>	<u>1,594</u>	<u>413</u>	<u>2,448</u>

Support costs include:

	2024	2024	2023	2023
	Group	Centre	Group	Centre
	£'000	£'000	£'000	£'000
Auditor's remuneration:				
Financial Statements audit	78	56	87	35
Regularity audit	3	3	3	3
Internal audit	5	5	5	5
TPS Audit	3	3	2	2
Other	10	-	8	-

MARY WARD SETTLEMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2024

9 OTHER OPERATING EXPENSES

	2024 Group £'000	2024 Centre £'000	2023 Group £'000	2023 Centre £'000
Teaching costs	202	202	127	127
Non-teaching costs	809	392	630	404
Premises costs	679	533	734	577
Total	<u>1,690</u>	<u>1,127</u>	<u>1,491</u>	<u>1,108</u>

10 STAFF COSTS

The average number of persons (including key management personnel) employed by the Settlement during the year, described as both individuals and full-time equivalents was:

	2024		2023	
	No.	fte	No.	fte
Adult Education Centre staff	137	45	108	43
Legal Centre staff	26	21	24	20
Blackfriars staff	13	10	16	10
	<u>176</u>	<u>76</u>	<u>148</u>	<u>73</u>

The difference between the number of teaching staff and the full-time equivalent is the large number of part-time tutors employed by the Mary Ward Adult Education Centre.

	2024		2023	
<i>Adult Education Centre:</i>	No.	Fte	No.	Fte
Teaching staff	107	22	74	20
Non-teaching staff	30	23	34	23
	<u>137</u>	<u>45</u>	<u>108</u>	<u>43</u>

Staff costs for the above persons

	2024 £'000	2023 £'000
Adult Education Centre staff	2,156	2,022
Legal Centre staff	894	898
Blackfriars staff	353	367
	<u>3,403</u>	<u>3,287</u>

MARY WARD SETTLEMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2024

10 STAFF COSTS (continued)

	2024 Group	2024 Centre	2023 Group	2023 Centre
	£'000	£'000	£'000	£'000
Wages and salaries	2,785	1,691	2,614	1,578
Social security costs	230	136	221	119
Other pension costs (including LGPS adjustments of £55,000 (2022-23: £70,000))	388	329	452	325
	<u>3,403</u>	<u>2,156</u>	<u>3,287</u>	<u>2,022</u>

Key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Settlement and are represented by the Senior Management Team, which comprised the Warden (who is also the Accounting Officer), the Director of Community and Adult Education, the Director of Mary Ward Legal Centre, the Director of Blackfriars Settlement and the Director of Finance and Resources.

	2024 Group	2024 Centre	2023 Group	2023 Centre
	No.	No.	No.	No.
The number of key management personnel	<u>5</u>	<u>3</u>	<u>5</u>	<u>3</u>

The number of key management personnel and other staff who received annual emoluments, excluding pension contributions but including benefits in kind, in the following ranges was:

	2024 Group	2024 Centre	2023 Group	2023 Centre
	£'000	£'000	£'000	£'000
£45,001 to £50,000 p.a.	1	-	1	-
£55,001 to £60,000 p.a.	1	-	1	-
£75,001 to £80,000 p.a.	-	-	1	1
£80,001 to £85,000 p.a.	1	1	1	1
£85,001 to £90,000 p.a.	2	2	-	-
£90,001 to £95,000 p.a.	-	-	1	1
	<u>5</u>	<u>3</u>	<u>5</u>	<u>3</u>

MARY WARD SETTLEMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2024

10 STAFF COSTS (continued)

Key management personal emoluments are made up as follow:

	2024 Group £'000	2024 Centre £'000	2023 Group £'000	2023 Centre £'000
Salaries	366	238	352	231
Employers National Insurance	44	29	44	29
Pension contributions	43	35	59	50
Total key management emoluments	453	302	455	310

The above emoluments include amounts payable to the Accounting Officer (who is also the highest paid officer) of:

	2024 Group and Centre £'000	2023 Group and Centre £'000
Salaries	87	91
	87	91
Pension contributions	8	21

Relationship of Accounting Officer pay and remuneration expressed as a multiple

	2024	2023
Accounting Officer's basic salary as a multiple of the median of all staff	1.8	2.0
Accounting Officer's total remuneration as a multiple of the median of all staff	1.7	2.1

No trustees received any payment from the Settlement, making no claims for travel and subsistence or any other expenses (2023 – none).

11 INTEREST AND OTHER FINANCE COSTS

	2024 Group £'000	2024 Centre £'000	2023 Group £'000	2023 Centre £'000
On bank and government agency loans	289	286	175	171
Pension finance costs (note 23)	(46)	(46)	18	18
Total	243	240	193	189

MARY WARD SETTLEMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2024

12 TANGIBLE FIXED ASSETS - GROUP

	Land and buildings		Equipment	Total
	Freehold	Leasehold		
	£'000	£'000	£'000	£'000
Cost				
As at 1 st August 2023	23,797	3,375	231	27,403
Additions	650	-	156	806
Transfers	(2,214)	-	2,214	-
As at 31st July 2024	22,233	3,375	2,601	28,209
Depreciation				
At 1 st August 2023	-	632	140	772
Charge for the year	300	67	132	499
At 31st July 2024	300	699	272	1,271
Net book value as at 31st July 2024	21,933	2,676	2,329	26,938
<i>Net book value as at 31st July 2023</i>	<i>23,797</i>	<i>2,743</i>	<i>91</i>	<i>26,631</i>

TANGIBLE FIXED ASSETS - CENTRE

	Land and buildings		Equipment	Total
	Freehold	Leasehold		
	£'000	£'000	£'000	£'000
Cost				
As at 1 st August 2023	23,797	-	90	23,887
Additions	650	-	156	806
Transfers	(2,214)	-	2,214	-
As at 31st July 2024	22,233	-	2,460	24,693
Depreciation				
At 1 st August 2023	-	-	37	37
Charge for the year	300	-	126	426
At 31st July 2024	300	-	163	463
Net book value as at 31st July 2024	21,933	-	2,297	24,230
<i>Net book value as at 31st July 2023</i>	<i>23,797</i>	<i>-</i>	<i>53</i>	<i>23,850</i>

MARY WARD SETTLEMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2024

13 INVESTMENTS - GROUP

	2024 Group £'000	2023 Group £'000
Listed investments		
Total value of portfolio as at 1st August 2023 and at 31st July 2024	31	31
Cost of listed investments at 31 st July 2024	31	31
Listed investments held at 31 st July 2024 comprised the following:		
	2024 Group only £'000	2023 Group only £'000
UK fixed interest		
UK equities	30	30
Unlisted investments	1	1
Total	31	31

At 31st July 2024 the Settlement held no individual holdings that were material relative to the market value of the total listed investments portfolio held at that date.

14 DEBTORS

	2024 Group £'000	2024 Centre £'000	2023 Group £'000	2023 Centre £'000
Amounts falling due within one year:				
Trade receivables	251	97	180	51
Other debtors	6	6	19	4
Amounts owed by group undertakings	-	137	-	91
VAT recoverable	-	-	95	88
Prepayments and accrued income	231	196	644	495
	<u>488</u>	<u>436</u>	<u>938</u>	<u>729</u>

MARY WARD SETTLEMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2024

15 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2024 Group £'000	2024 Centre £'000	2023 Group £'000	2023 Centre £'000
Bank loans and overdrafts	184	160	143	113
Trade payables	54	38	629	616
Amounts owed to group undertaking	-	41	-	-
Bursary creditor	70	70	91	91
VAT creditor	2	6	-	-
Other taxation and social security	56	40	100	77
Accrual for untaken annual leave	105	59	91	55
Other accruals and deferred income	929	469	1,037	568
Deferred income - government capital grants	311	311	215	215
Other creditors	60	51	-	-
Total	1,771	1,245	2,306	1,735

16 CREDITORS: AMOUNTS FALLING DUE AFTER ONE YEAR

	2024 Group £'000	2024 Centre £'000	2023 Group £'000	2023 Centre £'000
Bank loans	3,367	3,353	3,550	3,515
Deferred income - government capital grants	11,001	11,001	10,956	10,956
Total	14,368	14,354	14,506	14,471

17 MATURITY OF DEBT

Bank loans and overdrafts are repayable as follows:

	2024 Group £'000	2024 Centre £'000	2023 Group £'000	2023 Centre £'000
In one year or less	184	160	143	113
Between two and five years	370	357	553	517
More than five years	2,997	2,997	2,997	2,997
Total	3,551	3,514	3,693	3,627

A loan to the Settlement from the Social Investment Business, at 5%, repayable by instalments, falling due December 2025, is secured by a fixed charge on the freehold property.

A loan to the Settlement with The Charity Bank Ltd is repayable over 23 years from February 2024. Interest is payable on the outstanding balance at 2.45% above base. The loan is secured by a fixed charge on the freehold property.

MARY WARD SETTLEMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2024

18 CASH AND CASH EQUIVALENTS

	Group		
	At 1 August 2023 £'000	Cash flows £'000	At 31 July 2024 £'000
Cash and cash equivalents	1,425	(565)	860
	<u>1,425</u>	<u>(565)</u>	<u>860</u>

19 CAPITAL AND OTHER COMMITMENTS

	Group and Centre	
	2024 £'000	2023 £'000
Commitments contracted for at 31 st July	-	857

20 LEASE OBLIGATIONS

At 31st July the Settlement had minimum lease payments under non-cancellable operating leases as follows:

	2024 Group £'000	2024 Centre £'000	2023 Group £'000	2023 Centre £'000
Land and buildings				
Not later than one year	32	-	41	9
Between two and five years	98	-	130	-
	<u>130</u>	<u>-</u>	<u>171</u>	<u>9</u>
	2024 Group £'000	2024 Centre £'000	2023 Group £'000	2023 Centre £'000
Equipment				
Not later than one year	23	16	7	-
Between two and five years	26	16	17	-
	<u>49</u>	<u>32</u>	<u>24</u>	<u>-</u>

21 RESTRICTED FUNDS

Where restricted funds are in deficit a transfer is made from unrestricted funds to meet the deficit.

MARY WARD SETTLEMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2024

22 EVENTS AFTER THE REPORTING PERIOD

In January 2025, following a period of sustained cash outflows exceeding cash receipts, the Settlement approached the ESFA for financial assistance and is in the process of working closely with the Further Education Commissioner's (FEC) team to put a financial recovery plan in place and to re-build the Settlement's finances to a sustainable level. The ESFA have provided an emergency support loan facility of up to £500,000, at the Public Works Loan Book rate of interest, to be drawn in two tranches between April and 31st October 2025, repayable subject to an affordability review, by October 2026.

23 DEFINED BENEFIT OBLIGATIONS

The Settlement's employees belong to two principal post-employment defined benefit plans: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by the London Pensions Fund Authority. Both are multi-employer defined-benefit schemes.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest formal actuarial valuation of the TPS was 31st March 2020 and of the LGPS 31st March 2022.

Total pension cost for the year	2024	2023
	£'000	£'000
Teachers' Pension Scheme: contributions paid	227	210
Local Government Pension Scheme:		
Contributions paid	45	66
FRS102 (s28) charge	55	70
Charge to the Statement of Comprehensive Income - LGPS	100	136
Defined Contribution costs	26	15
Total Pension Cost for Year within staff costs	353	361

There were no outstanding or prepaid contributions at either the beginning or the end of the financial year. All contributions due for the year had been paid.

The employees of the Legal Centre and Blackfriars belong to defined contribution pension schemes operated by the National Employers Savings Trust (NEST) and Aviva, respectively.

Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. These regulations apply to teachers in schools, colleges and other educational establishments. Membership is automatic for teachers and lecturers at eligible institutions.

Teachers and lecturers are able to opt out of the TPS.

MARY WARD SETTLEMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2024

23 DEFINED BENEFIT OBLIGATIONS (CONTINUED)

The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis - these contributions, along with those made by employers, are credited to the Exchequer under arrangements governed by the above Act. Retirement and other pension benefits are paid by public funds provided by Parliament. Under the definitions set out in FRS 102 (28.11), the TPS is a multi-employer pension plan. The Centre is unable to identify its share of the underlying assets and liabilities of the plan.

Accordingly, the Centre has taken advantage of the exemption in FRS 102 and has accounted for its contributions to the scheme as if it were a defined-contribution plan. The Centre has set out above the information available on the plan and the implications for the Centre in terms of the anticipated contribution rates.

The valuation of the TPS is carried out in line with regulations made under the Public Service Pension Act 2013. Valuations credit the teachers' pension account with a real rate of return assuming funds are invested in notional investments that produce that real rate of return.

The actuarial review of the TPS which applied during the year ended 31st July 2023 was carried out as at 31st March 2016. The valuation report was published by the Department for Education (DfE) in April 2019. The valuation reported total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218 billion, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196 billion, giving a notional past service deficit of £22 billion.

The report of the latest actuarial valuation of the TPS results dated 31st March 2020 was released in October 2023. As a result, employer contribution rates were increased to 23.68% of pensionable pay to 28.68% from 1st April 2024. The Department for Education had previously agreed to pay a teacher pension employer contribution grant to cover the additional costs of the previous actuarial valuation up to 23.68% during the 2023-24 academic year, however no such grant has been confirmed for the additional costs arising from the March 2020 valuation.

A full copy of the valuation report and supporting documentation can be found on the Teachers' Pension Scheme website.

The employer's pension costs paid to TPS in the period amounted to £227,000 (2022-23: £210,000).

FRS102 (Section 28)

Under the definitions set out in FRS102 (28.11), the TPS is a multi-employer pension plan. The Centre is unable to identify its share of the underlying assets and liabilities of the scheme.

Accordingly, the Centre has taken advantage of the exemption in FRS102 and has accounted for its contributions to the scheme as if it were a defined-contribution scheme. The Centre has set out above the information available on the scheme and the implications for the Centre in terms of the anticipated contribution rates.

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate funds administered by the London Pension Fund Authority. The total contribution made for the year ended 31st July 2024 was £94,000 (2022-23: £110,000), of which employer's contributions totalled £45,000 (2022-23: £66,000) and employees' contributions totalled £49,000 (2022-23: £44,000). The agreed contribution rates for future years are 8.9% for employers and range from 5.5% to 12.5% for employees, depending on salary.

MARY WARD SETTLEMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2024

23 DEFINED BENEFIT OBLIGATIONS (continued)

Principal Actuarial Assumptions

The following information is based upon a full actuarial valuation of the fund at 31st March 2022 updated to 31st July 2024 by a qualified independent actuary

	At 31st July 2024	At 31st July 2023
Rate of increase in salaries	3.85%	3.8%
Rate of increase for pensions in payment / inflation	2.85%	2.8%
Discount rate for scheme liabilities	5.05%	5.15%
Inflation assumption (CPI)	3.20%	2.3% to 3.2%

The current mortality assumptions include sufficient allowance for future improvements in mortality rates.
The assumed life expectations on retirement age 65 are:

	At 31st July 2024	At 31st July 2023
Retiring today		
Males	20.1	20.1
Females	23.8	23.7
Retiring in 20 years		
Males	20.9	20.9
Females	24.5	24.5

Sensitivity analysis

Present value of defined benefit obligation	At 31st July 2024 £'000	At 31st July 2023 £'000
Discount rate +0.1%	3,830	3,618
Discount rate -0.1%	3,950	3,730
Mortality assumption - 1 year increase	3,997	3,774
Mortality assumption - 1 year decrease	3,784	3,575

The Settlement's share of the assets and liabilities in the plan at the Balance Sheet date and the expected rates of return were:

	Value as at 31st July 2024 £'000	Value as at 31st July 2023 £'000
Equities	2,892	2,685
Target Return Portfolio	785	815
Infrastructure	515	571
Property	429	433
Cash	155	69
Total fair value of plan assets	4,776	4,573

MARY WARD SETTLEMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2024

23 DEFINED BENEFIT OBLIGATIONS (continued)

Weighted average expected long term rate of return **5.0%** **5.0%**

The amount included in the Balance Sheet in respect of the defined benefit pension plan is as follows:

	2024	2023
	£'000	£'000
Fair value of plan assets	4,776	4,573
Present value of plan liabilities	(3,889)	(3,673)
	<u>887</u>	<u>900</u>
Asset restriction (see note below)	(887)	(900)
Net pensions asset	<u><u>-</u></u>	<u><u>-</u></u>

As the LGPS asset is irrecoverable, recognition of its value on the balance sheet has been restricted to £nil by limiting the value of the actuarial gain.

Amounts recognised in the Statement of Comprehensive Income in respect of the plan are:

	2024	2023
	£'000	£'000
Amounts included in staff costs		
Employer service cost (net of employee contributions)	100	136
Total operating charge	<u><u>100</u></u>	<u><u>136</u></u>

Amounts included in interest and other finance costs

(Income) / Interest on pension liabilities or assets	(47)	18
Administrative charge	1	2
Pension finance (income) / costs	<u><u>(46)</u></u>	<u><u>20</u></u>

	2024	2023
	£'000	£'000
Amounts recognised in Other Comprehensive Income		
Return on assets	62	(19)
Other actuarial losses on assets	-	(4)
Experience gain arising on defined benefit obligations	16	121
Changes in assumptions	(82)	1468
Asset restriction	13	(900)
Amounts recognised in Other Comprehensive Income	<u><u>9</u></u>	<u><u>666</u></u>

Movement in net defined liability during the year

	2024	2023
	£'000	£'000
Deficit in scheme at 1 st August	-	(576)
Movement in year:		
Employer service cost (net of employee contributions)	(100)	(136)
Employer contributions	45	66
Net interest on liabilities	47	(18)
Administration charge	(1)	(2)
Actuarial gain	9	666
Deficit in scheme at 31st July	<u><u>-</u></u>	<u><u>-</u></u>

MARY WARD SETTLEMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2024

23 DEFINED BENEFIT OBLIGATIONS (continued)
Asset and Liability reconciliation

	2024	2023
	£'000	£'000
Changes in the present value of defined benefit obligations		
Defined benefit obligations at start of period	3,673	5,004
Current service cost	100	136
Interest cost	186	169
Contributions by Scheme participants	49	44
Experience gain on defined benefit obligations	(16)	(121)
Change in financial assumptions	89	(1,202)
Change to demographic assumptions	(7)	(266)
Estimated benefits paid	(185)	(91)
Defined benefit obligations at end of period	3,889	3,673

Changes in the fair value of plan assets

	2024	2023
	£'000	£'000
Fair value of plan assets at start of period	4,573	4,428
Interest on plan assets	233	151
Return on plan assets	62	(19)
Other actuarial gains	-	(4)
Administration cost	(1)	(2)
Employer contributions	45	66
Contributions by Scheme participants	49	44
Benefits paid	(185)	(91)
Fair value of plan assets at end of period	4,776	4,573

24 RELATED PARTY TRANSACTIONS

Owing to the nature of the Settlement's operations and the composition of the board being drawn from local public and private sector organisations, it is inevitable that transactions will take place with organisations in which a member of the board may have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Settlement's financial regulations and normal procurement procedures.

Other than those disclosed in note 10, there were no expenses paid to or on behalf of the trustees during the year (2022-23: £nil).

No trustee has received any remuneration or waived any payments from the Settlement, except in their capacity as a member of staff (2022-23: £nil).

MARY WARD SETTLEMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2024

25 AMOUNTS DISBURSED AS AGENT	Group and Centre	
	2024	2023
	£'000	£'000
Funding body grants - hardship support	30	30
Funding body grants - 24+ advanced learning loans	40	40
	70	70
Disbursed to students	(59)	(39)
Administration costs	(1)	(1)
Balance unspent as at 31 st July, included in creditors	10	30

Funding body grants are available solely for students. In the majority of instances, the Settlement only acts as a paying agent. In these circumstances, the grants and related disbursements are therefore excluded from the Statement of Comprehensive Income.

MARY WARD SETTLEMENT

England & Wales - Charity number 223066

Accounts



MARY WARD SETTLEMENT
(A COMPANY LIMITED BY GUARANTEE)
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2023

MARY WARD SETTLEMENT (A COMPANY LIMITED BY GUARANTEE) TRADING AS MARY WARD CENTRE
COMPANY NUMBER 46188 CHARITY NUMBER 223066

MARY WARD SETTLEMENT
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2023

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MARY WARD SETTLEMENT
REPORT FROM THE CHAIR
FOR THE YEAR ENDED 31 JULY 2023

Mary Ward Settlement (“the Settlement”) had, for several years, expected 2022-23 to be the first year in its new home in Stratford, East London, following the completion of its Property Strategy and relocation from Queen Square in Central London on expiry of its 40 year lease, to the newly developed Queensway House. However, delays to the redevelopment of Queensway House, arising from several external factors, primarily planning and funding decisions, meant that key decisions essential to progressing the project in a timely and effective manner were pushed back. This impacted the critical path culminating in a delay to the project completion date and increased costs. Subsequently, the opening date of the building, planned to be well before 31st July 2022, was postponed and a one-year extension to the Queen Square lease was negotiated, enabling the Settlement to continue provision at its existing site as well as at its Rushworth Street site. The expectation was that the re-development of Queensway House would then be complete in April 2023, leaving 3-4 months over the summer for an orderly relocation before the start of 2023-24.

In the event, the construction work did not meet the revised timetable, with the lack of timeliness around planning decisions causing further delays and impacting other aspects of the build, including the provision of utilities and building commissioning. The completion date was pushed back beyond July 2023 and the Settlement eventually took occupation in September, with some elements of the final build stages continuing around us as we got ready for the start of the 2023-24 academic year.

The Settlement continued to face a challenging time in its normal operations in 2022-23. While the longer-term impact of the pandemic is believed to be largely behind us, the late decision to remain at Queen Square had consequences, with some of the Adult Education Centre’s students having already made other plans. Nevertheless, the majority of classes that ran at Queen Square were full, and provision at Blackfriars was also well-attended - particularly those classes offering fully funded learning options such as ESOL, Literacy and Maths and Work Skills. Provision for these learners was also supported by the Multiply initiative, for which funding was granted at a more generous rate than the usual AEB funding, for 3 years from 2022-23. The proportion of fully funded learners (those who pay a NIL fee) in 2022-23 rose overall from 46% (953) in 2021-22 to 47% in 2022-23 whilst the number of concession fee payers fell by the same percentage due to more flexibility to fund some learners at Level 3. Encouragingly the percentage of students paying a full fee remained the same as the previous year at 40%.

As part of the preparations to move to Stratford the Community Outreach team continued to deliver in the community, building on the relationships established in 2021-22. The vast majority of the work of the Community Outreach team took place in Newham and East London, working directly with community partners, including Newham Chinese Association in Beckton, Deafroots in Stratford, Bangladeshi communities with Jubilee Street GP Practice CIC in Shadwell and older communities in Mile End and Wapping. Again this year, the team were also at the ‘Great Get Together’ at the Olympic Park in Stratford, delivering craft workshops and giving information and advice about the Settlement to around 300 participants as well as raising awareness about our move.

We earned 100% of the total Multiply funding available and successfully achieved the tolerance level of a minimum of 97% against our GLA and ESFA AEB funding allocations and consequently there was no clawback of income from these sources.

Despite the challenges, we were able to support 2,355 learners on 5,367 course places with their learning throughout the year using a range of face-to-face, distance and online methods. Students on all accredited courses were supported to work towards their assessments and gain their qualifications. As a result of the late decision to remain at Queen Square, there was a reduction in the number of Essential Skills qualifications (ESOL, English, Maths and ICT) at Queen Square. However, ESOL continues to be the largest proportion of exams taken across the curriculum. The vast majority of courses took place face-to-face. All Visual and Performing Arts, IT, and Literacy and Maths classes are now face-to-face. Some ESOL courses have continued with a blended approach to support development of digital skills as part of their course. We offered a small number of online courses with subjects including Philosophy, Creative Writing, Literature, Keep Fit, Hindi and Italian.

The Mary Ward Legal Centre (“the Legal Centre”) helped nearly 2,000 people with their legal issues during 2022-23, continuing to provide specialist advice casework and representation in the areas of debt, housing and welfare benefits, and a pro bono service offering advice on employment, housing, consumer, general civil litigation, and family law.

MARY WARD SETTLEMENT
REPORT FROM THE CHAIR
FOR THE YEAR ENDED 31 JULY 2023

Demand for the Legal Centre's services is at an unprecedented level due to the impact of the cost of living crisis. To address this increased demand we were able to secure some additional funding to provide housing and welfare benefits advice to residents in Camden, Newham and Enfield.

The need for help with Welfare Benefits appeals continues to grow and, as a result, we secured additional funding from the Access to Justice Foundation to provide specialist welfare benefits advice and representation to people in need across London.

The Legal Centre is seeing more and more people in need of help with dealing with their debts. Many clients feel utterly desperate as they struggle financially to meet their everyday needs. Funding from the Money and Pensions Service through the Debt Free Advice partnership enabled us to provide much-needed debt advice to Londoners struggling with their debts, including successful applications for Debt Relief Orders, writing off the debts and removing huge pressures on people.

Through a partnership with other advice providers and food banks in Newham we are offering specialist advice to Newham food bank users with funding from the GLA.

The Legal Centre is pleased to be training three trainee solicitors, which will increase its capacity to help more people whilst enabling a much-needed growth in future social welfare lawyers. We would like to thank the Justice First Fellowship scheme and Linklaters for their funding which has enabled us to provide this opportunity.

The hard work and commitment of the Legal Centre's staff and pro bono volunteers has resulted in many successful outcomes for clients, including reducing homelessness, increasing incomes, reducing debts, improving housing conditions and wellbeing.

At Blackfriars Settlement ("Blackfriars") we increased the number of staff during the year to accommodate the higher levels of need being experienced by local people. This has been recognised by City Bridge Trust which funded us for an additional Befriending Officer in the Positive Ageing service, and the Lottery in funding an additional Cost of Living Project Officer, in the Mental Health & Wellbeing service. Both these posts were desperately needed in order to manage greater levels of need and more complex support.

Over the winter Blackfriars provided a 'Warm Space', working with the Borough and local funders to provide space for local people to come and be warm. We provided 50+ healthy soups each week to take away for a quick and cheap re-heat at home. These were much appreciated by local people. We expect that this need for warmth and cost of living support will continue and we are planning that our support will also continue. Positive Ageing continues to work with our COPSINS partners to deliver the Ageing Well contract. It is going well, attracting more older people into the Settlement and enabling coordinated support from the partners. We were delighted that this contract has now been extended by one year, and we can continue partnership working to deliver these services.

Once again Blackfriars worked with a huge number of fantastic volunteers. As well as our committed core group of volunteers who work with us each week to deliver activities in the Settlement and as befrienders in the community, we increased the number of corporate partners we are working with. Over 400 volunteers have been with us for a 'kitchen takeover' in the Positive Ageing service, cooking for the older people, getting to know them, and arranging afternoon entertainment. We are very thankful for the continued support of all our volunteers and corporate partners, who together have provided 6,444 hours of volunteering, helping us meet need and deliver services way above and beyond those we could pay for.

Other developments this year have included Create Space, our graphic design service, which has expanded its team and taken on additional work from internal and external clients, including redeveloping the Blackfriars website. With support from The Plant (theplant.co.uk), the team ran a Crowdfunder to raise funds need to further develop the service.

This year has seen us hosting the SE1 Stories exhibition: social action and photography at Blackfriars in the 1970's; and we were delighted to welcome back the University College of Osteopathy, which resumed free weekly clinics for local older people: which booked up straight away.

MARY WARD SETTLEMENT
REPORT FROM THE CHAIR
FOR THE YEAR ENDED 31 JULY 2023

We are grateful to all our funders who have enabled us to continue our work in changing lives, many of whom we have worked with over a number of years, and in particular those that have helped with our core costs. Without this continued support we could not reach the many people that we do.

Frances Bates
Chair

MARY WARD SETTLEMENT
REPORT OF THE BOARD OF TRUSTEES
FOR THE YEAR ENDED 31 JULY 2023

REFERENCE DETAILS

Charity number: 223066
Company number: 46188
Address and Registered Office: 42 Queen Square, London WC1N 3AQ

KEY MANAGEMENT PERSONNEL

Key management personnel are defined as members of the Settlement's Senior Management Team and were represented by the following in 2022-23:

Warden, CEO; Accounting Officer	Suzanna Jackson (until 20 th March 2023) Therese Reinheimer-Jones (from 20 th March 2023)
Director of Adult and Community Education	Sue Craggs
Director of Finance and Resources	Juliet Woodford
Director of the Mary Ward Legal Centre	Paula Twigg
Director of Blackfriars Settlement	Liz Ranger

BOARD OF TRUSTEES

A full list of the Trustees is given on pages 21-22 of these Financial Statements.

Ms. Beverley Campbell acted as Clerk to the Trustees throughout the year under review.

PROFESSIONAL ADVISERS

FINANCIAL STATEMENTS AUDITOR AND REPORTING ACCOUNTANTS	Buzzacott LLP 130 Wood Street London EC2V 6DL

INTERNAL AUDITOR	Validera 30 Camp Road Farnborough Hants GU14 6EW

BANKERS	The Co-operative Bank plc 3rd floor, St Paul's House 10 Warwick Lane London EC4M 7BP

INVESTMENT MANAGER	Rathbone Greenbank Investments 10 Queen Square Bristol BS1 4NT

MARY WARD SETTLEMENT
REPORT OF THE BOARD OF TRUSTEES
FOR THE YEAR ENDED 31 JULY 2023

NATURE, OBJECTIVES AND STRATEGIES

The Board of Trustees (“the Board”) is pleased to present its Annual Report, together with the Financial Statements of Mary Ward Settlement (“the Settlement”) for the year ended 31st July 2023. This report is also prepared to meet the requirements for a Directors’ Report and Financial Statements for Companies Act purposes.

LEGAL STATUS

The Settlement is a registered charity (number 223066) and company limited by guarantee (number 46188), first registered in December 1895. It provides adult education and community services under its trading name of the Mary Ward Centre (“the Adult Education Centre”). The Settlement is also the controlling entity of the Mary Ward Legal Centre (“the Legal Centre”) and Blackfriars Settlement (“Blackfriars”), both of which are wholly owned subsidiaries.

For the purpose of these Financial Statements, references to the Settlement or Group, refer to the activities and consolidated results of the Adult Education Centre, the Legal Centre and Blackfriars, whilst references to the Adult Education Centre or Centre include only those activities and results of the parent entity trading as Mary Ward Centre in its role as an Institute of Adult Learning (IAL). References to the Board or to the trustees refer to the Board of the Settlement or to its trustees, unless specifically stated otherwise.

OBJECTS AND MISSION

The objects for which the Settlement is established are the advancement of public education and the promotion of social service for the benefit of the community. The Settlement’s mission is to develop and provide excellent, innovative and wide ranging adult education and community services.

PUBLIC BENEFIT

In setting and reviewing the Settlement’s strategic objectives, the Board has had due regard for the Charity Commission’s guidance on public benefit and particularly upon its supplementary guidance on the advancement of education. The guidance sets out the requirement that all organisations wishing to be recognised as charities must demonstrate, explicitly, that their aims are for the public benefit.

In delivering its mission, the Settlement provides the following identifiable public benefits through the advancement of education and community services:

- High quality teaching;
- Advice, information, assistance and representation dealing with housing, debt, welfare benefits and other financial and legal problems;
- Widening participation and tackling social exclusion;
- Strong student support systems, particularly for students with physical and learning difficulties; and
- Vocational support where appropriate.

The effectiveness of the Settlement’s delivery of public benefit is covered throughout the Members’ Report.

IMPLEMENTATION OF THE STRATEGIC PLAN

The Settlement worked towards the objectives of the 2018-2024 Strategic Plan, of which a key element includes the implementation of the Property Strategy which will play a major part in achieving long term sustainability with a wider reach of adult education and community support and advisory services across London.

Having purchased a new freehold site in the London Borough of Newham in July 2018, plans for the redevelopment of this site, set in motion during 2018-19, to become a new, modern set of premises for the provision of the activities of the Settlement from 2022 onwards, were significantly impacted by the Covid-19 pandemic. Delays over the planning process, inflation in the construction sector and consequential uncertainty over funding the project to completion led, jointly, to a delay in signing the construction contract and to work starting on site, inevitably leading to the completion date being pushed back. Instead of completion in time for a relocation during the summer of 2022, opening to students and other users on site for the start of the 2022-23 academic year, construction was not substantially complete until

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IMPLEMENTATION OF THE STRATEGIC PLAN (CONTINUED)

September 2023. The Settlement began its relocation from that date, opening its doors just a few weeks later in the autumn of 2023 for the start of the 2023-24 academic year.

As a result of the delay to the completion of the Property Strategy the trustees agreed to roll forward the original Strategic Plan, covering the period 2018-2022, to the end of the 2023-24 academic year, ensuring that the important elements of the existing Strategic Plan, inextricably linked with the redevelopment of the new premises, were complete before moving on to the next phase of the Settlement's future.

The key focus points of the 2018-24 Strategic Plan include:

- To grow existing services and to extend our range of services to enhance the delivery of our Mission, in ways that are relevant now and which look to the future;
- To deliver excellent services, that prioritise outcomes and impact for our users;
- To add our expertise, encouragement and support to the efforts and achievements of people in the communities and neighbourhoods in which we are located and create opportunities for them to reach their educational, social and economic potential;
- To further develop an organisational structure and culture which realises the Settlement's Mission and Core Values;
- To maintain good financial health in order to ensure the sustainable delivery of our Mission;
- To redevelop our new premises to support a sustainable future, enhance the quality of our provision and enable us to reach new audiences;
- To develop partnerships and alliances with other organisations that will improve and extend our ability to deliver our Mission and Strategic Objectives;
- To improve our public profile and develop an effective communications, PR and marketing strategy that supports the development of the Settlement's work, our move east and contributes to our plans for growth.

The Board monitors the performance of the Settlement against the plan. The Board reviews and updates the plan annually.

The most significant, longer term, impact arising from Covid-19 was on the Settlement's Property Strategy. The project could not be completed in time for the original opening date of September 2022, and during 2022-23, in an environment of greater uncertainty, rising costs and reduced grant funding, the Settlement's Senior Management Team prioritised actions aiming to ensure that where possible, construction continued as planned, and in time for the start of the 2023-24 academic year. While it was disappointing that we were unable to move as planned for 2022-23, the Settlement was nevertheless able to negotiate an affordable, new 1 year lease at its existing premises in Queen Square planned a programme of provision for 2022-23, across its premises at Queen Square and Rushworth Street, and which prioritised accredited courses, basic skills and those other courses which directly meet our funding requirements ensuring that the Adult Education Centre received 100% of its allocation from the GLA and ESFA.

Due to the late notice of this extended lease, enrolment was challenging and did not perform to the levels expected had the move not been delayed. Overall, there was a reduction in enrolments, from 4,587 to 3,820 and in students, from 2,613 to 2,355. This reduction impacted on income from fees which was lower than the previous year from £624,000 to £529,000. However, this reduction was isolated to the performance at Queen Square. At Blackfriars, provision continued to recover to pre Covid levels and better. Enrolments increased here from 1,324 to 1,522, fees from £46,000 to £66,000 and student numbers from 684 to 714.

However, as with recent years, by maintaining close control of direct costs the Settlement has been able to mitigate the financial impact, despite lower enrolments and tuition fees.

CORE VALUES AND OBJECTIVES

The Settlement is guided by the Core Values and Strategic Aims. At a Strategy Day in June 2023, the Board met to consider the Strategic Plan for the period 2023-28, and subsequently, the following Core Values and Strategic Aims have been jointly agreed across the Mary Ward Settlement group.

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CORE VALUES AND OBJECTIVES (CONTINUED)

Core Values

PEOPLE: we ensure the needs of students and service users are at the heart of everything we do

COMMUNITY: we value and contribute positively to the communities we serve

LEARNING: we provide access to learning that enriches people's lives, increases opportunities, and diminishes disadvantage.

JUSTICE: we are committed to social justice and provide access to secure legal rights

RESPECT: we value and support staff, teams and volunteers, and develop their talents

EQUALITY: we foster equality, seek to eliminate discrimination and improve inclusion

INTEGRITY: we are honest, fair, accountable and financially responsible

SUSTAINABILITY: we actively seek sustainable practices

EXCELLENCE: we strive for excellence as individuals, teams and as an institution

Strategic Objectives

- Contributing to local and London economies:
We will contribute to social and economic prosperity by extending our work into new areas whilst supporting more vibrant, tolerant, safe and healthy communities where everyone has the opportunity for learning, build skills and meet personal or professional goals.
- Enrich and strengthen the communities we serve:
We will strengthen local communities' ability to access support, advice, learning and employment, reducing social isolation and improving life chances
- Provide flexible and outstanding, demand-led provision and services:
We will grow and maintain a diverse, agile and adaptable workforce delivering demand-led and co-created provision that can respond to the demands of its users, changing priorities and local needs.
- Be a visible and valued partner and place:
We will be a well known, trusted and respected partner, a 'go to' for input, development and advice across all of the sectors that our work encompasses.
- Ensure current and future stability:
We will ensure current and future organisational stability and sustainability through financial health, leadership, governance and a skilled work force.

The Settlements's annual development and improvement plan, arising from its annual Self-Assessment Report, provided focus for targeted actions that assisted in making progress towards meeting the relevant Strategic Objectives.

The Settlement's Financial Objectives are:

- To achieve a minimum annual operating surplus of 1% of income, excluding any pension costs arising from the impact of the Local Government Pension Scheme ("LGPS") costs;
- To provide sufficient courses to ensure that we earn all of the available funding from the Education and Skills Funding Agency ("ESFA");
- To diversify our funding streams, consistent with our Mission and Core Values, in order to maximise our income generating potential;
- To effectively manage costs, keeping any increase in non-pay costs below the prevailing inflation rate.

The realisation of the Property Strategy continued to have a significant impact on the Settlement's operational results in 2022-23, however the Settlement was able to meet its objective in relation to the minimum 1% operating surplus and all other financial objectives were met.

A series of performance indicators have been agreed to monitor the successful implementation of the policies.

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STRATEGIC REPORT

ACHIEVEMENTS AND PERFORMANCE

PERFORMANCE INDICATORS

ADULT EDUCATION CENTRE

A series of performance indicators have been agreed to monitor the successful implementation of the policies. The performance against the Adult Education Centre's targets is set out in the table below:

Key Performance Indicator	Target 2022-23	Achieved 2022-23	Target 2021-22	Achieved 2021-22
Maximise the number of people who access adult education given Covid-19 restrictions	2,500	2,355	3,339	2,613
Maximise the number of course enrolments given Covid-19 restrictions	5,500	5,372	6,443	5,690
Maximise the average number of students per course given Covid-19 restrictions	10	9.5	10	9
Maintain high average level of student retention; AND Maintain high retention across ALL courses	90% +	95%	90% +	94%
Maintain high level of student satisfaction	95%+	94%	95%+	93%
Maintain high level of average achievement on non-accredited courses; AND Maintain high level of achievement on ALL non-accredited courses	96% across all levels and lengths	95%	96% across all levels and lengths	96%
Improved average success rates for students taking accredited courses	90%+	86%	90%+	90% 8/40 course quals were below 80%
Improved success rates on ALL non -accredited qualifications	95%	93%	95%	94%
The % of students reporting additional benefits is increasing	n/a	All students who returned a questionnaire reported at least one additional benefit to learning	n/a	All students who return a questionnaire report at least one additional benefit to learning

The Adult Education Centre is committed to monitoring a range of key sector indicators and is required to complete the Annual Finance Record for the ESFA. The Adult Education Centre's financial health grading is assessed by the ESFA as "Requires Improvement" (2021-22: "Good"). This 'Requires Improvement' financial health grade arises directly as a result of the execution of the Property Strategy, primarily the drawdown of a commercial mortgage to fund the redevelopment of Queensway House, and the challenges of a period of high inflation and economic instability seen over the past 12 months which have increased costs and reduced cash balances in the short term.

MARY WARD LEGAL CENTRE

The Legal Centre's specific achievements for 2022-23 are outlined below:

- Continuing to prevent homelessness, improve people's housing conditions, combat poverty, help people reduce their debt and maximise their income through providing free specialist casework and representation in housing, debt and welfare benefits;
- Securing additional grant funding and donations to deal with the impact of the cost of living crisis;
- Helping 2,000 people with their legal issues;

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ACHIEVEMENTS AND PERFORMANCE (CONTINUED)

- Delivering against contractual funding outputs and outcomes;
- Delivering a pro bono advice service to help more people who cannot access help from legal aid to resolve their legal issues;
- Securing funding from the Access to Justice Foundation to increase our capacity to provide specialist welfare benefits advice pan-London;
- Securing funding from the London Borough of Camden for a generalist adviser to provide holistic support and increase our outreach in the borough;
- Continuing to deliver housing advice in Newham and securing additional funding to increase access to specialist housing advice in Newham and Enfield;
- Supporting two members of staff to train as an apprentice solicitor;
- Clients receiving help with their welfare benefits appeals achieved an average increase of £87 a week in benefits;
- Playing an active role in the development of the new Camden Advice Network;
- Working in partnership with other community organisations and food banks in Newham to provide specialist advice in food bank users.

The actual performance against the agreed targets are set out in the table below:

Key Performance Indicator	Target 2022-23	Achieved 2022-23	Target 2021-22	Achieved 2021-22
Meet annual target for matter starts	1,480	1,887	1,295	1,431
Maintain the number of people who get advice through pro bono clinics	175	174	175	163
Maintain a high level of client satisfaction	95%	99%	95%	99%
Maintain the high % of cases that have a positive outcome	92%	95%	92%	94%
A high % of clients who respond to our survey report an improvement in health and well-being	88%	94%	88%	95%

BLACKFRIARS SETTLEMENT

Positive Ageing

Positive Ageing has received a steady flow of new referrals over the year, from a wide range of services and people walking in the Settlement. This year we have supported 670 people, an increase of 15% on 2021-22.

Needs have continued to become more complex, with the team dealing with safeguarding issues, many referrals which do not meet the existing threshold for social care intervention, and an increasing number of members and referrals with early dementia.

The Ageing Well Southwark contract serving older people across the borough, has continued this year, and in June was rolled over for an additional year. The delivery aims are to ensure that the 'front door' to services are coordinated and, that by whatever means a resident contacts older people's services, they will be afforded the same access. The Positive Ageing service continues to work closely with the other members of the COPSINS Consortium and the Borough to ensure the service for older people has continued to develop and evolve.

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ACHIEVEMENTS AND PERFORMANCE (CONTINUED)

BLACKFRIARS SETTLEMENT (CONTINUED)

The Befriending service has been very busy this year, but with more staff time being taken up recruiting volunteers. This remains a challenge: part of the national picture of declining volunteering. This year it meant we had to put new referrals on hold for three months. Although we are very aware of the increasing need in this area, it has been challenging to respond. We have done so through the increasing use of telephone volunteers, but our aim remains to increase visiting volunteers in line with the need.

Adult Education

We are pleased to provide learning and development classes on behalf of Southwark Adult Education as well as via Mary Ward Centre. This year saw a range of classes and courses delivered, including through the Positive Ageing and Mental Health & Wellbeing services.

The offer from Mary Ward Centre also increased and the building was busy with a 4% increase in enrolments on 2021-22.

Mental Health and Wellbeing

This year the service has continued to grow. The number of people supported was 112, an increase of 20% on 2022-23. Of these 35 of these people were new to the service, 75% more than 2022-23, partly due to new referrals joining a Healthy cooking on a budget group which ran through the autumn and spring.

The service continues to take referrals from a wide variety of sources, and this year has worked specifically with the Social Prescribers in the borough.

The needs of our members are complex. Most have severe and enduring mental health challenges, and many have a dual diagnosis. The graph on below shows that almost exclusively they are drawn from the areas of the borough with the highest levels of deprivation.

This year the service has seen a rising number of referrals from a wide variety of agencies and services. We have continued induction courses for newly referred people, enabling them to get to know the service and feel at home, and for the team to make sure they are accessing the sessions most useful for them. This leads to a higher level of retention of referred people.

This year the Lottery funded Thinking Ahead Project has gathered momentum. It focuses on building skills and confidence amongst members, enabling access to educational opportunities, promoting and enabling volunteering and enabling members to contribute to their community.

The service delivers a broad range of high-quality services:

- In partnership with professional design studio, the Plant, our Social Enterprise Design Studio Create Space, has continued to provide high quality design to internal services and external clients and is promoting the service offer to attract more external clients.
- The service is hosting Art Therapy students on placement with us from the University of Roehampton, which has boosted our capacity by working directly with members and using the art therapy model to create a safe and contained space for people to explore issues and challenges in group and one to one settings.
- We have successfully run 2 courses for our education funders: Music Appreciation and Basic Skills for Learning using IT.

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ACHIEVEMENTS AND PERFORMANCE (CONTINUED)

BLACKFRIARS SETTLEMENT (CONTINUED)

- The 'Switched On' digital inclusion project continued weekly and has provided sessions to build and develop tech skills in smart phone, online, tablets, and peer support, sharing skills and building confidence.
- Day trips and events including visits to the Tower of London, Kew Gardens and Southend-on-Sea, shared cooking and film and music events to celebrate Mental health awareness week music event and Black history month. Local visits included to the Africa centre and Tate modern.
- A healthy eating on a budget programme funded by Southwark Council. Four programmes, each of 6 weekly sessions, helped people plan, shop, cook and eat together. They gained cooking skills and knowledge of resources and food pantry's/co-ops to help with cost-of-living crisis and food insecurity. The programme also built friendships, reduced isolation and helped maintaining improved mental health.
- A partnership with Mary Ward Community access to run women only hat making and aromatherapy and a regular woman only relaxation and gentle exercise group.
- Online and telephone support continues for people still unable to attend the centre with a weekly zoom Start the week group and gentle exercise group.
- We received an uplift from our Funder the big lottery to employ a Cost-of-Living Project worker to start on August 23.
- Peer groups and opportunities for members to step up have increased with a weekly peer led creative writing group and members into volunteering roles supporting Gardening, cooking, and IT tech support.

The Orb Space

The Orb Space was slightly scaled down this year. However we offered a range of courses, events and a large International Women's Day event. We restarted our Death Café's which we had originally run prior to covid. This was popular and there were a number of requested to make this a regular event. We ran a Creative Week in July, with a number of different creative sessions which proved extremely popular and all had a waiting list.

Warm Spaces

During the winter months the Settlement was a Warm Space for local people to use. Funded by the borough and local funders, we offered healthy soup to take away and re-heat quickly and cheaply at home.

Legal Clinic

During Covid our free legal advice clinic, run in partnership with City Law School moved online. This was a successful move, making the service more efficient and accessible. From the beginning of the 2022-23 year this move was made permanent, ending our role physically hosting the clinic.

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ACHIEVEMENTS AND PERFORMANCE (CONTINUED)

BLACKFRIARS SETTLEMENT (CONTINUED)

The actual performance compared to prior years is set out in the table below:

Key Performance Indicator	2022-23	2021-22	2020-21	2019-20
MHWB				
No of members supported	112	93	108	140
No of referrals	51	41	46	
No of new members	35	20	13	23
PA				
No of members supported	670	584	529	413
No of new members	72	184	103	
No of people attending sessions	280	289	219	272
No of attendances	9,462	8,805	5,460	6,551
No befriended members	112	124	180	142
No befriending referrals	52	98	64	61
Adult Education				
No of students	714	703	189	617
No of enrolments	1,415	1,360	451	1,040
Orb				
No of attendances	108	63	54	356
Legal Clinic				
Client appointments	0	78	124	186
Volunteering Hours				
MHWB	2,554	1,023	872	2,179
PA	8,650	6,931	4,894	8,475
Orb	35	0	0	10
Total	11,239	7,954	5,766	10,664

FINANCIAL REVIEW

The Settlement had an operating surplus of £100,000 in the year (2021-22: surplus of £77,000). This was before the inclusion of a £70,000 (2021-22: £159,000) Local Government Pension Scheme ("LGPS") service cost; £18,000 (2021-22: £41,000) LGPS finance cost; and £2,000 (2021-22: £5,000) LGPS administration cost. The surplus for the year after inclusion of those costs was £1,000 (2021-22: deficit of £128,000). Additionally, an actuarial gain of £666,000 was made by the LGPS (2021-22: gain of £2,220,000). Overall, total comprehensive income for the year was £667,000 (2021-22: total comprehensive income £2,092,000).

The Settlement's accumulated reserves rose to £12,467,000 (2021-22: £11,800,000). The two most significant factors in the movement in funds were the actuarial gain of £666,000 in the LGPS (2021-22: gain of £2,220,000), and the operational surplus of the Adult Education Centre of £109,000 (2021-22: £151,000). The Settlement's target is to increase reserves, by a minimum of 1% of income, before taking into account the impact of LGPS costs.

The written down value of fixed assets increased to £26,631,000 (2021-22: £18,871,000). Capital expenditure in the year totalled £7,853,000 (2021-22: £5,721,000), all but £12,000 of which related to the development of the freehold property, Queensway House, in Stratford, East London which forms a key part of the

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FINANCIAL REVIEW (CONTINUED)

Settlement's Property Strategy to secure a location for its activities after expiry of the lease on 42 Queen Square. The depreciation charge for the year totalled £93,000 (2021-22: £222,000). The value of the investment funds held by the Settlement remained at £31,000 (2021-22: £31,000).

The Settlement's operational income fell by £185,000 to £5,065,000 (2021-22: £5,250,000), reflecting falls of £154,000 in rental income following the expiry of the Settlements lease on 10 Great Turnstile from 1st August 2022, part of which was sub-let to tenants, and a fall in tuition fees of £94,000 which reflected the challenges associated with the delays to the Property Strategy noted above. Other, smaller rises in various income streams across the group partially offset these falls.

Costs of the Settlement fell by £314,000 to £5,064,000 (2021-22: £5,378,000). This decrease reflects a fall of £237,000 in operational costs, arising primarily from the expiry of the lease on 10 Great Turnstile from 1st August 2022, along with a fall in staffing costs of £81,000, reflecting the lower activity levels of the Adult Education Centre.

The Adult Education Centre's income fell by £311,000 to £3,355,000 (2021-22: £3,666,000) and reflects the fall in rental income and tuition fees, noted above.

Costs at the Adult Education Centre fell by £353,000 to £3,336,000 (2021-22: £3,719,000) reflecting lower operational costs as a result of the expiry of the 10 Great Turnstile lease, and lower staffing costs as noted above.

The Legal Centre's income increased by £67,000 to £1,077,000 (2021-22: £1,010,000), of which £878,000 (2021-22: £813,000) came from operational grants and funding for legal advisory services and £199,000 (2021-22: £192,000) from donations and other fundraising, including value in kind of £75,000 (2021-22: £78,000) from pro bono advice and the provision of legal trainees.

Legal Centre costs rose by £44,000 to £1,120,000 (2021-22: £1,076,000). This primarily reflects an increase in staff costs of £28,000, supported by new streams of grant funding for specific activities.

At Blackfriars, operational income was £732,000 for the period (2021-22: £674,000). The rise in income reflects, primarily, the continued return to a fuller level of face to face activity during 2022-23 and continued strong support from funders. Operational expenditure rose by £24,000 to £706,000 (2021-22: £682,000), reflecting, primarily, the higher level of overall activity during the period.

The 2022-23 Financial Statements and associated Notes are set out on pages 33 to 60.

TREASURY MANAGEMENT

Treasury management is the management of the Settlement's cash flows, its banking, money market and capital market transactions, the effective control of the risks associated with those activities and the pursuit of optimum performance consistent with those risks.

Following the reclassification of colleges by the ONS in November 2022 all new borrowing requires the consent of HM Treasury. Subject to such consent, short term borrowing for temporary revenue purposes is authorised by the Accounting Officer and such arrangements are also restricted by limits in the Settlement's Financial Memorandum agreed with the Education and Skills Funding Agency. All other borrowing requires the authorisation of the Board in order to comply with the Financial Memorandum.

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TREASURY MANAGEMENT (CONTINUED)

There was a net increase in the cash held by the Settlement of £778,000 to £1,425,000 (2021-22: decrease of £1,849,000 to £647,000). Expenditure of £7,841,000 in relation to the development of Queensway House, continued to be the most significant outflow, offset by capital grant receipts of £4,086,000 and a commercial loan of £3,300,000 during the period.

RESERVES POLICY

The Settlement recognises the importance of reserves in the financial stability of the organisation and has a stated Reserves Policy to hold a minimum of 1 to 3 month's operating expenditure as unrestricted free reserves. Consequently the Settlement continues to ensure that it has adequate reserves to support its core activities.

As at the balance sheet date the Settlement's unrestricted reserves were £12,467,000 (2021-22: £11,791,000) of which £2,771,000 were unrestricted fixed asset reserves (2021-22: £2,847,000) and £9,687,000 were other unrestricted reserves (2021-22: £8,944,000). Restricted reserves totalled £9,000 (2021-22: £9,000).

Of these reserves £351,000 (2021-22: £946,000) are immediately available, or at short notice and can be drawn upon to meet the working capital needs of the Settlement.

The increase in reserves, at the Balance Sheet date, reflects the underlying operational surpluses associated with the activities of the Adult Education Centre and the Legal Centre, and an actuarial surplus in the LGPS, which more than offset the costs of the scheme during the period. As anticipated, the costs of implementing the Property Strategy have resulted in the Settlement's free reserves falling below target during 2022-23. It is the Board's intention to restore the Settlement's reserves, excluding any impact from the LGPS, to at least the minimum target level as soon as practical.

It is anticipated that the 2023-24 financial year will be difficult, following the delay in Practical Completion of Queensway House and the impact of this on autumn term enrolments in particular. Nevertheless the Settlement is expected to approximately break-even over the year 2023-24

CURRENT AND FUTURE DEVELOPMENTS AND PERFORMANCE

FINANCIAL HEALTH

In 2022-23 the Settlement achieved a "Requires Improvement" ESFA financial health grading (2021-22: "Good"). This financial health rating was achieved against the backdrop of the strategic activity taken by the Settlement to secure its future through implementation of the Property Strategy over the past 5-6 financial years, which has seen the cash balance and free reserves fluctuating, but ultimately falling over the whole of this extended period, as well as the drawdown of a commercial mortgage, needed to fund the development work at Queensway House.

The Property Strategy was agreed by the Board because the Settlement's main building at 42 Queen Square was approaching the end of a long lease in July 2022, and had been on beneficial terms for many years. The landlord indicated that if it were to offer a new lease it would be at a considerably higher rent. After careful consideration of the risks and opportunities, the Board adopted a strategy that, once implemented, will help provide for a financially sustainable future for the Settlement.

As part of this strategy the Board took the decision to sell the freehold property at 10 Great Turnstile and to lease it back for a period to coincide with the termination of the lease on 42 Queen Square. This sale was completed during 2017-18, and the proceeds of the sale were put towards the purchase of a new building, Queensway House in the London Borough of Newham, which completed in July 2018. A fundraising programme

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CURRENT AND FUTURE DEVELOPMENTS AND PERFORMANCE (CONTINUED)

FINANCIAL HEALTH (CONTINUED)

was commenced which, together with a portion of the existing reserves and a commercial mortgage from The Charity Bank Ltd, has enabled the redevelopment and refurbishment of this building. Following the consequences of the Covid-19 pandemic, the original expectation that most of the Settlement's service offering would operate from Queensway House from the financial year 2022-23 was not realised. As a result, the redevelopment programme experienced delays and was not completed until the start of the 2023-24 academic year. Consequently the Board revised its plans for 2022-23, including negotiating a new, 1 year lease at Queen Square on favourable terms, and re-planning the curriculum for 2022-23, at a relatively late point in time, taking this significant change into account.

The premises at 1 Rushworth Street will be retained, enabling the Settlement to operate from two permanent sites in two London boroughs.

In the medium to long term, the completion of the Property Strategy should ultimately see a return to much stronger operational results and financial sustainability. However it is anticipated that in the short term, the Settlement's relocation to a new area of London will require investment in the curriculum, marketing and resources. We expect this to put pressure on operating surpluses and cash balances and, in turn, on the ESFA financial health grade. Furthermore, the grading is heavily disadvantaged by the ESFA's measurement of debt, which considers all debt as a proportion of annual income. Following the Settlement's drawdown of a commercial loan needed to complete the Queensway House redevelopment, a maximum of two thirds of the financial health points are available. Consequently, the "Requires Improvement" outcome reported for the period is seen as a positive result, and a return to a "Good", or better, financial health grading is unlikely for several years.

STUDENT NUMBERS

The Adult Education Centre is funded according to the levels of activity that it generates. In 2022-23, the Adult Education Centre generated a funding value of £2,446,000 (2021-22: £2,384,000). The total number of students enrolled onto courses was 2,355, compared with 2,616 for 2021-22. Student retention was 95% for 2022-23 compared with 94% for 2021-22.

STUDENT ACHIEVEMENTS

In 2022-23 there were 356 examination entries of which 207 were successful (2021-22: 453 and 407 respectively). Overall success is 95% (2021-22: 96%). Student achievement in non-accredited courses is 93% (2021-22: 94%), which is assessed using the Recognising and Rewarding Progress and Achievement (RARPA) strategy.

CURRICULUM DEVELOPMENTS

Curriculum planning combines a needs analysis of local communities with a broader perspective of its contribution to adult education across London. The Adult Education Centre has been effective in reviewing and realigning its curriculum to meet changing priorities and funding constraints, whilst retaining the distinctive characteristics of the curriculum and patterns of learning. In 2022-23 the Adult Education Centre continued to offer courses within the curriculum financed entirely from student fees and successfully ran such courses across the curriculum. In response to the Covid-19 pandemic, the Adult Education Centre's strategy was to change the mix and balance of the curriculum, maximising both the amount of fully funded and paid-for provision that could be delivered within the constraints of space and cost of resourcing.

MARY WARD SETTLEMENT
REPORT OF THE BOARD OF TRUSTEES
FOR THE YEAR ENDED 31 JULY 2023

CURRICULUM DEVELOPMENTS (CONTINUED)

Community Outreach continue to be successful at providing courses for older people, minority groups and hard to reach communities to reduce social isolation and access to education. The vast majority of this work now takes place in Stratford and East London.

Partnerships with external agencies such as Job Centre Plus and charities such as Helen Bamber Foundation and Care for Calais continue to develop to provide referrals to meet students' needs to learn English and help them get work. In Work Skills and Employability, Level 1 and Level 2 courses continue to be offered; these offer transferrable work skills including Functional Skills, ICT Users, Payroll, Bookkeeping and Finance qualifications as well as non-accredited options such as Excel and MS Office. To support the improvement of digital skills the Centre has introduced Essential Digital Skills, Essentials Digital Skills for Work/Job Seekers. Non-accredited short courses were also offered to support people getting jobs and coping with work such as Managing Stress, Career Kick Starter and Confidence Building. A partnership with Birkbeck University resulted in a co-designed and co-delivered number of Pathways workshops to offer advice and guidance to progress into education and work. Although 24+ Loan provision continues to be offered in Community Interpreting, Counselling and Art and Design, the Centre makes use of funding flexibilities to fully fund individuals on some of these courses at Level 3. Progression routes in Community Interpreting into specialist areas have also been offered, e.g., Level 6 - Preparation for the Diploma in Public Service Interpreting; Law Option.

In 2022-23 the Adult Education Centre received Multiply Funding from the GLA to support the improvement of maths skills across London. This funding is for 3 years and got underway in January 2023. To date the Adult Education Centre has met its targets associated with this project and received the funding allocated. Courses have included First Steps into Maths, Maths for ESOL as well as a range of creative programmes where maths skills are embedded such as Hat Making, Aromatherapy, Healthy Eating and Nutrition and Gardening.

PAYMENT PERFORMANCE

The Late Payment of Commercial Debts (Interest) Act 1998, which came into force on 1st November 1998, requires colleges, in the absence of agreement to the contrary, to make payments to suppliers within 30 days of either the provision of goods or services or the date on which the invoice was received.

The target set by the Treasury for payment to suppliers within 30 days is 95%. During the accounting period 1st August 2022 to 31st July 2023, the Centre paid 95% of its invoices within 30 days. The Centre incurred no interest charges in respect of late payment for this period.

EVENTS AFTER THE END OF THE REPORTING PERIOD

Significant post-balance sheet events are set out in Note 25.

FUTURE DEVELOPMENTS

At a Strategy Day in June 2023, the Board met to consider the Strategic Plan for the period 2023-28, and subsequently, the following Strategic Aims have been agreed across the Mary Ward Settlement group.

- Contributing to local and London economies
We will contribute to social and economic prosperity by extending our work into new areas whilst supporting more vibrant, tolerant, safe and healthy communities where everyone has the opportunity for learning, build skills and meet personal or professional goals.
- Enrich and strengthen the communities we serve
We will strengthen local communities' ability to access support, advice, learning and employment, reducing social isolation and improving life chances
- Provide flexible and outstanding, demand-led provision and services
We will grow and maintain a diverse, agile and adaptable workforce delivering demand-led and co-created provision that can respond to the demands of its users, changing priorities and local needs.
- Be a visible and valued partner and place
We will be a well known, trusted and respected partner, a 'go to' for input, development and advice across all of the sectors that our work encompasses.

MARY WARD SETTLEMENT
REPORT OF THE BOARD OF TRUSTEES
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FUTURE DEVELOPMENTS FUTURE DEVELOPMENTS (CONTINUED)

- Ensure current and future stability
We will ensure current and future organisational stability and sustainability through financial health, leadership, governance and a skilled work force.

ADULT EDUCATION CENTRE

The Adult Education Centre plans to continue to be a distinct and high quality provider of adult and continuing education, to increase its provision for students over the next 3 years and to return to an 'outstanding' financial status with the ESFA within the life of the new strategic plan.

The Adult Education Centre will continue to diversify its income streams and thereby reduce its dependency on ESFA and GLA and plans to continue to work towards higher tuition fee income, without compromising access to education for those with the greatest needs. It is expected that there will be continuing development of a range of courses funded by using funding flexibilities, student loans and Free Courses For Jobs. The long term impact of Covid-19 as well as the impact of the delay of the building on the habits and expectations of students continues to be a major factor in the immediate plans for the Adult Education Centre and, consequently, it's marketing and communications strategy in order to recruit new students in its new area.

The implementation of the Property Strategy sees Queensway House, in the London Borough of Newham, opened as a new centre for the provision of our adult education curriculum, alongside our site at 1 Rushworth St in the London Borough of Southwark. The new site allows for a major review of the curriculum and particular emphasis is being given to the specific needs of the community in this part of East London.

The Adult Education Centre will continue to manage its costs effectively, mindful that staff costs represent more than two thirds of total expenditure. Greater efforts will be made to make effective use of more volunteers in a more structured and better way.

The public funding environment remains challenging and there is no immediate end in sight to this. Outcomes from the ONS review will bring substantial change to the sector and the organisation will move ahead with its reorganisation plans to minimise the impact of this.

MARY WARD LEGAL CENTRE

Looking forward the Legal Centre expects to be able to achieve the following:

- To ensure pan-London provision of our specialist advice in housing, welfare benefits and debt;
- To continue to provide a pro bono service;
- To continue to develop new advice provision in Newham;
- To expand our outreach provision in Camden;
- To take an active role in advice networks, and work in partnership with local advice providers and community organisations; and
- To continue to seek new sources of income and funding to deliver specialist legal advice services including raising unrestricted income.

BLACKFRIARS SETTLEMENT

Looking forward Blackfriars Settlement expects to be able to achieve the following, as part of the its Strategic Plan:

- To maintain and develop the range of activities currently offered to the local community by the Settlement - primarily for the elderly and for people experiencing mental health issues;
- To partner Mary Ward Adult Education Centre in hosting adult education classes at the Rushworth Street premises; and
- To partner Mary Ward Legal Centre in hosting Legal Advice clinics and drop-in services at the Rushworth Street premises.

MARY WARD SETTLEMENT
REPORT OF THE BOARD OF TRUSTEES
FOR THE YEAR ENDED 31 JULY 2023

GOING CONCERN

As part of the Settlement's move to Stratford the Settlement has developed detailed financial projections which include modelling the impact of the move on its plans for growth, and the impact of risks and uncertainties associated with the relocation project. This work has supported the Board's ability to consider the financial impact of the challenges and uncertainties created by the redevelopment project and its plans for the future. As such it considers that the Settlement has adequate resources to continue in operational existence for the foreseeable future and until at least April 2025. For this reason it continues to adopt the going concern basis in preparing the financial statements.

RESOURCES

The Settlement has a variety of resources that it can deploy in pursuit of its strategic objectives.

Tangible resources include the freehold of Queensway House on Stratford High Street in the London Borough of Newham and the long term leasehold (995 years) of 1 Rushworth Street.

Financial

The Settlement has £12,476,000 of net assets (2021-22: £11,800,000), having taken in to account the FRS102 pension liability of £nil (2021-22: £576,000). The balance owing to the Charity Bank Limited was £3,300,000 and to the Social Investment Business was £418,000 as at 31st July 2023 (2021-22: £505,000).

People

The Senior Management Team comprised five members of staff and is expected to remain at this level for the foreseeable future. The staff teams of the Adult Education Centre, the Legal Centre and Blackfriars are settled, with a low turnover. The Adult Education Centre employs a wide range of sessional tutors, many of whom have taught at Mary Ward for many years.

Reputation

The Settlement has a very well established reputation and draws students and clients from across London and beyond. The Adult Education Centre is known as 'the friendly place to learn'. It is also well known for its ability to support students with both physical and learning difficulties. The Legal Centre is well regarded in the legal community, shown by the continuing support of a number of major law firms. Blackfriars runs a wide variety of well-established clubs, activities and services for older people and for people with mental health issues and continues to be well regarded in its local community in the London Borough of Southwark.

PRINCIPAL RISKS AND UNCERTAINTIES

The Settlement has undertaken further work during the year to develop and embed the system of internal control, including financial, operational and risk management which is designed to protect the Settlement's assets and reputation.

Based on the Strategic Plan, the Senior Management Team regularly undertakes a comprehensive review of the risks to which the Settlement is exposed. They identify systems and procedures including specific preventable actions which should mitigate any potential impact on the Settlement. The internal controls are then implemented and the subsequent year's appraisal will review their effectiveness and progress against risk mitigation actions. In addition to the annual review, the Senior Management Team will also consider any risks which may arise as a result of a new area of work being undertaken by the Settlement.

A risk register is maintained at the Settlement level, which is reviewed regularly by the Audit and Risk Committee. The risk register identifies the key risks, the likelihood of those risks occurring, their potential impact on the Settlement and its subsidiaries and the actions being taken to reduce and mitigate the risks. Risks are prioritised using a consistent scoring system. The risk register includes a separate section for each business stream and, as needed, for major projects.

MARY WARD SETTLEMENT
REPORT OF THE BOARD OF TRUSTEES
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PRINCIPAL RISKS AND UNCERTAINTIES (CONTINUED)

Outlined below is a description of the principal risk factors that have the potential to have a significant impact on the Settlement. Not all the factors are within the Settlement's control:

- Destabilisation as a result of combined and continued unprecedented change;
- Risks in connection with the realisation of the Property Strategy and relocation to a new area of London;
- The ongoing effects of the current economic environment; and
- Increasing mismatch between work demands and the capacity of staff to deliver.

STAKEHOLDER RELATIONSHIPS

The Settlement has many stakeholders including:

- students;
- clients;
- funding bodies;
- staff;
- local employers (with specific links);
- our local authorities;
- the Mayor of London's office;
- local community and voluntary organisations; and
- other colleges, in particular other AECs.

The Settlement recognises the importance of these relationships and is active in their maintenance and development.

EQUAL OPPORTUNITIES AND EMPLOYMENT OF DISABLED PERSONS

The Settlement is committed to ensuring equality of opportunity for all who learn and work there. It respects and values positively differences in race, gender, sexual orientation, ability, class and age. It strives vigorously to remove conditions which place people at a disadvantage and it will actively combat bigotry. This policy will be resourced, implemented and monitored on a planned basis.

A Single Equality Policy is in place and is published on the Settlement's website. The Settlement also publishes an Annual Equality Report, which includes its equality objectives. This ensures compliance with all of the relevant legislation, including the Equality Act 2010. The Settlement also undertakes equality impact assessments on policies and procedures as appropriate.

The Settlement considers all applications from disabled persons, bearing in mind the aptitudes of the individuals concerned. Where an existing employee becomes disabled, every effort is made to ensure that employment with the Settlement continues. The Settlement's policy is to provide training, career development and opportunities for promotion, which are, as far as possible, identical to those for other employees.

DISABILITY STATEMENT

The Settlement seeks to achieve the objectives set down in the Disability Discrimination Act 1995 as amended by the Special Educational Needs and Disability Acts 2001 and 2005 and the Equality Act of 2010 by:

- having a management structure bringing together the support for learners with disabilities and learning difficulties and the provision of additional learning support;
- the use of 10 Great Turnstile to provide 100% level access to all areas and a wheelchair lift at the front entrance;
- the supply of specialist equipment for use by students with disabilities;
- the continuing investment in resources to support students with learning difficulties and/or disabilities; and

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REPORT OF THE BOARD OF TRUSTEES
FOR THE YEAR ENDED 31 JULY 2023

DISABILITY STATEMENT (CONTINUED)

- the continuing programme of staff development to ensure the provision of a high level of appropriate support for students who have learning difficulties and/or disabilities.

In 2022-23 23% (2021-22: 22%) of the student body declared a disability or learning difficulty. This remains high in comparison with adult and further education colleges in general which is between 14% and 15%.

FUNDRAISING

The Settlement aims to achieve best practice in the way in which it communicates with donors and other supporters. It takes care with both the tone of its communications and the accuracy of its data to minimise the pressures on supporters. It applies best practice to protect supporters' data and never sells or shares data, and ensures that communication preferences can be changed at any time. The Settlement manages its own fundraising activities and, during the period under review, has employed the services of a professional fundraising organisation who have made one of their employees available to provide hands-on expertise and operational input. The Settlement undertakes to react to and investigate any complaints regarding its fundraising activities and to learn from them and improve its service.

During 2022-23, the Settlement received no complaints about its fundraising activities.

TRADE UNION FACILITY TIME

There were no employees who were relevant union officials during the period, so there was no time or percentage of the pay bill spent on facility time. There were no paid trade union activities during the year.

DISCLOSURE OF INFORMATION TO AUDITORS

The members of the Board who held office at the date of approval of this report confirm that, so far as they are each aware, there is no relevant audit information of which the Settlement's auditors are unaware; and each member has taken all the steps that he or she ought to have taken to be aware of any relevant audit information and to establish that the Settlement's auditors are aware of that information.

Approved by order of the members of the Board on 26th March 2024 and signed on their behalf by:

Frances Bates

10/04/2024

Frances Bates
Chair

MARY WARD SETTLEMENT

STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL

FOR THE YEAR ENDED 31 JULY 2023

STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL

The following statement is provided to enable readers of the Annual Report and Financial Statements of the Settlement to obtain a better understanding of its governance and legal structure. The statement covers the period from 1st August 2022 to 31st July 2023 and up to the date of the approval of the Annual Report and Financial Statements.

The Settlement endeavours to conduct its business:

- in accordance with the seven principles identified by the Committee on Standards in Public Life (selflessness, integrity, objectivity, accountability, openness, honesty and leadership);
- in full accordance with the guidance to colleges from the Association of Colleges in The Code of Good Governance for English Colleges; and
- having due regard to the UK Corporate Governance Code (“the Code”) insofar as it is applicable to its operational activities.

The Settlement is committed to exhibiting best practice in all aspects of corporate governance and, in particular, the Board has adopted and complied with the Code of Good Governance. The Board has not adopted, and therefore does not apply, the UK Corporate Governance Code. However, we have reported on our Corporate Governance arrangements by drawing upon best practice available, including those aspects of the UK Corporate Governance Code we consider to be relevant to the further education sector and best practice.

In the opinion of the Board, the Settlement complies with all the provisions of the Code of Good Governance, and it has complied throughout the year ended 31st July 2023. The Board recognises that, as a body entrusted with both public and private funds, it has a particular duty to observe the highest standards of corporate governance at all times.

The Settlement is a registered charity. The trustees confirm that they have had due regard for the Charity Commission's guidance on public benefit and that the required statements appear elsewhere in these Financial Statements.

THE BOARD

The members of the Board, or on the Boards of its subsidiaries, who served during the year and up to the date of signature of this report are as listed in the following table:

Member	Date of appointment	Term of office	Date of leaving	Elected trustees	Position and Committees served
Ms F Bates	March 2024	6 months ⁽¹⁾			Chair
Ms R Brain***	October 2019	4 years			Audit & Risk
Ms N Cartner	Reappointed June 2022	4 years			Governance & Nominations, Remuneration, Marketing & Communications Quality Improvement Group (Chair)
Mr G Collins	May 2018	4 years			Vice Chair, Audit & Risk (Chair), Remuneration, Governance & Nominations
Mr J Collins	December 2020	4 years			Quality Improvement Group
Ms C Cryne	May 2021	4 years	February 2024		Chair of Trustees, Governance & Nominations (Chair), Marketing & Communications, Remuneration (Chair)

MARY WARD SETTLEMENT
STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL
FOR THE YEAR ENDED 31 JULY 2023

THE BOARD (CONTINUED)

Member	Date of appointment	Term of office	Date of leaving	Elected trustees	Position and Committees served
Ms F DelGuidice**	June 2022	3 years		Student	Marketing & Communications, Quality Improvement Group
Ms K Duong	May 2018	4 years			Treasurer; Audit & Risk; Finance (Chair); Remuneration; Governance & Nominations
Ms E Henry**	June 2022	3 years		Staff	Quality Improvement Group
Mr T Hucker	June 2022	3 years			Finance
Mr F Martins***	September 2020	4 years			Quality Improvement Group
Ms B Montoya	June 2017 extended to June 2022	4 years			Marketing & Communications
Mr P Nichols*	December 2021	4 years			Finance
Ms S Selzer	September 2020	4 years			Marketing & Communications
Ms S Todd	September 2020	4 years			Marketing & Communications (Chair)
Ms E Wyatt*	Oct 2016 reappointed June 2021	4 years			Finance
Ms B Campbell acts as Clerk to the Board					

(1) Ms F Bates was appointed on a temporary basis as interim Chair of Trustees following the resignation of Ms C Cryne, pending the selection and appointment of a new, permanent Chair

** Trustees of MWLC only

*** Trustees of MWS only

**** Trustees of Blackfriars Settlement only

In addition to the Board, other people who served on committees during the year and up to the date of signature of this report were as listed in the following table:

Member	Date of Appointment	Date of resignation	Status of appointment	Committees served
Ms F Stormer	February 2019		External representative	Audit & Risk

It is the Board's responsibility to bring independent judgement to bear on issues of strategy, performance, resources and standards of conduct.

The Board is provided with regular and timely information on the overall financial performance of the Settlement together with other information such as performance against funding targets, proposed capital expenditure, quality matters and personnel related matters such as health and safety and environmental issues.

The Board conducts some of its business through a number of committees. Each committee has terms of reference which have been approved by the Board. These committees are Governance & Nominations, Remuneration, Finance, Audit & Risk, Marketing & Communications and Quality & Improvement.

Full minutes of all meetings except those deemed to be confidential are available from the Clerk at the address below.

MARY WARD SETTLEMENT
STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL
FOR THE YEAR ENDED 31 JULY 2023

THE BOARD (CONTINUED)

ATTENDANCE

The table below summarises the attendance at Board and sub-committee meetings for the year to 31st July 2023. For trustees of subsidiary company boards, the number of meetings refers only to those meetings of the subsidiary they represent.

Member	Board	Strategy days	Finance	Audit and Risk	Marketing and Communications	Quality and Improvement
Ms F Bates	0 of 0	0 of 0				
Ms R Brain	4 of 4	2 of 2		4 of 4		
Ms N Cartner	3 of 4	2 of 2			1 of 3	4 of 4
Mr G Collins	3 of 4	2 of 2		4 of 4		
Mr J Collins	2 of 4	1 of 2				4 of 4
Ms C Cryne	4 of 4	2 of 2				
Ms F DelGuidice	1 of 4	1 of 2			0 of 3	0 of 4
Ms K Duong	2 of 4	1 of 2	4 of 4	4 of 4		
Ms E Henry	4 of 4	2 of 2				2 of 2
Mr T Hucker	3 of 4	2 of 2	3 of 4			
Mr F Martins	4 of 4	1 of 2				
Ms B Montoya	3 of 4	1 of 2			3 of 3	2 of 4
Mr P Nichols	3 of 4	1 of 2	4 of 4			
Ms S Selzer	4 of 4	1 of 2			2 of 3	
Ms S Todd	4 of 4	2 of 2			3 of 3	
Ms E Wyatt	3 of 4	1 of 2	3 of 4			
Ms F Stormer				4 of 4		

The Governance & Nominations Committee and the Remuneration Committee did not meet formally during 2022-23.

In addition to the committees shown above, the following working groups operated during the year:

Property	- overseeing the redevelopment of Queensway House
Friends & Alumni	- overseeing relationships with friends and alumni, reviewing and seeking fundraising opportunities
Restructure	- tasked with reviewing the group structure of the Mary Ward Settlement group following the ONS Reclassification of Colleges in November 2022
Warden Recruitment	- tasked with the appointment of the new Warden

The above working groups were not operated as formal committees with registers of attendance, nor were they formally clerked. However all significant discussions were reported back to the full Board, and a record of any decisions taken by the Board was formally noted as part of the full board minutes.

The Clerk maintains a register of financial and personal interests of the members of the Board. The register is available from the Clerk at the address below:

Mary Ward Settlement
42 Queen Square
London
WC1H 3AQ

MARY WARD SETTLEMENT
STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL
FOR THE YEAR ENDED 31 JULY 2023

THE BOARD (CONTINUED)

All members of the Board are able to take independent professional advice in furtherance of their duties at the Settlement's expense and have access to the Clerk to the Board, who is responsible to the Board for ensuring that all applicable procedures and regulations are complied with. The appointment and removal of the Clerk are matters for the Board as a whole.

Formal agendas, papers and reports are supplied to members in a timely manner, prior to board meetings. Briefings are also provided on an ad-hoc basis.

The Board has a strong and independent non-executive element and no individual or group dominates its decision-making process. The Board considers that each of its non-executive members is independent of management and free from any business or other relationship which could materially interfere with the exercise of their independent judgement.

There is a clear division of responsibility in that the roles of the Chair and the Warden, the Accounting Officer, are separate.

APPOINTMENTS TO THE BOARD

With the exception of ex-officio appointments, members of the Board hold office for a period of four years (increased from three years by special resolution at the AGM in March 2016). Elected trustees currently on the Board will serve the term to which they were elected. Appointed members may be re-appointed for a second term of four years on the recommendation of the Governance and Nominations Committee. Third and further terms of four years may exceptionally be approved by the board on recommendation of the Governance and Nominations Committee if it is considered that this would produce a better balance of knowledge, skills, commitment and experience amongst the members.

Student and staff members of the Board are eligible to stand for re-election at the end of their term. Staff members are not eligible to serve as members if they cease to be a member of staff of the Settlement. Student members may continue to the end of their elected term of office even if they cease to be students of the Adult Education Centre during their term.

The Board is responsible for ensuring that appropriate training is provided as required.

TRUSTEE INDUCTION AND TRAINING

Each new trustee has an induction programme designed to meet their needs as a trustee. The content of the programme will vary depending on their level of experience as a charity trustee and their knowledge and understanding of the Settlement.

The programme will include spending time with each of the key management personnel. They are also encouraged to attend appropriate external training events where these will facilitate the undertaking of their role.

BOARD PERFORMANCE

As part of its annual self assessment process for the year ended 31st July 2023, the Centre carried out a review of its own performance in Leadership and Management and graded itself as "Good" on the Ofsted scale. The Board is committed to development and in addition to 2 strategy days during the year, the Chair has held one-on-one reviews with individual trustees as well as induction sessions with new trustees. The Board has considered DfE guidance on board reviews and has following a benchmarking audit of governance across other IALs it has plans to carry out its own external audit of governance during the autumn-winter of the 2023-24 academic year which will result in an agreed plan of action to develop its governance priorities. It did not carry out an external review in 2022-23.

MARY WARD SETTLEMENT
STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL
FOR THE YEAR ENDED 31 JULY 2023

REMUNERATION COMMITTEE

The membership of the Remuneration Committee is entirely ex-officio and comprises five members made up of the Chair, the Treasurer, and the chairs of the other committees. The Committee's responsibilities are to make recommendations to the Board on the remuneration and benefits of the Warden and other senior post-holders, and to oversee staff terms and conditions including annual cost of living increases.

Details of remuneration for the year ended 31st July 2023 are set out in note 12 to the Financial Statements.

THE GOVERNANCE AND NOMINATIONS COMMITTEE

The Governance and Nominations Committee comprises four members. The Committee is responsible for advising the Board on the composition, balance and appointment of the Board and its committees. It also ensures that members undergo a regular skills audit and that an annual assessment of training needs takes place.

AUDIT AND RISK COMMITTEE

The Audit and Risk Committee comprises up to five members. No member of staff is permitted to serve on the Audit and Risk Committee. The Committee operates in accordance with written terms of reference approved by the Board. The Audit and Risk Committee provides a forum for reporting by the Settlement's internal and financial statements auditors, who have access to the committee for independent discussion, without the presence of Settlement management.

The Settlement's internal auditors review the systems of internal control, risk management controls and governance process in accordance with an agreed plan of input and report their findings to management and the Audit and Risk Committee.

Management is responsible for the implementation of agreed audit recommendations and internal audit undertake periodic follow up reviews to ensure such recommendations have been implemented.

The Audit and Risk Committee also advises the Board on the appointment of internal, regularity and financial statements auditors and their remuneration for both audit and non-audit work, as well as reporting annually to the Board.

THE FINANCE COMMITTEE

The Finance Committee comprises up to five members. The Committee is responsible for advising the Board on all strategic finance related matters.

THE MARKETING AND COMMUNICATIONS COMMITTEE

The Marketing and Communications Committee comprises up to six members. The Committee is responsible for advising the Board on all marketing, communications and related matters.

THE QUALITY AND IMPROVEMENT COMMITTEE

The Quality and Improvement Committee comprises up to five members with a focus on the performance of the Adult Education Centre. The Committee is responsible for advising the Board on all educational quality improvement related matters.

MARY WARD SETTLEMENT
STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL
FOR THE YEAR ENDED 31 JULY 2023

INTERNAL CONTROL

SCOPE OF RESPONSIBILITY OF INTERNAL CONTROL

The Board is ultimately responsible for the Settlement's system of internal control and for reviewing its effectiveness. However, such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against material misstatement or loss.

The Board has delegated the day to day responsibility to the Warden, as Accounting Officer, for maintaining a sound system of internal control that supports the achievement of the Settlement's policies, aims and objectives, whilst safeguarding the public funds and assets for which she is personally responsible, in accordance with the responsibilities assigned to her in the Financial Memorandum between the Adult Education Centre and the Education and Skills Funding Agency. She is also responsible for reporting to the Board any material weaknesses or breakdowns in internal control.

THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Settlement policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place at the Settlement for the year ended 31st July 2023 and up to the date of approval of the Annual Report and Financial Statements.

CAPACITY TO HANDLE RISK

The Board has reviewed the key risks to which the Settlement is exposed, together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board is of the view that there is a formal ongoing process for identifying, evaluating and managing the Settlement's significant risks that has been in place for the year ended 31st July 2023 and up to the date of approval of the Annual Report and Financial Statements. This process is regularly reviewed by the Board.

THE RISK AND CONTROL FRAMEWORK

The system of internal financial control is based on a framework of regular management information, administrative procedures including the segregation of duties, and a system of delegation and accountability. In particular, it includes:

- comprehensive budgeting systems with an annual budget which is reviewed and agreed by the governing body;
- regular reviews by the governing body of periodic and annual financial reports which indicate financial performance against forecasts;
- setting targets to measure financial and other performance;
- clearly defined capital investment control guidelines; and
- the adoption of formal project management disciplines where appropriate.

The Settlement has an internal audit service, which operates in accordance with the requirements of the ESFA's *Post 16 Audit Code of Practice*. The work of the internal audit service is informed by an analysis of the risks to which the Settlement is exposed, and annual internal audit plans are based on this analysis. The analysis of risks and the internal audit plans are endorsed by the Settlement's governing body on the recommendation of the Audit and Risk Committee. At least annually, the internal audit service provides the governing body with a report on internal audit activity in the Settlement. The report includes the internal

MARY WARD SETTLEMENT
STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL
FOR THE YEAR ENDED 31 JULY 2023

THE RISK AND CONTROL FRAMEWORK (CONTINUED)

audit service's independent opinion on the adequacy and effectiveness of the Settlement's system of risk management, controls and governance processes.

THE REVIEW OF EFFECTIVENESS

As Accounting Officer, the Warden has responsibility for reviewing the effectiveness of the system of internal control. Her review of the effectiveness of the system of internal control is informed by:

- the work of the internal auditors;
- the work of the executive managers within the Settlement who have the responsibility for the development and maintenance of the internal control framework; and
- comments made by the Settlement's Financial Statements auditors and the Regularity auditors in their management letters and other reports.

The Warden has been advised on the implications of the result of her review of the effectiveness of the system of internal control by the Audit and Risk Committee which oversees the work of the internal auditor and other sources of assurance, and a plan to address weaknesses and ensure continuous improvement of the system is in place.

The Senior Management Team receives reports setting out key performance and risk indicators and considers possible control issues brought to their attention by early warning mechanisms, which are embedded within the departments and reinforced by risk awareness training. The Senior Management Team and the Audit and Risk Committee also receive regular reports from the internal auditor and other sources of assurance, which include recommendations for improvement. The Audit and Risk Committee's role in this area is confined to a high-level review of the arrangements for internal control. The Committee's agenda includes a regular item for consideration of risk and control and it receives reports thereon from the Senior Management Team. The emphasis is on obtaining the relevant degree of assurance and not merely reporting by exception. At its November 2023 meeting the Audit and Risk Committee carried out the annual assessment for the year ended 31st July 2023 by considering documentation from the Senior Management Team and internal audit service, as well as reviewing events since the year end.

Based on the advice of the Audit and Risk Committee and the Warden, the Board is of the opinion that the Settlement has an adequate and effective framework for governance, risk management and control, and has fulfilled its statutory responsibility for "*the effective and efficient use of resources, the solvency of the institution and the body and the safeguarding of their assets*".

GOING CONCERN

As part of the Settlement's move to Stratford the Settlement has developed detailed financial projections which include modelling the impact of the move on its plans for growth, and the impact of risks and uncertainties associated with the relocation project. This work has supported the Board's ability to consider the financial impact of the challenges and uncertainties created by the redevelopment project and its plans for the future. As such it considers that the Settlement has adequate resources to continue in operational existence for the foreseeable future and until at least April 2025. For this reason it continues to adopt the going concern basis in preparing the financial statements.

Approved by order of the members of the Board on 26th March 2024 and signed on their behalf by

Frances Bates

Frances Bates
Chair

10/04/2024

T.R-Jones

Therese Reinheimer-Jones
Accounting Officer

10/04/2024

MARY WARD SETTLEMENT
STATEMENT OF RESPONSIBILITIES OF THE BOARD OF TRUSTEES
FOR THE YEAR ENDED 31 JULY 2023

The trustees (who are also directors of the Settlement for the purposes of company law) are responsible for preparing the trustees' report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Settlement and of the income and expenditure of the Settlement for that period.

In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Settlement will continue in operation.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Settlement 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 Settlement and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Each of the trustees confirms that:

- so far as the trustee is aware, there is no relevant audit information of which the Settlement's auditor is unaware; and
- the trustee has taken all the steps that he/she ought to have taken as a trustee in order to make himself/herself aware of any relevant audit information and to establish that the Settlement's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

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

Approved by order of the members of the Board on 26th March 2024.

Frances Bates

10/04/2024

Frances Bates
Chair

MARY WARD SETTLEMENT

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MARY WARD SETTLEMENT FOR THE YEAR ENDED 31 JULY 2023

Opinion

We have audited the financial statements of Mary Ward Settlement ('the charitable company') and its subsidiaries (the 'group') for the year ended 31 July 2023 which comprise the group Statement of Comprehensive Income, the group Statement of Changes in Reserves, the group and charitable company Balance Sheets, the group Statement of Cash Flows, the principal accounting policies, and the Notes to the Financial Statements. 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 and the group's affairs as at 31 July 2023 and of the group's 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 group 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. 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 group'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 and financial statements, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

MARY WARD SETTLEMENT
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MARY WARD SETTLEMENT
FOR THE YEAR ENDED 31 JULY 2023

Other information (continued)

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- ◆ the information given in the strategic report and the trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- ◆ the trustees' report including the strategic report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report including the strategic report.

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

- ◆ adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us;
- ◆ the group's financial statements are not in agreement with the accounting records or returns;
- ◆ 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.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, 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 group'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 group or to cease operations, or have no realistic alternative but to do so.

MARY WARD SETTLEMENT
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MARY WARD SETTLEMENT
FOR THE YEAR ENDED 31 JULY 2023

Auditor's responsibilities for the audit of 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.

Auditor's responsibilities for the audit of financial statements (continued)

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- ◆ the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- ◆ we obtained an understanding of the legal and regulatory frameworks that are applicable to the group and determined that the most significant frameworks which are directly relevant to specific assertions in the financial statements are those that relate to the reporting framework: Statement of Recommended Practice: Accounting for Further and Higher Education 2019 (the 2019 FE HE SORP), the College Accounts Direction for 2022 to 2023, The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS102), the Companies Act 2006 and the Charities Act 2011), those that relate to data protection (General Data Protection Regulation), safeguarding, employment and health and safety; and
- ◆ identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the group's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- ◆ making enquiries of management as to their knowledge of actual, suspected and alleged fraud; and
- ◆ considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- ◆ performed analytical procedures to identify any unusual or unexpected relationships;
- ◆ tested journal entries to identify unusual transactions;
- ◆ assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias;
- ◆ used data analytics to investigate the rationale behind any significant or unusual transactions;
- ◆ tested authorisation controls on expenditure items, ensuring all expenditure was approved in line with the group's financial procedures; and
- ◆ performed substantive testing on grant income to ensure the income recognised complied with the funding agreements.

MARY WARD SETTLEMENT
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MARY WARD SETTLEMENT
FOR THE YEAR ENDED 31 JULY 2023

Auditor's responsibilities for the audit of financial statements (continued)

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- ◆ agreeing financial statement disclosures to underlying supporting documentation;
- ◆ reading the minutes of meetings of those charged with governance; and
- ◆ enquiring of management as to actual and potential litigation and claims.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the trustees and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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 this report

This report is made solely to the charity'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 charity's members those matters that 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 charity and the charity's members as a body, for our audit work, or the opinions we have formed.



Catherine Biscoe (Senior Statutory Auditor)
For and on behalf of Buzzacott LLP, Statutory Auditor
130 Wood Street
London
EC2V 6DL

Date: 11 April 2024

MARY WARD SETTLEMENT
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 JULY 2023

	Notes	Un- restricted Funds £'000	Restricted Funds £'000	Total 2023 £'000	Un- restricted Funds £'000	Restricted Funds £'000	Total 2022 £'000
INCOME							
Donations and fundraising	2	485	53	538	533	25	558
Income for generating funds	3	199	-	199	375	-	375
<i>Income from charitable activities:</i>							
Adult education	4	3,189	19	3,208	3,246	28	3,274
Community services	5	28	213	241	7	215	222
Legal services	5	120	758	878	61	752	813
Investment income	6	1	-	1	3	-	3
Other Income - CJRS grant	7	-	-	-	5	-	5
Total income		4,022	1,043	5,065	4,230	1,020	5,250
EXPENDITURE							
<i>Cost of raising funds:</i>							
Generating donations and grants	8	62	-	62	56	-	56
<i>Expenditure on charitable activities:</i>							
Adult education		3,199	-	3,199	3,588	-	3,588
Community services		77	616	693	-	670	670
Legal services		-	1,110	1,110	-	1,064	1,064
Total expenditure	9/10	3,338	1,726	5,064	3,644	1,734	5,378
Surplus / (Deficit) before tax		684	(683)	1	586	(714)	(128)
Taxation		-	-	-	-	-	-
Surplus / (Deficit) for the year		684	(683)	1	586	(714)	(128)
Actuarial gain in respect of pension schemes	26	666	-	666	2,220	-	2,220
Transfers between funds	24	(683)	683	-	(714)	714	-
Total Comprehensive Income for the year		667	-	667	2,092	-	2,092
Represented by:							
Restricted comprehensive income				-	-	-	-
Unrestricted comprehensive income		667	-	667	2,092	-	2,092
		667	-	667	2,092	-	2,092

MARY WARD SETTLEMENT
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 JULY 2023

	Notes	2023 Group £'000	2023 Centre £'000	2022 Group £'000	2022 Centre £'000
INCOME					
Funding body grants	4	2,660	2,660	2,623	2,623
Tuition fees and education contracts	4	548	529	651	623
Other income from charitable activities	5	1,119	-	1,035	-
Other income - rent receivable	3	199	8	375	217
Investment income	6	1	-	3	1
Donations and fundraising	2	538	158	558	202
Other income - CJRS grant		-	-	5	-
Total income		5,065	3,355	5,250	3,666
EXPENDITURE					
Staff costs	12	3,287	2,022	3,359	2,119
Other operating expenses	11	1,491	1,108	1,728	1,391
Depreciation	14	93	17	222	145
Interest and other finance costs	13	193	189	69	64
Total expenditure		5,064	3,336	5,378	3,719
Surplus / (Deficit) before tax		1	19	(128)	(54)
Taxation		-	-	-	-
Surplus / (Deficit) for the year		1	19	(128)	(54)
Actuarial gain in respect of pension schemes	26	666	666	2,220	2,220
Total Comprehensive Income for the year		667	685	2,092	2,166
Represented by:					
Restricted comprehensive income		-	-	-	-
Unrestricted comprehensive income		667	685	2,092	2,166
		667	685	2,092	2,166

MARY WARD SETTLEMENT
CONSOLIDATED STATEMENT OF CHANGES IN RESERVES
FOR THE YEAR ENDED 31 JULY 2023

	Group Income and expenditure account £'000	Centre Income and expenditure account £'000
Balance as at 31st July 2021	9,708	6,661
Deficit from the income and expenditure account	(128)	(54)
Other comprehensive income	2,220	2,220
Total comprehensive income for the year	<u>2,092</u>	<u>2,166</u>
Balance as at 31st July 2022	11,800	8,827
Surplus from the income and expenditure account	1	19
Other comprehensive income	666	666
Total comprehensive income for the year	<u>667</u>	<u>685</u>
Balance as at 31st July 2023	<u>12,467</u>	<u>9,512</u>

MARY WARD SETTLEMENT
CONSOLIDATED AND CENTRE BALANCE SHEET
FOR THE YEAR ENDED 31 JULY 2023

	Notes	2023 Group £'000	2023 Centre £'000	2022 Group £'000	2022 Centre £'000
Non current assets					
Tangible fixed assets	14	26,631	23,850	18,871	16,026
Investments	15	31	-	31	-
		<u>26,662</u>	<u>23,850</u>	<u>18,902</u>	<u>16,026</u>
Current assets					
Work in Progress		254	-	200	-
Trade and other receivables	16	938	729	2,476	2,342
Cash and cash equivalents	21	<u>1,425</u>	<u>1,139</u>	<u>647</u>	<u>465</u>
		<u>2,617</u>	<u>1,868</u>	<u>3,323</u>	<u>2,807</u>
Less: Creditors - amounts falling due within one year	17	(2,306)	(1,735)	(2,366)	(2,017)
Net current assets		<u>311</u>	<u>133</u>	<u>957</u>	<u>790</u>
Total assets less current liabilities		26,973	23,983	19,859	16,816
Creditors - amounts falling due after more than one year	18	(14,506)	(14,471)	(7,483)	(7,413)
Provisions					
Defined benefit obligations	20/26	-	-	(576)	(576)
Total net assets		<u>12,467</u>	<u>9,512</u>	<u>11,800</u>	<u>8,827</u>
Restricted reserves					
Income and expenditure account					
Other Restricted Reserves		9	9	9	9
Unrestricted reserves					
Income and expenditure account		3,904	3,721	3,722	3,596
Other Unrestricted Reserves		5,783	5,782	5,222	5,222
Designated Reserves:					
Fixed Asset Reserve		<u>2,771</u>	<u>-</u>	<u>2,847</u>	<u>-</u>
Total reserves		<u>12,467</u>	<u>9,512</u>	<u>11,800</u>	<u>8,827</u>

The Financial Statements on pages 33 to 60 were approved and authorised for issue by the Board on 26th March 2024 and signed on its behalf by:

Frances Bates

Frances Bates
Chair
10/04/2024

T.R-Jones

Therese Reinheimer Jones
Accounting Officer
10/04/2024

MARY WARD SETTLEMENT
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 JULY 2023

		2023	2022
	Notes	£'000	£'000
Cash flow from operating activities			
Surplus / (Deficit) for the year		1	(128)
Adjustment for non-cash items			
Depreciation	14	93	222
Provision of deferred income		3,871	4,618
Release of deferred gain		-	(265)
(Increase) in work in progress		(54)	(22)
Decrease / (increase) in debtors	16	1,538	(1,798)
Increase in creditors due within one year	17	(60)	1,170
Pension costs less contributions payable (including administration cost)	26	90	205
Adjustment for investing activities			
Investment income	6	(1)	(3)
Interest payable	13	175	28
Net cash flow from operating activities		<u>5,653</u>	<u>4,027</u>
Cash flows from investing activities			
Investment income	6	1	3
Payments made to acquire fixed assets	14	<u>(7,853)</u>	<u>(5,721)</u>
		<u>(7,852)</u>	<u>(5,718)</u>
Cash flows from financing activities			
Interest paid		(175)	(28)
Net new borrowings		3,290	-
Repayments of amounts borrowed		<u>(138)</u>	<u>(130)</u>
		<u>2,977</u>	<u>(158)</u>
Increase / (Decrease) in cash and cash equivalents in the year		<u>778</u>	<u>(1,849)</u>
Cash and cash equivalents at the beginning of the year		647	2,496
Cash and cash equivalents at the end of the year		1425	647

MARY WARD SETTLEMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2023

1 ACCOUNTING POLICIES

Statement of accounting policies and estimation techniques

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Financial Statements.

Basis of preparation

These Financial Statements have been prepared in accordance with the *Statement of Recommended Practice: Accounting for Further and Higher Education 2019 (the 2019 FE HE SORP)*, the *College Accounts Direction for 2022 to 2023* and in accordance with Financial Reporting Standard 102 - “*The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS102)*” and the *Companies Act 2006*. The Settlement is a public benefit entity and has therefore applied the relevant public benefit requirements of FRS102.

The preparation of financial statements in compliance with FRS102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Settlement’s accounting policies.

The Financial Statements are presented in sterling and are rounded to the nearest thousand.

Basis of accounting

The Financial Statements are prepared in accordance with the historical cost convention as modified by the use of previous valuations as deemed cost at transition for certain non-current assets.

Basis of consolidation

The consolidated Financial Statements include the Adult Education Centre and its subsidiaries, the Legal Centre, and Blackfriars, both controlled by the Settlement. Control is achieved where the Settlement has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

Going concern

The activities of the Settlement, together with the factors likely to affect its future development and performance are set out in the Report of the Board of Trustees. The financial position of the Settlement, its cash flow, liquidity and borrowings are described in the Financial Statements and accompanying Notes.

As part of the Settlement’s move to Stratford the Settlement has developed detailed financial projections which include modelling the impact of the move on its plans for growth, and the impact of risks and uncertainties associated with the relocation project. This work has supported the Board’s ability to consider the financial impact of the challenges and uncertainties created by the redevelopment project and its plans for the future. As such it considers that the Settlement has adequate resources to continue in operational existence for the foreseeable future and until at least March 2025. For this reason it continues to adopt the going concern basis in preparing the financial statements.

Recognition of income

Income is recognised in the period in which the Settlement has entitlement to the income and the amount can be measured reliably and it is probable that the income will be received. Income is deferred only when the Settlement has to fulfil conditions before becoming entitled to it or where the donor or funder has specified that the income is to be expended in a future accounting period.

MARY WARD SETTLEMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2023

Revenue funding

Government revenue grants, including funding body recurrent grants and other grants, are accounted for under the accrual model as permitted by FRS102. Funding body recurrent grants are measured in line with best estimates for the period of what is receivable and depend on the particular income stream involved. Any under or over achievement for the Adult Skills Budget is adjusted for and reflected in the level of recurrent grant recognised in the income and expenditure account. The final grant income is normally determined with the conclusion of the year end reconciliation process with the funding body at the end of November following the year end, and the results of any funding audits.

Donations and grants are recognised when the Settlement has confirmation of both the amount and settlement date. In the event of donations and grants pledged but not received, the amount is accrued for where the receipt is considered probable. In the event that a donation or grant is subject to conditions that require a level of performance before the Settlement is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the Settlement and it is probable that those conditions will be fulfilled in the reporting period.

Fee and contractual income represent the amounts receivable for the services provided to clients, excluding value added tax, under contractual obligations which are performed gradually over time. Incomplete contracts at the balance sheet date are accounted for by reference to the fair value of the work performed and amounts due but not received at the balance sheet date are described in the Financial Statements as contractual income debtors.

Capital grant funding

Government capital grants are capitalised, held as deferred income and recognised in income over the expected useful life of the asset, under the accrual method permitted by FRS102. Other non-governmental, capital grants are recognised in income when the Settlement is entitled to the funds, subject to any performance related conditions being met.

Fee income

Income from tuition fees is stated gross of any expenditure which is not a discount and is recognised in the period for which it is received and includes all fees payable by students or their sponsors, for example the National Health Service.

Investment income

All income from short term deposits is credited to the income and expenditure account in the period in which it is earned on a receivable basis.

Rental income is stated gross of any expenditure and is recognised in the period for which it is payable.

Other income

Other sundry income is recognised to the extent that it is probable that the economic benefits will flow to the Settlement and the revenue can be measured reliably. It is measured at fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

MARY WARD SETTLEMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2023

Agency arrangements

The Settlement acts as an agent in the collection and payment of various discretionary support funds. Related payments received from funding bodies and subsequent disbursements to students are excluded from the income and expenditure of the Settlement, where the Settlement is exposed to minimal risks or enjoys minimal economic benefit related to the transactions.

Accounting for post-employment benefits

Post-employment benefits to employees of the Settlement are provided by the Teachers' Pension Scheme (TPS) and the Local Government Pension Scheme (LGPS). These are defined benefit schemes, which are contracted out of the State Second Pension (for men born on or before 6th April 1951 and women born on or before 6th April 1953).

Teachers' Pension Scheme

The TPS is an unfunded scheme. Contributions to the TPS are calculated so as to spread the cost of pensions over employees' working lives with the Settlement in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by qualified actuaries on the basis of valuations using a prospective benefit method.

The TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as an expense in the income statement in the periods during which services are rendered by employees.

The London Pension Fund Authority

The LGPS is a funded scheme. The assets of the LGPS are measured using closing fair values. LGPS liabilities are measured using the projected unit credit method and discounted at the current rate of return on a high quality corporate bond of equivalent term and currency to the liability. The actuarial valuations are obtained at least triennially and are updated at each Balance Sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred.

Net interest on the net defined benefit liability/asset is also recognised in the Statement of Comprehensive Income and comprises the interest cost on the defined obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in interest and other finance costs.

Actuarial gains and losses are recognised immediately in the Statement of Comprehensive Income.

Short term Employment benefits

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

MARY WARD SETTLEMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2023

Non-current assets - Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses.

Land and buildings

Freehold buildings are depreciated on a straight line basis over their expected useful economic life of 40 years.

Freehold land is not depreciated as it is considered to have an infinite useful life.

The Settlement has a policy of depreciating major adaptations to freehold buildings over the period of their useful economic life of 40 years.

Where land and buildings are acquired with the aid of specific grants, they are capitalised and depreciated as above. The related government grants are credited to a deferred income account within creditors, and are released to the income and expenditure account over the expected useful economic life of the related asset on a systematic basis consistent with the depreciation policy. The deferred income is allocated between creditors due within one year and those due after more than one year. Non-government grants are recognised in the Statement of Comprehensive Income when the Settlement becomes entitled to them.

A review of impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying amount of any fixed asset may not be recoverable.

On adoption of FRS102, the Settlement followed the transitional provision to retain the book value of land and buildings, which were revalued in 1996, as deemed cost but not to adopt a policy of revaluation of these properties in the future.

Subsequent expenditure on existing fixed assets

Where significant expenditure is incurred on tangible fixed assets after initial purchase, it is charged to income in the period it is incurred, unless it increases the future benefits to the Settlement, in which case it is capitalised and depreciated on the relevant basis.

Equipment

Equipment costing less than £1,000 per individual item is recognised as expenditure in the period of acquisition. All other equipment is capitalised at cost.

All equipment, including fixtures and fittings, is depreciated over 5 years on a straight line basis.

Borrowing costs

Borrowing costs are recognised as expenditure in the period in which they are incurred.

Leased assets

Costs in respect of operating leases are charged on a straight-line basis over the lease term.

The Settlement has 2 years remaining on an operating lease, until July 2022, with Meraki Holdings on the property occupied by the Legal Centre at 10 Great Turnstile. The amount payable by the Settlement under the lease (exclusive of rates and service charge) is £425,000 per annum.

MARY WARD SETTLEMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2023

Investments

Listed investments are stated at fair value, with movements recognised in the Statement of Comprehensive Income. Investments comprising unquoted equity instruments are measured at fair value, estimated using a valuation technique.

Cash and cash equivalents

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

Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash with insignificant risk of change in value. An investment qualifies as a cash equivalent when it has a maturity of 3 months or less from the date of acquisition.

Financial liabilities and equities

Financial liabilities and equity are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form.

All loans, investments and short term deposits held by the Settlement are classified as basic financial instruments in accordance with FRS102. These instruments are initially recorded at the transaction price less any transaction costs (historical cost). FRS102 requires that basic financial instruments are subsequently measured at amortised cost, however the Settlement has calculated that the difference between historical cost and amortised cost basis is not material and so these financial instruments are stated on the Balance Sheet at historical cost. Loans and investments that are payable or receivable within one year are not discounted.

Taxation

The Settlement is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Settlement is potentially exempt from taxation in respect of income and capital gains received within categories covered by sections 478-488 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

The Settlement is partially exempt in respect of Value Added Tax, so that it can only recover a minor element of VAT charged on its inputs. Irrecoverable VAT on inputs is included in the costs of such inputs and added to the cost of tangible fixed assets as appropriate, where the inputs themselves are tangible fixed assets by nature.

Provisions and contingent liabilities

Provisions are recognised when the Settlement, or one of its subsidiaries, has a present legal or constructive obligation as a result of a past event, it is probable that a transfer of economic benefit will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Where the effect of time value of money is material, the amount expected to be required to settle the obligation is recognised at present value using a pre-tax discount rate. The unwinding of the discount is recognised as a finance cost in the Statement of Comprehensive Income in the period that it arises.

MARY WARD SETTLEMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2023

Provisions and contingent liabilities (continued)

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

Contingent liabilities are not recognised in the Balance Sheet but are disclosed in the Notes to the Financial Statements.

Judgements in applying accounting policies and key sources of estimation of uncertainty

In preparing these Financial Statements, management have made the following judgements:

- To determine whether leases entered into by the Settlement, either as a lessor or a lessee are operating or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis.
- To determine whether there are indicators of impairment of the Settlement's tangible assets. Factors taken in to consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and, where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit.

Other key sources of estimation uncertainty

- **Tangible fixed assets**

Tangible fixed assets, other than investment properties, are depreciated over their useful lives, taking into account residual values where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and the projected disposal values.

- **Local Government Pension Scheme**

The present value of the LGPS defined benefit asset or liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 26, will impact the carrying amount of the pension asset or liability. Furthermore, a roll forward approach which projects results from the latest full actuarial valuation performed at 31st March 2022, has been used by the actuary in valuing the pension asset at 31st July 2023. Any difference between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension asset or liability.

- **Donated Services**

Donated professional services are recognised as income when the Settlement has control over them, any conditions associated with the donated service having been met, the receipt of economic benefit from the use by the Settlement of the item is probable and that the economic benefit can be measured reliably. In accordance with the FE/HE SORP (FRS102), the time of general volunteers is not recognised.

On receipt, donated professional services are recognised on the basis of the value of the gift to the Settlement which is the amount that the Settlement would have been willing to pay to obtain those services on the open market; a corresponding amount is then recognised in expenditure in the same period as the receipt.

MARY WARD SETTLEMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2023

2 DONATIONS AND FUNDRAISING

	2023 Group	2023 Centre	2022 Group	2022 Centre
	£'000	£'000	£'000	£'000
Income from general fundraising and donations	323	18	278	116
Income from capital fundraising	75	75	-	-
Income from fund raising and donations for bursary fund	11	11	98	-
Value in kind donations	129	54	164	86
Total	538	158	540	202

3 ACTIVITIES FOR GENERATING FUNDS

	2023 Group	2023 Centre	2022 Group	2022 Centre
	£'000	£'000	£'000	£'000
Rent received	199	8	375	217
Total	199	8	375	217

4A ADULT EDUCATION

	2023 Group	2023 Centre	2022 Group	2022 Centre
	£'000	£'000	£'000	£'000
Grants receivable	2,660	2,660	2,623	2,623
Tuition fees	529	529	623	623
Education contracts	19	-	28	-
Total	3,208	3,189	3,274	3,246

4B FUNDING BODY GRANTS

	Group and Centre	Group and Centre
	2023	2022
	£'000	£'000
ESFA recurrent grant	2,591	2,367
ESFA non recurrent grants	69	224
Releases of deferred capital grants	-	32
Total	2,660	2,623

MARY WARD SETTLEMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2023

4c TUITION FEES AND EDUCATION CONTRACTS

	2023 Group £'000	2023 Centre £'000	2022 Group £'000	2022 Centre £'000
Adult education fees	475	475	507	507
Fees for FE loan supported courses	54	54	116	116
Education contracts	19	-	28	-
Total	548	529	651	623

5 OTHER INCOME FROM CHARITABLE ACTIVITIES

	2023 Group £'000	2023 Centre £'000	2022 Group £'000	2022 Centre £'000
Grants receivable - Legal Centre	305	-	199	-
Legal fees and disbursements	573	-	614	-
Total - Legal Services	878	-	813	-
Other Grants receivable	241	-	222	-
Total	1,119	-	1,035	-

6 INVESTMENT INCOME

	2023 Group £'000	2023 Centre £'000	2022 Group £'000	2022 Centre £'000
Bank interest received	-	-	1	1
Other investment income	1	-	2	-
Total	1	-	3	1

7 OTHER INCOME

Other income is comprised of receipts from the government's Coronavirus Job Retention Scheme.

MARY WARD SETTLEMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2023

8 COST OF RAISING FUNDS

	2023	2022
	Group	Group
	£'000	£'000
Adult education – staff costs	37	31
Legal services – staff costs	12	12
Other – staff costs	13	13
Total	62	56

9 TOTAL EXPENDITURE

	Grant	Direct	Support	Total
	funding	costs	Costs	2023
	£'000	£'000	£'000	Group
				£'000
Adult education	37	1,605	1,594	3,236
Legal services	12	697	413	1,122
Other	13	252	441	706
	<u>62</u>	<u>2,554</u>	<u>2,448</u>	<u>5,064</u>

	Grant	Direct	Support	Total
	funding	costs	Costs	2022
	£'000	£'000	£'000	Group
				£'000
<i>Adult education</i>	31	1,768	1,820	3,619
<i>Legal services</i>	12	679	385	1,076
<i>Other</i>	13	352	318	683
	<u>56</u>	<u>2,799</u>	<u>2,523</u>	<u>5,378</u>

MARY WARD SETTLEMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2023

10 SUPPORT COSTS

	Other	Adult	Legal	Total
	£'000	education	services	2023
	£'000	£'000	£'000	Group
				£'000
Staff costs	181	834	226	1,241
Travel and subsistence	1	2	-	3
Publicity	-	54	2	56
Premises costs	148	188	123	459
Administration	21	130	41	192
Audit fee	10	74	21	105
Legal and professional fees	-	102	-	102
Bank charges	-	5	-	5
Interest payable	4	188	-	192
Amortisation and depreciation	76	17	-	93
	<u>441</u>	<u>1,594</u>	<u>413</u>	<u>2,448</u>

	Other	Adult	Legal	Total
	£'000	education	services	2022
	£'000	£'000	£'000	Group
				£'000
<i>Staff costs</i>	<i>192</i>	<i>861</i>	<i>228</i>	<i>1,281</i>
<i>Travel and subsistence</i>	<i>-</i>	<i>3</i>	<i>-</i>	<i>3</i>
<i>Publicity</i>	<i>-</i>	<i>28</i>	<i>2</i>	<i>30</i>
<i>Premises costs</i>	<i>104</i>	<i>269</i>	<i>109</i>	<i>482</i>
<i>Administration</i>	<i>31</i>	<i>280</i>	<i>32</i>	<i>343</i>
<i>Audit fee</i>	<i>7</i>	<i>37</i>	<i>14</i>	<i>58</i>
<i>Legal and professional fees</i>	<i>-</i>	<i>130</i>	<i>-</i>	<i>130</i>
<i>Bank charges</i>	<i>-</i>	<i>3</i>	<i>-</i>	<i>3</i>
<i>Interest payable</i>	<i>5</i>	<i>64</i>	<i>-</i>	<i>69</i>
<i>Amortisation and depreciation</i>	<i>77</i>	<i>145</i>	<i>-</i>	<i>222</i>
	<u>416</u>	<u>1,820</u>	<u>385</u>	<u>2,621</u>

Support costs include:

	2023	2023	2022	2022
	Group	Centre	Group	Centre
	£'000	£'000	£'000	£'000
Auditor's remuneration:				
Financial Statements audit	65	35	39	26
Regularity audit	3	3	2	2
Internal audit	5	5	9	9
TPS Audit	2	2	2	2

MARY WARD SETTLEMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2023

11 OTHER OPERATING EXPENSES

	2023 Group £'000	2023 Centre £'000	2022 Group £'000	2022 Centre £'000
Teaching costs	127	127	141	141
Non-teaching costs	630	404	736	512
Premises costs	734	577	851	738
Total	<u>1,491</u>	<u>1,108</u>	<u>1,728</u>	<u>1,391</u>

12 STAFF COSTS

The average number of persons (including key management personnel) employed by the Settlement during the year, described as both individuals and full-time equivalents was:

	2023		2022	
	No.	fte	No.	fte
Adult Education Centre staff	108	42	150	47
Legal Centre staff	24	21	22	19
Blackfriars staff	16	10	17	10
	<u>148</u>	<u>73</u>	<u>189</u>	<u>76</u>

The difference between the number of teaching staff and the full-time equivalent is the large number of part-time tutors employed by the Mary Ward Adult Education Centre.

	2023		2022	
	No.	Fte	No.	fte
Adult Education Centre:				
Teaching staff	74	20	120	23
Non-teaching staff	34	23	30	24
	<u>108</u>	<u>43</u>	<u>150</u>	<u>47</u>

Staff costs for the above persons

	2023 £'000	2022 £'000
Adult Education Centre staff	2,022	2,119
Legal Centre staff	889	869
Blackfriars staff	367	371
	<u>3,278</u>	<u>3,359</u>

MARY WARD SETTLEMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2023

12 STAFF COSTS (continued)

	2023 Group	2023 Centre	2022 Group	2022 Centre
	£'000	£'000	£'000	£'000
Wages and salaries	2,614	1,514	2,614	1,552
Social security costs	221	119	225	121
Other pension costs (including LGPS adjustments of £70,000 (2021-22: £159,000))	452	389	520	446
	<u>3,287</u>	<u>2,022</u>	<u>3,359</u>	<u>2,119</u>

Key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Settlement and are represented by the Senior Management Team, which comprised the Warden (who is also the Accounting Officer), the Director of Community and Adult Education, the Director of Mary Ward Legal Centre, the Director of Blackfriars Settlement and the Director of Finance and Resources.

	2023 Group	2023 Centre	2022 Group	2022 Centre
	No.	No.	No.	No.
The number of key management personnel	<u>5</u>	<u>3</u>	<u>5</u>	<u>3</u>

The number of key management personnel and other staff who received annual emoluments, excluding pension contributions but including benefits in kind, in the following ranges was:

	2023 Group	2023 Centre	2022 Group	2022 Centre
	£'000	£'000	£'000	£'000
£45,001 to £50,000 p.a.	1	-	1	-
£55,001 to £60,000 p.a.	1	-	1	-
£75,001 to £80,000 p.a.	1	1	2	2
£80,001 to £85,001 p.a.	1	1	1	1
£90,001 to £95,000 p.a.	1	1	-	-
	<u>5</u>	<u>3</u>	<u>5</u>	<u>3</u>

MARY WARD SETTLEMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2023

12 STAFF COSTS (continued)

Key management personal emoluments are made up as follow:

	2023 Group £'000	2023 Centre £'000	2022 Group £'000	2022 Centre £'000
Salaries	391	265	352	231
Employers National Insurance	48	33	44	29
Pension contributions	61	51	59	50
Total key management emoluments	500	349	455	310

The above emoluments include amounts payable to the Accounting Officer (who is also the highest paid officer) of:

	2023 Group and Centre £'000	2022 Group and Centre £'000
Salaries	91	90
	91	90
Pension contributions	21	21

Relationship of Accounting Officer pay and remuneration expressed as a multiple

	2023	2022
Accounting Officer's basic salary as a multiple of the median of all staff	2.0	2.3
Accounting Officer's total remuneration as a multiple of the median of all staff	2.1	2.5

No trustees received any payment from the Settlement, making no claims for travel and subsistence or any other expenses (2022 – none).

13 INTEREST AND OTHER FINANCE COSTS

	2023 Group £'000	2023 Centre £'000	2022 Group £'000	2022 Centre £'000
On bank and government agency loans	175	171	28	23
Pension finance costs (note 26)	18	18	41	41
Total	193	189	69	64

MARY WARD SETTLEMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2023

14 TANGIBLE FIXED ASSETS - GROUP

	Land and buildings		Equipment	Total
	Freehold	Leasehold		
	£'000	£'000	£'000	£'000
Cost				
As at 1 st August 2022	15,956	5,517	632	22,105
Additions	7,841	-	12	7,853
Disposals		(2,142)	(413)	(2,555)
As at 31st July 2023	23,797	3,375	231	27,403
Depreciation				
At 1 st August 2022	-	2,706	528	3,234
Accumulated depreciation on disposals	-	(2,142)	(413)	(2,555)
Charge for the year	-	68	25	93
At 31st July 2023	-	632	140	772
Net book value as at 31st July 2023	23,797	2,743	91	26,631
<i>Net book value as at 31st July 2022</i>	<i>15,956</i>	<i>2,811</i>	<i>104</i>	<i>18,871</i>

14 TANGIBLE FIXED ASSETS - CENTRE

	Land and buildings		Equipment	Total
	Freehold	Leasehold		
	£'000	£'000	£'000	£'000
Cost				
As at 1 st August 2022	15,956	2,142	503	18,601
Additions	7,841	-	-	7,841
Disposals	-	(2,142)	(413)	(2,555)
As at 31st July 2023	23,797	-	90	23,887
Depreciation				
At 1 st August 2022	-	2,142	433	2,575
Accumulated depreciation on disposals	-	(2,142)	(413)	(2,555)
Charge for the year	-	-	17	17
At 31st July 2023	-	-	37	37
Net book value as at 31st July 2023	23,797	-	53	23,850
<i>Net book value as at 31st July 2022</i>	<i>15,956</i>	<i>-</i>	<i>70</i>	<i>16,026</i>

MARY WARD SETTLEMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2023

15 INVESTMENTS - GROUP

	2023 Group £'000	2022 Group £'000
Listed investments		
Total value of portfolio as at 1st August 2022 and at 31st July 2023	31	31
Cost of listed investments at 31 st July 2022	31	31
Listed investments held at 31 st July 2023 comprised the following:		
	2023 Group only £'000	2022 Group only £'000
UK fixed interest		
UK equities	30	30
Unlisted investments	1	1
Total	31	31

At 31st July 2023 the Settlement held no individual holdings that were material relative to the market value of the total listed investments portfolio held at that date.

16 DEBTORS

	2023 Group £'000	2023 Centre £'000	2022 Group £'000	2022 Centre £'000
Amounts falling due within one year:				
Trade receivables	180	51	269	150
Other debtors	19	4	2	-
Amounts owed by group undertakings	-	91	-	152
VAT recoverable	95	88	89	94
Prepayments and accrued income	644	495	2,116	1,946
	938	729	2,476	2,342

MARY WARD SETTLEMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2023

17 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023 Group £'000	2023 Centre £'000	2022 Group £'000	2022 Centre £'000
Bank loans and overdrafts	143	113	133	108
Trade payables	629	616	911	902
Bursary creditor	91	91	79	79
Other taxation and social security	100	77	99	72
Accrual for untaken annual leave	91	55	70	53
Other accruals and deferred income	1,037	568	1,074	803
Deferred income - government capital grants	215	215	-	-
Total	2,306	1,735	2,366	2,017

18 CREDITORS: AMOUNTS FALLING DUE AFTER ONE YEAR

	2023 Group £'000	2023 Centre £'000	2022 Group £'000	2022 Centre £'000
Bank loans	3,550	3,515	398	328
Deferred income - government capital grants	10,956	10,956	7,085	7,085
Total	14,506	14,471	7,483	7,413

19 MATURITY OF DEBT

Bank loans and overdrafts are repayable as follows:

	2023 Group £'000	2023 Centre £'000	2022 Group £'000	2022 Centre £'000
In one year or less	143	113	133	108
Between two and five years	553	517	398	328
More than five years	2,997	2,997	-	-
Total	3,693	3,627	531	436

A loan to the Settlement from the Social Investment Business, at 5%, repayable by instalments, falling due December 2025, is secured by a fixed charge on the freehold property.

On 24th February 2022 the Settlement entered into an agreement to borrow £3,300,000 from The Charity Bank Ltd, repayable over 23 years from the second anniversary of the agreement. Interest is payable at 3.65% above the Bank of England base rate ("base") on the outstanding balance in the first 2 years and thereafter at 2.45% above base. The loan is secured by a fixed charge on the freehold property.

20 PROVISIONS

Group and Centre

MARY WARD SETTLEMENT
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	Defined benefit obligations £'000	Other £'000	Total £'000
At 1 st August 2022	576	-	576
Gain in the period	(576)	-	(576)
As at 31st July 2023	-	-	-

Defined Benefit Obligations relate to the liabilities under the Settlement's membership of the Local Government Pension Scheme. Further details are given in note 26.

21 CASH AND CASH EQUIVALENTS

	At 1 August 2022 £'000	Group Cash flows £'000	Other changes £'000	At 31 July 2023 £'000
Cash and cash equivalents	647	778	-	1,425
	647	778	-	1,425

22 CAPITAL AND OTHER COMMITMENTS

	Group and Centre 2023 £'000	2022 £'000
Commitments contracted for at 31 st July	857	4,480

23 LEASE OBLIGATIONS

At 31st July the Settlement had minimum lease payments under non-cancellable operating leases as follows:

	2023 Group £'000	2023 Centre £'000	2022 Group £'000	2022 Centre £'000
Land and buildings				
Not later than one year	41	9	-	-
Between two and five years	130	-	-	-
	171	9	-	-

23 LEASE OBLIGATIONS (continued)

MARY WARD SETTLEMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2023

	2023 Group £'000	2023 Centre £'000	2022 Group £'000	2022 Centre £'000
Equipment				
Not later than one year	7	-	-	-
Between two and five years	17	-	-	-
	<u>24</u>	<u>-</u>	<u>-</u>	<u>-</u>

24 RESTRICTED FUNDS

Where restricted funds are in deficit a transfer is made from unrestricted funds to meet the deficit.

25 EVENTS AFTER THE REPORTING PERIOD

The redevelopment work on Queensway House reached Practical Completion on 24th November 2023.

26 DEFINED BENEFIT OBLIGATIONS

The Settlement's employees belong to two principal post-employment defined benefit plans: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by the London Pensions Fund Authority. Both are multi-employer defined-benefit schemes.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest formal actuarial valuation of the TPS was 31st March 2020 and of the LGPS 31st March 2022.

Total pension cost for the year	2023 £'000	2022 £'000
Teachers' Pension Scheme: contributions paid	129	178
Local Government Pension Scheme:		
Contributions paid	66	79
FRS102 (s28) charge	<u>70</u>	<u>159</u>
Charge to the Statement of Comprehensive Income	136	238
Total Pension Cost for Year within staff costs	265	416

There were no outstanding or prepaid contributions at either the beginning or the end of the financial year. All contributions due for the year had been paid.

The employees of the Legal Centre and Blackfriars belong to defined contribution pension schemes operated by the National Employers Savings Trust (NEST) and Aviva, respectively. The costs are therefore not included above.

Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. These regulations apply to teachers in schools, colleges and other educational establishments. Membership is automatic for teachers and lecturers at eligible institutions.

Teachers' Pension Scheme (continued)

MARY WARD SETTLEMENT
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Teachers and lecturers are able to opt out of the TPS.

The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis - these contributions, along with those made by employers, are credited to the Exchequer under arrangements governed by the above Act. Retirement and other pension benefits are paid by public funds provided by Parliament.

Under the definitions set out in FRS 102 (28.11), the TPS is a multi-employer pension plan. The Centre is unable to identify its share of the underlying assets and liabilities of the plan.

Accordingly, the Centre has taken advantage of the exemption in FRS 102 and has accounted for its contributions to the scheme as if it were a defined-contribution plan. The Centre has set out above the information available on the plan and the implications for the Centre in terms of the anticipated contribution rates.

The valuation of the TPS is carried out in line with regulations made under the Public Service Pension Act 2013. Valuations credit the teachers' pension account with a real rate of return assuming funds are invested in notional investments that produce that real rate of return.

The actuarial review of the TPS which applied during the year ended 31st July 2023 was carried out as at 31st March 2016. The valuation report was published by the Department for Education (DfE) in April 2019. The valuation reported total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218 billion, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196 billion, giving a notional past service deficit of £22 billion.

The valuation, set employer contribution rates at 23.68% of pensionable pay from September 2019 onwards. The Department for Education has agreed to pay a teacher pension employer contribution grant to cover the additional costs during the 2022-23 academic year.

The latest actuarial valuation of the TPS results as at 31st March 2020 were released in October 2023. As a result, from 1st April 2024 the employer contribution rates will increase to 28.68%. A full copy of the valuation report and supporting documentation can be found on the Teachers' Pension Scheme website.

The employer's pension costs paid to TPS in the period amounted to £129,000 (2021-22: £178,000).

FRS102 (Section 28)

Under the definitions set out in FRS102 (28.11), the TPS is a multi-employer pension plan. The Centre is unable to identify its share of the underlying assets and liabilities of the scheme.

Accordingly, the Centre has taken advantage of the exemption in FRS102 and has accounted for its contributions to the scheme as if it were a defined-contribution scheme. The Centre has set out above the information available on the scheme and the implications for the Centre in terms of the anticipated contribution rates.

MARY WARD SETTLEMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2023

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate funds administered by the London Pension Fund Authority. The total contribution made for the year ended 31st July 2023 was £110,000 (2021-22: £123,000), of which employer's contributions totalled £66,000 (2021-22: £79,000) and employees' contributions totalled £44,000 (2021-22: £44,000). The agreed contribution rates for future years are 8.9% for employers and range from 5.5% to 12.5% for employees, depending on salary.

Principal Actuarial Assumptions

The following information is based upon a full actuarial valuation of the fund at 31st March 2022 updated to 31st July 2023 by a qualified independent actuary

	At 31st July 2023	At 31st July 2022
Rate of increase in salaries	3.8%	3.75%
Rate of increase for pensions in payment / inflation	2.8%	2.75%
Discount rate for scheme liabilities	5.15%	3.40%
Inflation assumption (CPI)	2.3% to 3.2%	2.90%

The current mortality assumptions include sufficient allowance for future improvements in mortality rates. The assumed life expectations on retirement age 65 are:

	At 31st July 2023	At 31st July 2022
Retiring today		
Males	20.1	20.7
Females	23.7	24.5
Retiring in 20 years		
Males	20.9	23.0
Females	24.5	25.6

Sensitivity analysis

Present value of defined benefit obligation	At 31st July 2023 £'000	At 31st July 2022 £'000
Discount rate +0.1%	3,618	4,904
Discount rate -0.1%	3,730	5,106
Mortality assumption - 1 year increase	3,774	5,161
Mortality assumption - 1 year decrease	3,575	4,852

MARY WARD SETTLEMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2023

26 DEFINED BENEFIT OBLIGATIONS (continued)

The Settlement's share of the assets and liabilities in the plan at the Balance Sheet date and the expected rates of return were:

	Value as at 31st July 2023	Value as at 31st July 2022
	£'000	£'000
Equities	2,685	2,513
Target Return Portfolio	815	961
Infrastructure	571	466
Property	433	435
Cash	69	53
Total fair value of plan assets	4,573	4,428

Weighted average expected long term rate of return	5.0%	5.0%

The amount included in the Balance Sheet in respect of the defined benefit pension plan is as follows:

	2023	2022
	£'000	£'000
Fair value of plan assets	4,573	4,428
Present value of plan liabilities	(3,673)	(5,004)
	900	(576)
Asset restriction (see note below)	(900)	-
Net pensions asset / (liability) (Note 20)	-	(576)

26 DEFINED BENEFIT OBLIGATIONS (continued)

Amounts recognised in the Statement of Comprehensive Income in respect of the plan are:

	2023	2022
	£'000	£'000
Amounts included in staff costs		
Employer service cost (net of employee contributions)	136	238
Total operating charge	136	238

Amounts included in interest and other finance costs

Interest on pension liabilities	18	41
Administrative charge	2	5
Pension finance costs	20	46

	2023	2022
	£'000	£'000
Amounts recognised in Other Comprehensive Income		
Return on assets	(19)	201
Other actuarial losses on assets	(4)	-
Experience gain / (loss) arising on defined benefit obligations	121	(342)
Changes in assumptions	1468	2,361
Asset restriction	(900)	-
Amounts recognised in Other Comprehensive Income	666	2,220

MARY WARD SETTLEMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2023

26 DEFINED BENEFIT OBLIGATIONS (continued)
Movement in net defined liability during the year

	2023	2022
	£'000	£'000
Deficit in scheme at 1 st August	(576)	(2,591)
Movement in year:		
Employer service cost (net of employee contributions)	(136)	(238)
Employer contributions	66	79
Net interest on liabilities	(18)	(41)
Administration charge	(2)	(5)
Actuarial gain	666	2,220
Deficit in scheme at 31st July	-	(576)

Asset and Liability reconciliation	2023	2022
	£'000	£'000
Changes in the present value of defined benefit obligations		
Defined benefit obligations at start of period	5,004	6,702
Current service cost	136	238
Interest cost	169	107
Contributions by Scheme participants	44	44
Experience (gain)/ loss on defined benefit obligations	(121)	342
Change in financial assumptions	(1,202)	(2,361)
Change to demographic assumptions	(266)	-
Estimated benefits paid	(91)	(68)
Defined benefit obligations at end of period	3,673	5,004

26 DEFINED BENEFIT OBLIGATIONS (continued)

Changes in the fair value of plan assets	2023	2022
	£'000	£'000
Fair value of plan assets at start of period	4,428	4,111
Interest on plan assets	151	66
Return on plan assets	(19)	201
Other actuarial gains	(4)	-
Administration cost	(2)	(5)
Employer contributions	66	79
Contributions by Scheme participants	44	44
Benefits paid	(91)	(68)
Fair value of plan assets at end of period	4,573	4,428

Other information

Under the LPFA's credit scoring system a charge against assets enables the Settlement to be classified in the lowest risk category with the lowest contribution rates. Following the 2022 triennial valuation, the agreed employer's contribution rate was decreased to 8.9% with effect from 1st April 2023 (previously 16.6%).

27 RELATED PARTY TRANSACTIONS

MARY WARD SETTLEMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2023

Owing to the nature of the Settlement's operations and the composition of the board being drawn from local public and private sector organisations, it is inevitable that transactions will take place with organisations in which a member of the board may have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Settlement's financial regulations and normal procurement procedures.

Other than those disclosed in note 12, there were no expenses paid to or on behalf of the trustees during the year (2021-22: £nil).

No trustee has received any remuneration or waived any payments from the Settlement, except in their capacity as a member of staff (2021-22: £nil).

28 AMOUNTS DISBURSED AS AGENT

	Group and Centre	
	2023	2022
	£'000	£'000
Funding body grants - hardship support	30	30
Funding body grants - 24+ advanced learning loans	40	76
	<u>70</u>	<u>106</u>
Disbursed to students	(39)	(77)
Administration costs	(1)	(1)
Balance unspent as at 31 st July, included in creditors	<u>30</u>	<u>28</u>

Funding body grants are available solely for students. In the majority of instances, the Settlement only acts as a paying agent. In these circumstances, the grants and related disbursements are therefore excluded from the Statement of Comprehensive Income.

MARY WARD SETTLEMENT
SUMMARY OF RESULTS
FOR THE YEAR ENDED 31 JULY 2023

This page does not form part of the audited Financial Statements

	Unrestricted funds £'000	Restricted funds £'000	Total 2023 £'000	<i>Unrestricted funds £'000</i>	<i>Restricted funds £'000</i>	<i>Total 2022 £'000</i>
Adult Education Centre	685	-	685	2,166	-	2,166
Holding Company Surplus	685	-	685	2,166	-	2,166
Legal Centre	(43)	-	(43)	(65)	-	(65)
Blackfriars	25	-	25	(9)	-	(9)
Group Surplus/(Deficit)	667	-	667	2,092	-	2,092

MARY WARD SETTLEMENT

England & Wales - Charity number 223066

Accounts



MARY WARD SETTLEMENT
(A COMPANY LIMITED BY GUARANTEE)
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2022

**MARY WARD SETTLEMENT
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2022**

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MARY WARD SETTLEMENT REPORT FROM THE CHAIR FOR THE YEAR ENDED 31 JULY 2022

Mary Ward Settlement (“the Settlement”) continued to face a challenging time in its normal operations in 2021-22. This is due to the longer-term impact of the pandemic and the consequences on both our ability to run cost-effective class sizes with restrictions on student numbers for part of the year, on continued disruption to our legal services following the extended closure of the courts during the pandemic and on the changed behaviour of our students and other users.

The Settlement commenced the year with a plan to move into its new location, Queensway House, in the London Borough of Newham in time for the academic year 2022-23. Unfortunately, delays to the project, arising from several external factors, primarily planning and funding decisions, meant that key decisions essential to progressing the project in a timely and effective manner were pushed back. This impacted the critical path, culminating in a delay to the project completion date and increased costs. Subsequently, the opening date of the building was postponed and is now expected to be in the summer term of 2023.

In May 2022, we received confirmation that our bid to the ESFA’s Further Education Capital Transformation Fund, (a key element of funding towards this project) had been successful. While this was welcome news, construction costs have risen significantly since the project was first priced. We continue to work with our funders to look for additional funding to minimise any reduction in scope resulting from higher costs. We were able to negotiate a one-year extension to the premises lease in Queen Square in Camden, where Mary Ward Centre (“the Adult Education Centre”) will continue to deliver education provision from the site that has been its home for the past 40 years. Alongside its plan to increase delivery of adult education provision from our Rushworth Street site, this will enable the Adult Education Centre to mitigate the impact on delivery of courses and student numbers in the 2022-23 academic year. Despite these setbacks the new building, with its increased accessibility, improved specialist space and its highly visible high street location, will be a key asset.

Although Covid restrictions were lifted for the start of term in September 2021, after considering learner feedback the Adult Education Centre took a cautious approach to curriculum planning for 2021-22, managing plans for the expectations of students and staff. While the number of face-to-face courses was increased from September, some provision remained online, and a ‘blended’ model was continued for some other provision. Social distancing continued to be followed for the first term, resulting in continued reduced capacity. Although capacity increased in the Spring term, it was not until the summer term of 2022 that classrooms returned to full capacity. Unfortunately, student enrolment did not return to pre-covid levels during 2021-22 and it is clear that a return to pre-pandemic figures is going to take much longer. Many students, particularly at Queen Square, who are not local residents, were reluctant to use public transport which contributed to their choice not to return to face-to-face learning even after restrictions were lifted. Classes were put back online where possible but it was evident that online modes of learning were not as popular as they were in the first lockdown. In some cases, this split enrolment numbers, resulting in neither class being viable.

However, the strategy to move more provision to Blackfriars to support our move to Newham was successful. Total enrolments at Blackfriars (1,360) exceeded enrolments in 2019-20 (1,040). 42% of students attending classes at Blackfriars are from Southwark or Lambeth illustrating that the programme appeals to, and is accessible to, those who live locally. The picture here is reflective of the overall picture with much of this increase in the funded areas of ESOL, English and Maths and Employability programmes.

The late decision to remain at Queen Square for one more year allowed the delivery of a small summer school provision there.

As part of our preparations to move to Newham a small number of courses was launched at School 21 in November, allowing different types of activity to be trialled, determining what works best for when classes are launched at Queensway House. Unfortunately, the delays experienced with the construction work on Queensway House, which meant the move did not go ahead as planned during the summer of 2022, led to the decision not to continue with these courses after February 2022.

**MARY WARD SETTLEMENT
REPORT FROM THE CHAIR
FOR THE YEAR ENDED 31 JULY 2022**

(CONTINUED)

Community Outreach continued to face challenges of delivering in the community at the start of the year with some community groups and venues still not coming back face-to-face. However, the situation improved as the year progressed and, since September 2021, Community Outreach has again started to deliver in the community. 95% of the work of the Community Outreach team is taking place in Newham and East London. They worked directly with community partners, including Newham Chinese Association in Beckton, Deafroots in Stratford, Bangladeshi communities with Jubilee Street GP Practice CIC in Shadwell and older communities in Mile End and Wapping. The team were also at the 'Great Get Together' and the 'Commonwealth Games Festival' at the Olympic Park in Stratford, delivering craft workshops and giving information and advice about the Settlement and raising awareness about our move.

The Adult Education Centre successfully achieved the tolerance level of a minimum of 97% against our GLA and ESFA funding allocations avoiding clawback of income from these sources.

Despite the challenges, 2,613 learners were supported on 5,916 course places. Students on all accredited courses were supported to work towards their assessments and gain their qualifications, a record number of ESOL qualifications were taken and there was an increase in English and Maths qualifications. Across the rest of the fee-paying provision, numbers improved on 2020-21, although not back to pre-pandemic levels. Some online courses were continued, with subjects including History, Philosophy, Economics, Keep Fit, Modern Foreign Languages, Singing, Psychology, Art, Community Interpreting and Pronunciation. Although it is likely that only a small amount of this type of provision will remain in the long term, our increasing expertise in the use of technology will offer alternative ways of learning to our students. This will help us to make learning more accessible and enhance the quality of classroom teaching and learning well beyond the Covid-19 crisis.

The Mary Ward Legal Centre ("the Legal Centre") helped nearly 2,000 people with their legal issues during 2021-22, continuing to provide specialist advice casework and representation in the areas of debt, housing and welfare benefits, and a pro bono service offering advice on employment, housing, consumer, general civil litigation, and family law.

The Legal Centre is seeing a growth in demand in all advice areas following the impact of the pandemic and now the cost of living crisis. To address this increased demand the Legal Centre was able to secure some additional funding to provide housing advice to residents in Newham and Enfield with the aim of reducing homelessness.

The Legal Centre was successful in securing funding from the Legal Education Foundation's Justice First Fellowship Scheme, to employ another trainee solicitor for two years from April 2023, which will increase its capacity to help more people whilst enabling a much-needed growth in future social welfare lawyers.

The need for help with Welfare Benefits appeals continues to grow and, as a result, the Legal Centre has been awarded continuation funding from Trust for London to provide specialist welfare benefits advice and representation to people in need across London.

Funding from the Money and Pensions Service through the Debt Free London partnership enabled the Legal Centre to provide much-needed debt advice to Londoners struggling with their debts. Through a partnership with other advice providers and food banks in Newham the Legal Centre is offering specialist advice to Newham food bank users with funding from the GLA and London Borough of Newham. Securing Kickstart apprenticeship funding enabled the Legal Centre to increase its capacity and help support a young person at the start of their career;

The hard work and commitment of the Legal Centre staff and pro bono volunteers has resulted in many successful outcomes for clients, including reducing homelessness, increasing incomes, reducing debts, improving housing conditions and wellbeing.

**MARY WARD SETTLEMENT
REPORT FROM THE CHAIR
FOR THE YEAR ENDED 31 JULY 2022**

We are grateful to the following funders and donors for 2021-22: London Borough of Camden, Legal Aid Agency, Money and Pensions Service, Trust for London, Community Justice Fund, City Bridge Trust, Legal Education Foundation, London Legal Support Trust, Henry Smith Charity, GLA, AB Charitable Trust, St Andrew Holborn, Linklaters, Clifford Chance, Weil Gotshal & Manges, Powell Gilbert, and Farrer & Co.

Blackfriars Settlement (“Blackfriars”), this year, continued to recover from the effects of the Covid-19 pandemic, both in support for members and students, and as an organisation.

With the relaxation of pandemic restrictions, many activities cautiously returned to normal, with the majority of group activities back to their usual numbers. It has been a joy to see the building once again full of members, students and local people, and buzzing with activity. The simplest of things had been missed so much and are appreciated even more now they have resumed: singing groups for Positive Ageing members, Mental Health & Wellbeing members using their art space, members meetings, students being able to mix, and the free-use computers and internet being back in the Atrium space.

Once again there has been fantastic support from volunteers who continue to give their time and energy to make a huge difference to the amount and type of activities that can be delivered. They cook, wash up, teach, support and befriend. Volunteers are key to both the Positive Ageing and Mental Health & Wellbeing services and are hugely valued by both staff and members. Corporate volunteers have returned as a regular feature, particularly in the Positive Ageing service where ‘kitchen takeovers’ by a corporate group are loved by members.

Supporting digital inclusion has remained high on the Blackfriars agenda this year. Staff in all services have invested time in providing IT support for members. This has increased the number who are online and able to access support and stay in touch with friends and family in ways many people take for granted. This work continues and has strengthened ties with London Borough of Southwark as a Digital Hub.

Blackfriars has worked hard to increase financial security and sustainability, with an ongoing focus on fundraising. A first Crowdfunder campaign raised over £8,000 for the delivery of activities and work began on a new website, launched in autumn 2022, by the in-house graphic design service, Create Space (formerly Art2Print), with support from The Plant (theplant.co.uk).

We would like to extend our funders, many of whom we have worked with over a number of years, and without whom, little of what we do would be possible. In particular, we would like to thank those funders who have supported our core work, making so much else possible. We are also indebted to our volunteers, referrers, partner organisations of all shapes and sizes, and our members and local people who make the Blackfriars community what it is.

Looking forward to the 2022-23 financial year, despite earlier setbacks, the redevelopment project for the Stratford building continued throughout the year and is well under way. The building will have a very visible high street location, greatly improved specialist classroom facilities and will enable all parts of the Settlement to be co-located for the first time in many years. We have been, and will continue to build relationships in Newham and the surrounding areas. We are very pleased to be supported by capital grants from Skills for Londoners, and the ESFA towards the whole project cost; from The London Marathon Trust, towards fitness and movement facilities; and from the Clothworkers Foundations, for our visual Arts spaces.



Christine Cryne
Chair

**MARY WARD SETTLEMENT
REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 JULY 2022**

REFERENCE DETAILS

Charity number:	223066
Company number:	46188
Address and Registered Office:	42 Queen Square, London WC1N 3AQ

KEY MANAGEMENT PERSONNEL

Key management personnel are defined as members of the Settlement's Senior Management Team and were represented by the following in 2021-22:

Warden, CEO; Accounting Officer	Suzanna Jackson
Director of Adult and Community Education	Sue Craggs
Director of Finance and Resources	Juliet Woodford
Director of the Mary Ward Legal Centre	Paula Twigg
Director of Blackfriars Settlement	Liz Ranger

BOARD OF TRUSTEES

A full list of the Trustees is given on pages 23-24 of these Financial Statements.

Ms. Beverley Campbell acted as Clerk to the Trustees throughout the year under review.

PROFESSIONAL ADVISERS

**FINANCIAL STATEMENTS AUDITOR AND
REPORTING ACCOUNTANTS**

Buzzacott LLP
130 Wood Street
London
EC2V 6DL

INTERNAL AUDITOR

Haines Watts
30 Camp Road
Farnborough
Hants
GU14 6EW

BANKERS

The Co-operative Bank plc
3rd floor, St Paul's House
10 Warwick Lane
London
EC4M 7BP

INVESTMENT MANAGER

Rathbone Greenbank Investments
10 Queen Square
Bristol
BS1 4NT

**MARY WARD SETTLEMENT
REPORT OF THE BOARD OF TRUSTEES
FOR THE YEAR ENDED 31 JULY 2022**

NATURE, OBJECTIVES AND STRATEGIES

The Board of Trustees (“the Board”) is pleased to present its Annual Report, together with the Financial Statements of Mary Ward Settlement (“the Settlement”) for the year ended 31st July 2022. This report is also prepared to meet the requirements for a Directors’ Report and Financial Statements for Companies Act purposes.

LEGAL STATUS

The Settlement is a registered charity (number 223066) and company limited by guarantee (number 46188), first registered in December 1895. It provides adult education and community services under its trading name of the Mary Ward Centre (“the Adult Education Centre”). The Settlement is also the controlling entity of the Mary Ward Legal Centre (“the Legal Centre”) and Blackfriars Settlement (“Blackfriars”), both of which are wholly owned subsidiaries.

For the purpose of these Financial Statements, references to the Settlement or Group, refer to the activities and consolidated results of the Adult Education Centre, the Legal Centre and Blackfriars, whilst references to the Adult Education Centre or Centre include only those activities and results of the parent entity trading as Mary Ward Centre in its role as an Institute of Adult Learning (IAL). References to the Board or to the trustees refer to the Board of the Settlement or to its trustees, unless specifically stated otherwise.

OBJECTS AND MISSION

The objects for which the Settlement is established are the advancement of public education and the promotion of social service for the benefit of the community. The Settlement’s mission is to develop and provide excellent, innovative and wide ranging adult education and community services.

PUBLIC BENEFIT

In setting and reviewing the Settlement’s strategic objectives, the Board has had due regard for the Charity Commission’s guidance on public benefit and particularly upon its supplementary guidance on the advancement of education. The guidance sets out the requirement that all organisations wishing to be recognised as charities must demonstrate, explicitly, that their aims are for the public benefit.

In delivering its mission, the Settlement provides the following identifiable public benefits through the advancement of education and community services:

- High quality teaching;
- Advice, information, assistance and representation dealing with housing, debt, welfare benefits and other financial and legal problems;
- Widening participation and tackling social exclusion;
- Strong student support systems, particularly for students with physical and learning difficulties; and
- Vocational support where appropriate.

The effectiveness of the Settlement’s delivery of public benefit is covered throughout the Members’ Report.

IMPLEMENTATION OF THE STRATEGIC PLAN

The Settlement worked towards the objectives of the 2018-2022 Strategic Plan, of which a key element includes the implementation of the Property Strategy which will play a major part in achieving long term sustainability with a wider reach of adult education and community support and legal advisory services across London.

Having purchased a new freehold site in the London Borough of Newham in July 2018, plans for the redevelopment of this site, set in motion during 2018-19, to become a new, modern set of premises for the provision of the activities of the Settlement, from 2022 onwards were significantly impacted by the Covid-19 pandemic. Delays over the planning process, inflation in the construction sector and consequential uncertainty over funding the project to completion led, jointly, to a delay in signing the construction contract and to work starting on site and inevitably led to the completion date being pushed back. Instead of completion in time for a relocation during the summer of 2022, opening to students and other users on

MARY WARD SETTLEMENT REPORT OF THE BOARD OF TRUSTEES FOR THE YEAR ENDED 31 JULY 2022

IMPLEMENTATION OF THE STRATEGIC PLAN (CONTINUED)

site for the start of the 2022-23 academic year, construction is now expected to be substantially complete by April 2023, enabling the Settlement to begin its relocation from that date, with a 'soft' opening for the summer term of 2022-23 and full opening in the autumn of 2023 for the start of the 2023-24 academic year.

As a result of this delay to the completion of the Property Strategy the trustees agreed to roll forward the 2018-2022 Strategic Plan to the end of the 2023-24 academic year, ensuring that the important elements of the existing Strategic Plan, inextricably linked with the redevelopment of the new premises, are complete before moving on to the next phase of the Settlement's future.

The key focus points of the Strategic Plan include:

- To grow existing services and to extend our range of services to enhance the delivery of our Mission, in ways that are relevant now and which look to the future;
- To deliver excellent services, that prioritise outcomes and impact for our users;
- To add our expertise, encouragement and support to the efforts and achievements of people in the communities and neighbourhoods in which we are located and create opportunities for them to reach their educational, social and economic potential;
- To further develop an organisational structure and culture which realises the Settlement's Mission and Core Values;
- To maintain good financial health in order to ensure the sustainable delivery of our Mission;
- To redevelop our new premises to support a sustainable future, enhance the quality of our provision and enable us to reach new audiences;
- To develop partnerships and alliances with other organisations that will improve and extend our ability to deliver our Mission and Strategic Objectives;
- To improve our public profile and develop an effective communications, PR and marketing strategy that supports the development of the Settlement's work, our move east and contributes to our plans for growth.

The Board monitors the performance of the Settlement against the plan. The Board reviews and updates the plan annually.

During 2021-22 the longer term effects of the Covid-19 pandemic continued to have a significant impact on the Settlement and its operations. Following the national lockdowns of 2020 and 2021 the Settlement prioritised planning ahead for 2021-22, ensuring that options would be available to preserve as much face to face provision as possible, with alternative arrangements for students and other users unable to attend in person or should further lockdowns occur. At the Adult Education Centre, arrangements were made to prioritise accredited courses where students had been, or would be, working towards exams and other courses that could not be delivered online, for example literacy, maths and those using specialist rooms (e.g. glass, sculpture, computing). Some courses continued to use a blended approach to minimise the number of times students came into the building. A range of Covid safety measures continued to be implemented as necessary, such as restricting numbers in classes to allow for social distancing, staggered starts and mask wearing. However, by the spring of 2022 we were able to lift many of these restrictions, and begin a return to more normal patterns of delivery.

A combination of imposed restrictions for the first half of the year, and the pandemic experience in general, has had a longer term impact on student numbers. Although restrictions were removed completely by the summer term, many past, existing and potential students have changed their habits. For example some have been reluctant to engage in group activities, or to travel on public transport. Others are no longer working in central London, and so the Adult Education Centre is no longer on the commute home, and a convenient location for the evening classes.

MARY WARD SETTLEMENT

REPORT OF THE BOARD OF TRUSTEES

FOR THE YEAR ENDED 31 JULY 2022

IMPLEMENTATION OF THE STRATEGIC PLAN (CONTINUED)

This meant that student numbers, though higher than 2020-21, remained only a little above half of the usual (ie pre-pandemic) figure, with a knock-on impact to tuition fees. However, through managing direct costs the Adult Education Centre was able to mitigate losses. Furthermore, the Adult Education Centre received all of its AEB grant funding despite the return to a minimum 97% funding requirement for its AEB grant allocation.

The most significant, longer term, impact arising from Covid-19 during 2021-22 was on the Settlement's Property Strategy in an environment of greater uncertainty, rising costs and reduced grant funding. While the Centre's Senior Management Team prioritised actions aiming to ensure that construction continued as planned, it was not possible to complete the project in time for the original opening date, and completion has had to be delayed until April 2023. While this was disappointing, the Centre was nevertheless able to negotiate an affordable, new 1 year lease at its existing premises in Queen Square and has planned a programme of provision for 2022-23, across its premises at Queen Square and Rushworth Street, which prioritises accredited courses, basic skills and those other courses which directly meet our funding requirements.

CORE VALUES AND OBJECTIVES

The Settlement's operations are guided by the Core Values and Strategic Objectives which are jointly agreed across the Settlement group.

Core Values

- Putting the needs and aspirations of current and potential users at the Settlement of all that we do;
- Valuing our users as individuals and promoting inclusion through our friendly and accessible approach to service delivery;
- Promoting access to education including the value of learning for personal development and quality of life and using learning as a tool to combat disadvantage;
- Promoting access to justice and providing legal advice for the poorest and most disadvantaged;
- Valuing our staff as our key asset and supporting them in delivering high professional standards across our services
- Promoting collaborative work, both across the Centre and with partner organisations;
- Advancing equality, eliminating discrimination, and fostering good relations among all our users;
- Maintaining an open, honest, accountable and fair approach in all our communications with all our service users, staff and other stakeholders.

Strategic Objectives

- To grow our existing services and extend our range of services to enhance the delivery of our Mission in ways that are relevant now and look to the future;
- To deliver excellent services;
- To further develop an organisational structure and culture which realises the Mission and Core Values;
- To maintain good financial health in order to ensure the sustainable delivery of our Mission and Strategic Objectives;
- To secure the Centre in new premises that support a sustainable future and enable us to reach new audiences;
- To develop partnerships and alliances with other organisations that will improve and extend our ability to deliver our Mission and Strategic Objectives;
- To improve our public profile and develop an effective communications, PR and Marketing strategy that supports our move East and contributes to our plans for growth;
- To develop the use of technology to support and streamline our administrative processes and ensure effective multisite working.

MARY WARD SETTLEMENT

REPORT OF THE BOARD OF TRUSTEES

FOR THE YEAR ENDED 31 JULY 2022

IMPLEMENTATION OF THE STRATEGIC PLAN (CONTINUED)

The Settlement's Financial Objectives are:

- To achieve a minimum annual operating surplus of 1% of income, excluding any pension costs arising from the impact of the Local Government Pension Scheme ("LGPS") costs;
- To provide sufficient courses to ensure that we earn all of the available funding from the Education and Skills Funding Agency ("ESFA");
- To diversify our funding streams, consistent with our Mission and Core Values, in order to maximise our income generating potential;
- To effectively manage costs, keeping any increase in non-pay costs below the prevailing inflation rate; and
- To secure funding for a capital investment programme following the purchase of Queensway House in Stratford, for its redevelopment and refurbishment as the main location for the Settlement's activities following the end of its current lease on 42 Queen Square, in July 2022.

A series of performance indicators have been agreed to monitor the successful implementation of the policies.

The Covid-19 pandemic had a significant impact on the Settlement's operational results, however the Settlement was able to meet its objective in relation to the minimum 1% operating surplus and all other financial objectives were met.

STRATEGIC REPORT

ACHIEVEMENTS AND PERFORMANCE

PERFORMANCE INDICATORS

ADULT EDUCATION CENTRE

The performance against the Adult Education Centre's targets is set out in the table below:

Key Performance Indicator	Target 2021-22	Achieved 2021-22	Target 2020 - 21	Achieved 2020 - 21
Maximise the number of people who access adult education given Covid-19 restrictions	3,339	2613	2,700	2,182
Maximise the number of course enrolments given Covid-19 restrictions	6,443	5690	6,250	5,012
Maximise the average number of students per course given Covid-19 restrictions	10	9	10	9
Maintain high average level of student retention; AND Maintain high retention across ALL courses	90% +	94%	90% and No more than 5% of courses below 80%	95%
Maintain high level of student satisfaction	95%+	93%	95%+	94%
Maintain high level of average achievement on non-accredited courses; AND Maintain high level of achievement on ALL non-accredited courses	96% across all levels and lengths	96%	95%+	96% across all levels and lengths
Improved average success rates for students taking accredited courses	90%+	90% 8/40 course quals were below 80%	90%+	90%

**MARY WARD SETTLEMENT
REPORT OF THE BOARD OF TRUSTEES
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ACHIEVEMENTS AND PERFORMANCE (CONTINUED)

Key Performance Indicator	Target 2021-22	Achieved 2021-22	Target 2020 - 21	Achieved 2020 - 21
Improved success rates on ALL non - accredited qualifications	95%	94%	7 course quals out of 38 were below 80%	95%
The % of students reporting additional benefits is increasing		All students who return a questionnaire report at least one additional benefit to learning	75%+	All students who return a questionnaire report at least one additional benefit to learning

The Adult Education Centre is committed to monitoring a range of key sector indicators and is required to complete the Annual Finance Record for the ESFA. The Centre's financial health grading is assessed by the ESFA as "Good" (2020-21: "Outstanding"). This fall in the financial health grade is primarily because of decisions made in relation to the Property Strategy, which have increased costs and reduced cash balances in the short term, and further pressure caused by the continuing impact of Covid on both the Property Strategy and ongoing operations during 2021-22.

MARY WARD LEGAL CENTRE

The Legal Centre's specific achievements for 2021-22 are outlined below:

- Continuing to prevent homelessness, improve people's housing conditions, combat poverty, help people reduce their debt and maximise their income through providing free specialist casework and representation in housing, debt and welfare benefits;
- Securing additional grant funding and donations to deal with the devastating impact of Covid-19 and the cost of living crisis;
- Helping 2,000 people with their legal issues;
- Delivering against contractual funding outputs and outcomes;
- Delivering a pro bono advice service to help more people who cannot access help from legal aid to resolve their legal issues;
- Securing continuation funding from Trust for London to continue to provide specialist welfare benefits advice pan-London;
- Securing funding from the Legal Education Foundation for a trainee solicitor under their Justice First Fellowship programme;
- Continuing to deliver housing advice in Newham and Southwark and securing additional funding to increase access to specialist housing advice in Newham and Enfield;
- Supporting a member of staff to train as an apprentice solicitor;
- Securing Kickstart apprenticeship funding to enable us to increase our capacity in our Access to Legal Services team and help support a young person at the start of their career;
- Over £385,000 of clients' debts were written off;
- Clients receiving help with their welfare benefits matters achieved an average increase of £87 a week in benefits;
- Playing an active role in the development of the new Camden Advice Network;
- Helping to secure funding from the GLA for a new partnership in Newham to provide advice in food banks and schools.

**MARY WARD SETTLEMENT
REPORT OF THE BOARD OF TRUSTEES
FOR THE YEAR ENDED 31 JULY 2022**

ACHIEVEMENTS AND PERFORMANCE (CONTINUED)

The actual performance against the agreed targets are set out in the table below:

Key Performance Indicator	Target 2021-22	Achieved 2021-22	Target 2020-21	Achieved 2020-21
Meet annual target for matter starts	1,295	1,431	2,044	1,663
Increase the number of people who get advice through pro bono clinics	175	163	175	187
Maintain a high level of client satisfaction	95%	99%	95%	98%
Maintain the high % of cases that have a positive outcome	92%	94%	92%	94%
A high % of clients who respond to our survey report an improvement in health and well-being	88%	95%	88%	95%

BLACKFRIARS SETTLEMENT

Positive Ageing

The Ageing Well Southwark contract serving older people across the borough, has continued this year. The delivery aims are to ensure that the 'front door' to services are coordinated and, that by whatever means a resident contacts older people's services, they will be afforded the same access. We have continued to work closely with the other members of the COPSINS Consortium to ensure the services have continued to develop and evolve.

There has been a steady flow of new referrals over the year. We have worked very hard to meet the needs of isolated and anxious existing members as well as new contacts in the community.

Needs have become more complex, with the team dealing with safeguarding issues, many referrals which do not meet the existing threshold for social care intervention, and an increasing number of members and referrals with early dementia.

Befriending continues to be a highly valued part of the Positive Ageing service, matching very isolated members of the local community with trained volunteers. The continued long waiting times highlights our need to increase capacity in this area in order to meet need, and this is something we will continue to prioritise.

There is significant interest amongst members in getting online or improving their IT skills. We are committed to meeting both of these needs over the coming year.

Adult Education

We are pleased to provide learning and development classes on behalf of Southwark Adult Education as well as via Mary Ward Centre. This year we have seen students returning to the building in greater numbers. We have offered a wider range of courses and have also established some online courses and hybrid courses as ongoing delivery methods. Adult Education continues to work with Positive Ageing and Mental Health & Wellbeing, enabling us to deliver some courses specifically for these particular groups. This has worked well, and is something we will continue to deliver.

**MARY WARD SETTLEMENT
REPORT OF THE BOARD OF TRUSTEES
FOR THE YEAR ENDED 31 JULY 2022**

ACHIEVEMENTS AND PERFORMANCE (CONTINUED)

Mental Health and Wellbeing

The service continues to see a steady stream of referrals from a wide variety of agencies and services. During the year, the service has implemented induction courses for newly referred people, enabling them to get to know the service and feel at home, and for the team to make sure they are accessing the sessions most useful for them.

This year the Lottery funded Thinking Ahead Project has gathered momentum. It focuses on building skills and confidence amongst members, enabling access to educational opportunities, promoting and enabling volunteering and enabling members to contribute to their community.

The service delivers a broad range of high quality services:

- In partnership with professional design studio, the Plant, our Social Enterprise Design Studio Art2Print, has rebranded as Create Space, and has continued to provide high quality design to internal services and external clients
- The service is hosting Art Therapy students on placement with us from the University of Roehampton, which has boosted our capacity by working directly with members.
- We have successfully run 3 courses for our education funders: Spring Back from Covid, Music Appreciation and Mindful Movements.
- The 'Switched On' digital inclusion project secured new funding from the Childwick Trust and has provided sessions to build and develop tech skills in smart phone, online, tablets, and peer support, sharing skills and building confidence.
- Day trips and events including visits to Horniman museum and Hampton Court, Mental health awareness week music event and Black history month creative project and Art exhibition
- A healthy eating on a budget programme funded by Southwark Council. the 4 x6 week programme helps people plan, shop, cook and eat together and gain skills and knowledge of resources and food pantry's/co-ops to help with cost-of-living crisis and food insecurity as well as reducing isolation and maintaining mental health

The Orb Space

This year we have offered workshops and courses, and have particularly focussed on building up a community of new parents. We have offered Baby Massage and Baby Dance courses, and used the space in our Atrium to allow participants to spend time together and build friendships and mutual support. This is something we will be continuing and developing further.

Legal Clinic

At the beginning of the year the legal clinic ran using telephone appointments but then switched back to face to face in the building. We continue to work closely with City University of London Law School and our partner lawyers to deliver free housing and employment legal advice. There is a high demand for this service.

PERFORMANCE INDICATORS

The actual performance of services is set out in the table below. Year on year comparison where data is available, demonstrates the impact of covid on our different services this period. Comparative data is not provided where measurement was introduced for the first time during 2021-22.

MARY WARD SETTLEMENT
REPORT OF THE BOARD OF TRUSTEES
FOR THE YEAR ENDED 31 JULY 2022

ACHIEVEMENTS AND PERFORMANCE (CONTINUED)

PERFORMANCE INDICATORS (CONTINUED)

Key Performance Indicator	2021-22	2020-21	2019-20	2018-19
MHWP				
No of members supported	93	108	140	72
No of referrals	41	46		
No of new members	20	13	23	
PA				
No of members supported	584	529	413	407
No of new members	86 Clubs 98 Befriending Total: 184	103		
No of people attending sessions	289	219	272	262
No of attendances	8,805	5,460	6,551	7,295
No befriended members	124	180	142	145
No befriending referrals	98	64	61	61
Adult Education				
No of students	703	189	617	716
No of enrolments	1,360	451	1,040	
Orb				
No of attendances	63	54	356	75
Legal Clinic				
Client appointments	78	124	186	288
Volunteering Hours				
MHWP	1,023	872	2,179	
PA	6,931	4,894	8,475	
Orb	0	0	10	
Total	7,954	5,766	10,646	

FINANCIAL REVIEW

The Settlement had an operating surplus of £77,000 in the year (2020-21: surplus of £190,000). This was before the inclusion of a £159,000 (2020-21: £149,000) Local Government Pension Scheme ("LGPS") service cost; £41,000 (2020-21: £36,000) LGPS finance cost; and £5,000 (2020-21: £5,000) LGPS administration cost. The deficit for the year after inclusion of those costs was £146,000 (2020-21: £nil). Additionally, an actuarial gain of £2,220,000 was made by the LGPS (2020-21: gain of £257,000). Overall, total comprehensive income for the year was £2,074,000 (2020-21: total comprehensive income £257,000).

The Settlement's accumulated reserves rose to £11,800,000 (2020-21: £9,708,000). The two most significant factors in the movement in funds were the actuarial gain of £2,220,000 in the LGPS before the inclusion of the LGPS costs (2020-21: gain of £257,000), and the surplus of the Adult Education Centre of £151,000 (2020-21: surplus of £111,000). The Settlement's target is to increase reserves, by a minimum of 1% of income, before taking into account the impact of LGPS costs.

MARY WARD SETTLEMENT
REPORT OF THE BOARD OF TRUSTEES
FOR THE YEAR ENDED 31 JULY 2022

FINANCIAL REVIEW (CONTINUED)

The written down value of fixed assets increased to £18,871,000 (2020-21: £13,372,000). Capital expenditure in the year totalled £5,721,000 (2020-21: £1,562,000), all but £33,000 of which related to the development of the freehold property, Queensway House, in Stratford, East London which forms a key part of the Settlement's Property Strategy to secure a location for its activities after expiry of the lease on 42 Queen Square. The depreciation charge for the year totalled £222,000 (2020-21: £219,000). The value of the investment funds held by the Settlement remained at £31,000 (2020-21: £31,000).

The Settlement's operational income fell by £81,000 to £5,232,000 (2020-21: £5,313,000), reflecting falls of £284,000 in legal services income at the Legal Centre and of £125,000 in income from the Coronavirus Job Retention Scheme, offset by increases of £172,000 in funding grants and tuition fees at the Adult Education Centre, of £113,000 in general donations and fundraising, along with other, smaller rises in various income streams across the group.

Costs of the Settlement increased by £61,000 to £5,378,000 (2020-21: £5,317,000). This increase relates to higher operational costs of £253,000. This arose in part, from the Settlement's return to higher levels of operational activity following the Covid-19 restrictions. These restrictions impacted the Settlement's ability to offer a full range of services at the usual capacity during both 2021-22 and 2020-21, meaning that some operational costs were not incurred, with a greater impact during 2020-21 when the pandemic restrictions were at their peak. Additional costs were incurred in relation to the Property Strategy, both in preparation for relocation, originally scheduled for the summer of 2022, and as a result of the delay. The increase in operational costs during 2021-22 was partially offset by a decrease of £190,000 in staff costs across the Settlement and was the result of running lower levels of service, including a smaller curriculum, to comply with Covid-19 restrictions, and the longer term impact of the restructuring programme during 2020-21 which has cut around £150,000 from core staffing costs compared with pre-pandemic.

The Adult Education Centre's income rose by £250,000 to £3,666,000 (2020-21: £3,416,000) and reflects the increase in adult education funding and student fee income, noted above, and a one-off capital grant of £90,000 received in relation to the Settlement's Property Strategy.

Costs at the Adult Education Centre rose by £224,000 to £3,719,000 (2020-21: £3,495,000) reflecting higher operational costs post Covid-19 and in relation to preparation for and the delay to, the relocation, as noted above, partially offset by cost savings arising from running a smaller curriculum and the restructuring programme of 2020-21, both responses to the impact of Covid-19.

The Legal Centre's income was £1,010,000 (2020-21: £1,340,000), of which £813,000 (2020-21: £1,097,000) came from operational grants and funding for legal advisory services and £192,000 (2020-21: £225,000) from donations and other fundraising, including value in kind of £78,000 (2020-21: £108,000) from pro bono advice and the provision of legal trainees.

Legal Centre costs fell by £155,000 to £1,076,000 (2020-21: £1,231,000). This reflects a decrease in operational staff costs of £90,000 following staff reductions through a combination of natural turnover and necessary cost reductions following changes to various grant and funding arrangements. Various smaller operational cost savings continued from the ongoing impact of Covid-19.

At Blackfriars, operational income was £655,000 for the period (2020-21: £625,000). The rise in income reflected, primarily, the return to a modest level of face to face activity during 2021-22 following a sharp fall during 2020-21 when Covid-19 restrictions were at their height. Operational expenditure rose by £18,000 to £682,000 (2020-21: £659,000), again, the result of a return to a higher level of overall activity during 2021-22 albeit with careful cost management.

The 2021-22 Financial Statements and associated Notes are set out on pages 36 to 68.

**MARY WARD SETTLEMENT
REPORT OF THE BOARD OF TRUSTEES
FOR THE YEAR ENDED 31 JULY 2022**

FINANCIAL REVIEW (CONTINUED)

TREASURY MANAGEMENT

Treasury management is the management of the Settlement's cash flows, its banking, money market and capital market transactions, the effective control of the risks associated with those activities and the pursuit of optimum performance consistent with those risks.

Following the reclassification of colleges by the ONS in November 2022 all new borrowing requires the consent of HM Treasury. Subject to such consent, short term borrowing for temporary revenue purposes is authorised by the Accounting Officer and such arrangements are also restricted by limits in the Settlement's Financial Memorandum agreed with the Education and Skills Funding Agency. All other borrowing requires the authorisation of the Board in order to comply with the Financial Memorandum.

There was a net decrease in the cash held by the Settlement of £1,849,000 to £647,000 (2020-21: increase of £773,000 to £2,496,000). Expenditure of £5,688,000 in relation to the development of Queensway House, was by far the most significant factor, offset by capital grant receipts of £3,080,000, during the period, with a further £1,162,000, capital grants due at the year end date and received during August 2022, net of creditors balances owed in relation to capital expenditure at the same date. The high rental costs of 10 Great Turnstile, following its disposal during 2017-18 continued during 2021-22, resulting in a cash outflow of £359,000.

RESERVES POLICY

The Settlement recognises the importance of reserves in the financial stability of the organisation and has a stated Reserves Policy to hold a minimum of 1 to 3 month's operating expenditure as unrestricted free reserves. Consequently the Settlement continues to ensure that it has adequate reserves to support its core activities.

As at the balance sheet date the Settlement's unrestricted reserves were £11,791,000 (2020-21: £9,699,000) of which £2,847,000 were unrestricted fixed asset reserves (2020-21: £2,925,000) and £8,944,000 were other unrestricted reserves (2020-21: £6,774,000). Restricted reserves totalled £9,000 (2020-21: £9,000).

Of these reserves £946,000 (2020-21: £1,893,000) are immediately available, or at short notice and can be drawn upon to meet the working capital needs of the Settlement.

The increase in reserves, at the Balance Sheet date, reflects the underlying operational surpluses associated with the activities of the Adult Education Centre and the Legal Centre, and an actuarial surplus in the LGPS, which more than offset the costs of the scheme during the period.

It is anticipated that the 2022-23 financial year will be difficult, following the continued impact of Covid-19 on student and client behaviour and combined with an expected increase in demand for our services as a result of the cost of living crisis without a proportionate increase in income. Overall, disregarding the impact of capital grant income expected in relation to the Property Strategy, the Settlement is expected to approximately break-even over the year 2022-23 and the costs of implementing the Property Strategy is likely to result in the Settlement's reserves falling below target in the next financial year. Should this happen as expected, it is the Board's intention to restore the Settlement's reserves, excluding any impact from the LGPS, to at least the minimum target level as soon as practicable.

**MARY WARD SETTLEMENT
REPORT OF THE BOARD OF TRUSTEES
FOR THE YEAR ENDED 31 JULY 2022**

CURRENT AND FUTURE DEVELOPMENTS AND PERFORMANCE

FINANCIAL HEALTH

In 2021-22 the Settlement achieved a “Good” ESFA financial health grading (2020-21: “Outstanding”). This financial health rating was achieved notwithstanding the combination of the following factors which had an adverse impact on the financial position:

- (i) the long-term impact of Covid-19, which resulted in the loss around 45% of the tuition fee income that might have otherwise been expected pre-pandemic. During 2021-22, as for 2020-21 the Settlement was able to plan for an equivalent reduction in costs, which included altering the mix and balance of provision
- (ii) the result of strategic activity taken by the Settlement to secure its future through a restructuring of its operational property portfolio which has led to increased operating costs in the short term and following the restructuring, until at least 2022-23 is expected also to result in decreased cash balances. It is expected that these higher costs will be sustained as the Property Strategy is completed over the next financial year, while the cash balance gradually falls and that the ESFA financial health grading will continue to fall under pressure.

The Property Strategy was agreed by the Board because the Adult Education Centre’s main building was approaching the end (July 2022) of a long lease that had been on beneficial terms for many years. The landlord indicated that if it were to offer a new lease it would be at a considerably higher rent. After careful consideration of the risks and opportunities, the Board adopted a strategy that, when implemented, will help provide for a financially sustainable future for the Settlement as a whole.

As part of this strategy the Board took the decision to sell the freehold property at 10 Great Turnstile and to lease it back for a period to coincide with the termination of the lease on 42 Queen Square. This sale was completed during 2017-18, and the proceeds of the sale were put towards the purchase of a new building, Queensway House in the London Borough of Stratford which completed in July 2018. A fundraising plan, together with a portion of the existing reserves, is enabling the redevelopment and refurbishment of this building, with the original expectation that most of the Settlement’s service offering would operate from Queensway House from the financial year 2022-23. As a result of the pandemic, the redevelopment programme experienced delays and was not completed within the expected timeframe. Consequently the Board revised its plans, including negotiating a new, 1 year lease at Queen Square on favourable terms, with the expectation of relocating to Queensway House during the spring-summer of 2023 once the redevelopment is complete. The premises at 1 Rushworth Street will be retained, enabling the Settlement to operate from two permanent sites in two London boroughs.

In the short to medium term, the implementation of the Property Strategy will continue to put pressure on operating surpluses and cash balances and, in turn, on the ESFA financial health grade, with the achievement of a consistent “Good” or better financial health grading unlikely until the completion of the Property Strategy.

Based on our forecasts the “Good” financial health grading achieved in recent years was always expected to fluctuate during the execution of the Property Strategy, and consequently, given the challenges faced over 2021-22, the “Good” outcome reported for the period is seen as a positive result.

STUDENT NUMBERS

The Adult Education Centre is funded according to the levels of activity that it generates. In 2021-22, the Adult Education Centre generated a funding value of £2,384,000 (2020-21: £2,287,000). The total number of students enrolled onto courses was 2,616, compared with 2,181 for 2020-21. Student retention was 94% for 2021-22 compared with 95% for 2020-21.

**MARY WARD SETTLEMENT
REPORT OF THE BOARD OF TRUSTEES
FOR THE YEAR ENDED 31 JULY 2022**

STUDENT ACHIEVEMENTS

In 2021-22 there were 453 examination entries of which 407 were successful (2020-21: 392 and 351 respectively). Overall success is 96% (2020-21: 96%). Student achievement in non-accredited courses is 94% (2020-21: 92%), which is assessed using the Recognising and Rewarding Progress and Achievement (RARPA) strategy.

CURRICULUM DEVELOPMENTS

Curriculum planning at the Adult Education Centre combines a needs analysis of local communities with a broader perspective of its contribution to adult education across London. The Centre has been effective in reviewing and realigning its curriculum to meet changing priorities and funding constraints, whilst retaining the distinctive characteristics of the curriculum and patterns of learning. In 2021-22 the Adult Education Centre continued to offer courses within the curriculum financed entirely from student fees and successfully ran such courses across the curriculum. In response to the Covid-19 pandemic, the Adult Education Centre's strategy was to change the mix and balance of the curriculum, maximising both the amount of fully funded and paid-for provision that could be delivered within the constraints of space and cost of resourcing. Improvements have been made on the previous year. Enrolments rose to 70% of that of 2019-20 (2020-21: 60%), and the proportion of the value of tuition fees rose from to 71% (2020-21: 67%).

Community Outreach continue to be successful at providing courses for the over 60's and hard to reach communities to reduce social isolation particularly during the pandemic. 95% of their work now takes place in Stratford and East London.

Partnerships with external agencies such as Job Centre Plus and charities such as Helen Bamber Foundation and Care for Calais continue to develop to provide referrals to meet students' needs to learn English and help them get work. In Work Skills and Employability, Level 1 and Level 2 courses continue to be offered; these offer transferrable work skills including ICT Users, Payroll and Bookkeeping qualifications and, new this year, a Level 2 Accountancy qualification as well as non-accredited options such as Excel and MS Office Essentials for Work. Non-accredited short courses were also offered to support people getting jobs and coping with work such as Managing Stress, Career Kick Starter and Confidence Building. 24+ Loan provision continues to be offered in Community Interpreting, Counselling and Art and Design. Progression routes in Community Interpreting into specialist areas have also been offered, e.g. Level 6 - Preparation for the Diploma in Public Service Interpreting; Law Option.

PAYMENT PERFORMANCE

The Late Payment of Commercial Debts (Interest) Act 1998, which came into force on 1st November 1998, requires colleges, in the absence of agreement to the contrary, to make payments to suppliers within 30 days of either the provision of goods or services or the date on which the invoice was received.

The target set by the Treasury for payment to suppliers within 30 days is 95%. During the accounting period 1st August 2021 to 31st July 2022, the Settlement paid 95% of its invoices within 30 days. The Settlement incurred no interest charges in respect of late payment for this period.

EVENTS AFTER THE END OF THE REPORTING PERIOD

On 29 November 2022 the Office for National Statistics (ONS) reclassified all College Corporations to Central Government sector with immediate effect. This means that colleges, including the Centre, will now be subject to the framework for financial management set out in Managing Public Money (MPM) and the Department for Education will introduce new rules for colleges, some of which will take effect immediately.

Other significant post-balance sheet events are set out in Note 25.

MARY WARD SETTLEMENT REPORT OF THE BOARD OF TRUSTEES FOR THE YEAR ENDED 31 JULY 2022

FUTURE DEVELOPMENTS

At a strategy day in June 2018, the following Strategic Objectives were agreed for the period 2018-22, and following the impact of the Covid-19 pandemic on operations and in particular, the Property strategy, trustees agreed to roll forward these Strategic Objectives to the end of the 2023-24 financial period:

- To grow existing services and to extend our range of services to enhance the delivery of our Mission, in ways that are relevant now and which look to the future;
- To deliver excellent services, that prioritise outcomes and impact for our users;
- To further develop an organisational structure and culture which realises the Settlement's Mission and Core Values;
- To add our expertise, encouragement and support to the efforts and achievements of people in the communities and neighbourhoods in which we are located and create opportunities for them to reach their educational, social and economic potential;
- To maintain good financial health in order to ensure the sustainable delivery of our Mission;
- To redevelop our new premises to support a sustainable future, enhance the quality of our provision and enable us to reach new audiences;
- To develop partnerships and alliances with other organisations that will improve and extend our ability to deliver our Mission and Strategic Objectives;
- To improve our public profile and develop an effective communications, PR and marketing strategy that supports the development of Blackfriars, our move east and contributes to our plans for growth.

The implementation of the Property Strategy will see Queensway House, in the London Borough of Newham, being opened in 2023. Newham was identified at an early stage of research as an area where there is under provision of adult education and where it is thought likely that the Settlement can maximise its impact. The opening of the new centre will allow for a major review of the curriculum and particular emphasis will be given to the specific needs of the community in this part of East London where the Settlement will be establishing its new base.

The Settlement will continue to manage its costs effectively, mindful that staff costs represent more than two thirds of total expenditure. Greater efforts will be made to make effective use of more volunteers in a more structured and better way.

ADULT EDUCATION CENTRE

The Adult Education Centre plans to continue to be a distinct and high quality provider of adult and continuing education, to increase its provision for students over the next 3 years and to return to an 'outstanding' financial status with the ESFA within the life of the new strategic plan.

The Adult Education Centre will continue to diversify its income streams and thereby reduce its dependency on ESFA funding and plans to continue to work towards higher tuition fee income, without compromising access to education for those with the greatest needs. It is expected that there will be continuing development of a range of courses funded through student loans. The long term impact of Covid-19 on the habits and expectations of students continues to be a major factor in the immediate plans for the Adult Education Centre and, consequently, the Adult Education Centre has focused on improving its technology including investing in staff training and resources to enable continuity of provision, both face to face and online.

The public funding environment remains challenging and there is no immediate end in sight to this. Outcomes from Area Reviews are beginning to bring substantial change to the wider FE sector although there has been no immediate impact on the Adult Education Centre.

MARY WARD SETTLEMENT REPORT OF THE BOARD OF TRUSTEES FOR THE YEAR ENDED 31 JULY 2022

MARY WARD LEGAL CENTRE

Looking forward the Legal Centre expects to be able to achieve the following:

- To continue to provide specialist advice in housing, welfare benefits and debt through a mix of face-to-face and remote appointments;
- To continue to provide a pro bono service through telephone appointments;
- To continue to develop new advice provision in Newham;
- To expand its housing advice service with additional solicitors and trainees;
- To take an active role in advice networks, and work in partnership with local advice providers.
- To continue to seek new sources of income and funding to deliver specialist legal advice services including raising unrestricted income.

BLACKFRIARS SETTLEMENT

Looking forward the Settlement expects to be able to achieve the following, as part of the Settlement's Strategic Plan:

- To maintain and develop the range of activities currently offered to the local community by the Settlement - primarily for the elderly and for people experiencing mental health issues
- To partner Mary Ward Adult Education Centre in hosting adult education classes at the Rushworth Street premises
- To partner Mary Ward Legal Centre in hosting Legal Advice clinics and drop-in services at the Rushworth Street premises

GOING CONCERN

As part of our redevelopment project, and in the development of our strategy for our move to Stratford the Settlement has developed detailed financial projections which include modelling the impact of Covid-19 on its plans for growth and the impact of risks and uncertainties associated with the redevelopment project. This work has supported the Board's ability to consider the financial impact of the challenges and uncertainties created by the Covid-19 pandemic, those of the redevelopment project and the implications of the ONS reclassification of colleges. As such it considers that the Settlement has adequate resources to continue in operational existence for the foreseeable future and until at least 12 months from the date these financial statements are signed. For this reason, it continues to adopt the going concern basis in preparing the financial statements.

RESOURCES

The Settlement has a variety of resources that it can deploy in pursuit of its strategic objectives.

Tangible resources include the freehold of Queensway House on Stratford High Street in the London Borough of Newham and the long term leasehold (995 years) of 1 Rushworth Street.

Financial

The Settlement has £11,800,000 of net assets (2020-21: £9,708,000), having taken in to account the FRS102 pension liability of £576,000 (2020-21: £2,591,000). The balance owing to the Social Investment Business was £505,000 as at 31st July 2022 (2020-21: £661,000).

People

The Senior Management Team comprised five members of staff and is expected to remain at this level for the foreseeable future. The staff teams of the Adult Education Centre, the Legal Centre and Blackfriars are settled, with a low turnover. The Adult Education Centre employs a wide range of sessional tutors, many of whom have taught at Mary Ward for many years.

MARY WARD SETTLEMENT REPORT OF THE BOARD OF TRUSTEES FOR THE YEAR ENDED 31 JULY 2022

RESOURCES (continued)

Reputation

The Settlement has a very well established reputation and draws students and clients from across London and beyond. The Adult Education Centre is known as ‘the friendly place to learn’. It is also well known for its ability to support students with both physical and learning difficulties. The Legal Centre is well regarded in the legal community, shown by the continuing support of a number of major law firms. Blackfriars runs a wide variety of well-established clubs, activities and services for older people and for people with mental health issues and continues to be well regarded in its local community in the London Borough of Southwark.

PRINCIPAL RISKS AND UNCERTAINTIES

The Settlement has undertaken further work during the year to develop and embed the system of internal control, including financial, operational and risk management which is designed to protect the Settlement’s assets and reputation.

Based on the Strategic Plan, the Senior Management Team regularly undertakes a comprehensive review of the risks to which the Settlement is exposed. They identify systems and procedures including specific preventable actions which should mitigate any potential impact on the Settlement. The internal controls are then implemented and the subsequent year’s appraisal will review their effectiveness and progress against risk mitigation actions. In addition to the annual review, the Senior Management Team will also consider any risks which may arise as a result of a new area of work being undertaken by the Settlement.

A risk register is maintained at the Settlement level, which is reviewed regularly by the Audit and Risk Committee. The risk register identifies the key risks, the likelihood of those risks occurring, their potential impact on the Settlement and its subsidiaries and the actions being taken to reduce and mitigate the risks. Risks are prioritised using a consistent scoring system. The risk register includes a separate section for each business stream and, as needed, for major projects.

Outlined below is a description of the principal risk factors that have the potential to have a significant impact on the Settlement. Not all the factors are within the Settlement’s control:

- Destabilisation as a result of combined and continued unprecedented change
- Risks in connection with the implementation of the Property Strategy
- The ongoing effects of Covid-19; for example a reduction in student numbers and / or falling average class sizes, have a greater impact than planned
- Failures resulting from ineffective communication with key stakeholders over completion of the Property Strategy
- Increasing mismatch between work demands and the capacity of staff to deliver

STAKEHOLDER RELATIONSHIPS

The Settlement has many stakeholders including:

- students;
- clients;
- funding bodies;
- staff;
- local employers (with specific links);
- our local authorities;
- the Mayor of London’s office;
- local community and voluntary organisations; and
- other colleges, in particular other AECs.

The Settlement recognises the importance of these relationships and is active in their maintenance and development.

MARY WARD SETTLEMENT REPORT OF THE BOARD OF TRUSTEES FOR THE YEAR ENDED 31 JULY 2022

EQUAL OPPORTUNITIES AND EMPLOYMENT OF DISABLED PERSONS

The Settlement is committed to ensuring equality of opportunity for all who learn and work there. It respects and values positively differences in race, gender, sexual orientation, ability, class and age. It strives vigorously to remove conditions which place people at a disadvantage and it will actively combat bigotry. This policy will be resourced, implemented and monitored on a planned basis.

A Single Equality Policy is in place and is published on the Settlement's website. The Settlement also publishes an Annual Equality Report, which includes its equality objectives. This ensures compliance with all of the relevant legislation, including the Equality Act 2010. The Settlement also undertakes equality impact assessments on policies and procedures as appropriate.

The Settlement considers all applications from disabled persons, bearing in mind the aptitudes of the individuals concerned. Where an existing employee becomes disabled, every effort is made to ensure that employment with the Settlement continues. The Settlement's policy is to provide training, career development and opportunities for promotion, which are, as far as possible, identical to those for other employees.

DISABILITY STATEMENT

The Settlement seeks to achieve the objectives set down in the Disability Discrimination Act 1995 as amended by the Special Educational Needs and Disability Acts 2001 and 2005 and the Equality Act of 2010 by:

- having a management structure bringing together the support for learners with disabilities and learning difficulties and the provision of additional learning support;
- the use of 10 Great Turnstile to provide 100% level access to all areas and a wheelchair lift at the front entrance;
- the supply of specialist equipment for use by students with disabilities;
- the continuing investment in resources to support students with learning difficulties and/or disabilities; and
- the continuing programme of staff development to ensure the provision of a high level of appropriate support for students who have learning difficulties and/or disabilities.

In 2021-22 22% (2020-21: 20%) of the student body declared a disability or learning difficulty. This remains high in comparison with adult and further education colleges in general which is between 14% and 15%.

FUNDRAISING

The Settlement aims to achieve best practice in the way in which it communicates with donors and other supporters. It takes care with both the tone of its communications and the accuracy of its data to minimise the pressures on supporters. It applies best practice to protect supporters' data and never sells or shares data, and ensures that communication preferences can be changed at any time. The Settlement manages its own fundraising activities and, during the period under review, has employed the services of a professional fundraising organisation who have made one of their employees available to provide hands-on expertise and operational input. The Settlement undertakes to react to and investigate any complaints regarding its fundraising activities and to learn from them and improve its service.

During 2021-22, the Settlement received no complaints about its fundraising activities.

TRADE UNION FACILITY TIME

There were no employees who were relevant union officials during the period, so there was no time or percentage of the pay bill spent on facility time. There were no paid trade union activities during the year.

**MARY WARD SETTLEMENT
REPORT OF THE BOARD OF TRUSTEES
FOR THE YEAR ENDED 31 JULY 2022**

DISCLOSURE OF INFORMATION TO AUDITORS

The members of the Board who held office at the date of approval of this report confirm that, so far as they are each aware, there is no relevant audit information of which the Settlement's auditors are unaware; and each member has taken all the steps that he or she ought to have taken to be aware of any relevant audit information and to establish that the Settlement's auditors are aware of that information.

Approved by order of the members of the Board on 5th April and signed on their behalf by:



Christine Cryne
Chair

MARY WARD SETTLEMENT

STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL FOR THE YEAR ENDED 31 JULY 2022

STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL

The following statement is provided to enable readers of the Annual Report and Financial Statements of the Settlement to obtain a better understanding of its governance and legal structure. The statement covers the period from 1st August 2021 to 31st July 2022 and up to the date of the approval of the Annual Report and Financial Statements.

The Settlement endeavours to conduct its business:

- in accordance with the seven principles identified by the Committee on Standards in Public Life (selflessness, integrity, objectivity, accountability, openness, honesty and leadership);
- in full accordance with the guidance to colleges from the Association of Colleges in The Code of Good Governance for English Colleges; and
- having due regard to the UK Corporate Governance Code (“the Code”) insofar as it is applicable to its operational activities.

The Settlement is committed to exhibiting best practice in all aspects of corporate governance and, in particular, the Board has adopted and complied with the Code of Good Governance. The Board has not adopted, and therefore does not apply, the UK Corporate Governance Code. However, we have reported on our Corporate Governance arrangements by drawing upon best practice available, including those aspects of the UK Corporate Governance Code we consider to be relevant to the further education sector and best practice.

In the opinion of the Board, the Settlement complies with all the provisions of the Code of Good Governance, and it has complied throughout the year ended 31st July 2022. The Board recognises that, as a body entrusted with both public and private funds, it has a particular duty to observe the highest standards of corporate governance at all times.

The Settlement is a registered charity. The trustees confirm that they have had due regard for the Charity Commission's guidance on public benefit and that the required statements appear elsewhere in these Financial Statements.

THE BOARD

The members of the Board, or on the Boards of its subsidiaries, who served during the year and up to the date of signature of this report are as listed in the following table:

Member	Date of appointment	Term of office	Date of leaving	Elected trustees	Position and Committees served
Mr M Bassett	December 2020	4 years	November 2021		
Ms R Brain***	October 2019	4 years			Finance
Ms N Cartner	June 2017	4 years			Governance & Nominations, Remuneration, Quality Improvement Group (Chair)
Mr G Collins	May 2018	4 years			Audit & Risk (Chair), Remuneration, Governance & Nominations
Mr J Collins	December 2020	4 years			Quality Improvement Group
Ms C Cryne	May 2021	4 years			Chair of Trustees, Governance & Nominations (Chair), Marketing & Communications, Remuneration (Chair)
Mr G Darby**	May 2018	3 years	June 2022	Tutor	Quality Improvement Group

MARY WARD SETTLEMENT
STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL
FOR THE YEAR ENDED 31 JULY 2022

THE BOARD (continued)

Member	Date of appointment	Term of office	Date of leaving	Elected trustees	Position and Committees served
Mr J Edwards*	July 2013, reappointed 2018	4 years	October 2021		
Ms F DelGuidice**	June 2022	3 years		Student	
Ms K Duong	May 2018	4 years			Treasurer; Audit & Risk; Finance (Chair); Remuneration; Governance & Nominations
Ms E Henry**	June 2022	3 years		Staff	
Mr A Hill**	March 2015 reappointed May 2018 extended to June 2022	3 years	June 2022	Staff	Quality Improvement Group
Mr T Hucker	June 2022	3 years			
Mr F Martins***	September 2020	4 years			Finance
Ms B Montoya	June 2017 extended to June 2022	4 years			Marketing & Communications
Mr P Nichols* ⁽¹⁾	December 2021	4 years			Finance
Ms P Nicholson**	November 2019	3 years	June 2022	Student	
Mr A Peck	March 2014 reappointed May 2018	4 years	June 2022		Audit and Risk (Chair); Governance and Nominations; Remuneration
Ms S Selzer	September 2020	4 years			Marketing & Communications
Ms P Snow**	June 2019	3 years	September 2021	Student	
Ms S Todd	September 2020	4 years			Marketing & Communications (Chair)
Ms E Wyatt* ⁽²⁾	Oct 2016 reappointed June 2021	4 years			Marketing & Communications
Ms B Campbell acts as Clerk to the Board					

* Trustees of MWLC only

** Trustees of MWS only

*** Trustees of Blackfriars Settlement only

(1) Paul Nichols was appointed in April 2020 as a co-opted trustee of Mary Ward Settlement, and served in this capacity until his formal appointment as a trustee to the board of Mary Ward Legal Centre in December 2021

(2) Emma Wyatt was reappointed in June 2021 as a trustee of Mary Ward Settlement and served in this capacity until her appointment as a trustee of Mary Ward Legal Centre only, in November 2021.

In addition to the Board, other people who served on committees during the year and up to the date of signature of this report were as listed in the following table:

Member	Date of Appointment	Date of resignation	Status of appointment	Committees served
Ms F Stormer	February 2019		External representative	Audit & Risk

MARY WARD SETTLEMENT
STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL
FOR THE YEAR ENDED 31 JULY 2022

THE BOARD (CONTINUED)

It is the Board's responsibility to bring independent judgement to bear on issues of strategy, performance, resources and standards of conduct.

The Board is provided with regular and timely information on the overall financial performance of the Settlement together with other information such as performance against funding targets, proposed capital expenditure, quality matters and personnel related matters such as health and safety and environmental issues.

The Board conducts some of its business through a number of committees. Each committee has terms of reference which have been approved by the Board. These committees are Governance & Nominations, Remuneration, Finance, Audit & Risk, Marketing & Communications and Quality & Improvement.

Full minutes of all meetings except those deemed to be confidential are available from the Clerk at the address below.

ATTENDANCE

The table below summarises the attendance at Board and sub-committee meetings for the year to 31st July 2022. For trustees of subsidiary company boards, the number of meetings refers only to those meetings of the subsidiary represent.

Member	Board	Strategy days	Governance & Nominations	Finance	Audit & Risk	Marketing & Communications	Quality & Improvement
Mr M Bassett	1 of 1	0 of 0					
Ms R Brain	2 of 4	2 of 2		0 of 2		1 of 5	
Ms N Cartner	3 of 4	1 of 2	3 of 3			3 of 5	4 of 4
Mr G Collins	3 of 4	1 of 2	3 of 3		3 of 4		
Mr J Collins	3 of 4	1 of 2					2 of 4
Ms C Cryne	3 of 4	2 of 2	3 of 3			2 of 5	
Mr G Darby	3 of 4	1 of 1	3 of 3				
Ms F DelGuidice	0 of 0	0 of 1					
Ms K Duong	2 of 4	2 of 2	2 of 3	4 of 4	4 of 4		
Ms E Henry	0 of 1	0 of 1					
Mr A Hill	1 of 3	0 of 1					3 of 4
Mr T Hucker	0 of 1	1 of 1		1 of 1			
Mr F Martins	2 of 4	2 of 2	2 of 3				3 of 4
Ms B Montoya	3 of 4	1 of 2	2 of 3			4 of 5	
Mr P Nichols	1 of 4	2 of 2		4 of 4			
Ms P Nicholson	1 of 3	1 of 2					3 of 4
Mr A Peck	1 of 3	1 of 2		4 of 4	2 of 2		
Ms S Selzer	4 of 4	2 of 2				4 of 5	
Ms P Snow	0 of 2						
Ms S Todd	4 of 4	2 of 2	2 of 3			5 of 5	
Ms E Wyatt	0 of 4	0 of 2		3 of 4			
Ms F Stormer					3 of 4		

The Remuneration Committee did not meet formally during 2021-22.

**MARY WARD SETTLEMENT
STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL
FOR THE YEAR ENDED 31 JULY 2022**

ATTENDANCE (CONTINUED)

In addition to the committees shown above, the following working groups operated during the year:

Property - overseeing the sale of 10 Great Turnstile and the purchase of Queensway House

Friends Alumni and Fundraising - overseeing relationships with friends and alumni, reviewing and seeking fundraising opportunities

Mission - tasked with reviewing and updating the Centre's Mission ahead of developing the next phase of the Settlement's Strategic Plan

The above working groups were not operated as formal committees with registers of attendance, nor were they formally clerked. However all significant discussions were reported back to the full Board, and a record of any decisions taken by the Board was formally noted as part of the full board minutes.

The Clerk maintains a register of financial and personal interests of the members of the Board. The register is available from the Clerk at the address below:

Mary Ward Settlement
42 Queen Square
London
WC1H 3AQ

All members of the Board are able to take independent professional advice in furtherance of their duties at the Settlement's expense and have access to the Clerk to the Board, who is responsible to the Board for ensuring that all applicable procedures and regulations are complied with. The appointment and removal of the Clerk are matters for the Board as a whole.

Formal agendas, papers and reports are supplied to members in a timely manner, prior to board meetings. Briefings are also provided on an ad-hoc basis.

The Board has a strong and independent non-executive element and no individual or group dominates its decision-making process. The Board considers that each of its non-executive members is independent of management and free from any business or other relationship which could materially interfere with the exercise of their independent judgement.

There is a clear division of responsibility in that the roles of the Chair and the Warden, the Accounting Officer, are separate.

APPOINTMENTS TO THE BOARD

With the exception of ex-officio appointments, members of the Board hold office for a period of four years (increased from three years by special resolution at the AGM in March 2016). Elected trustees currently on the Board will serve the term to which they were elected. Appointed members may be re-appointed for a second term of four years on the recommendation of the Governance and Nominations Committee. Third and further terms of four years may exceptionally be approved by the board on recommendation of the Governance and Nominations Committee if it is considered that this would produce a better balance of knowledge, skills, commitment and experience amongst the members.

Student and staff members of the Board are eligible to stand for re-election at the end of their term. Staff members are not eligible to serve as members if they cease to be a member of staff of the Settlement. Student members may continue to the end of their elected term of office even if they cease to be students of the Adult Education Centre during their term.

The Board is responsible for ensuring that appropriate training is provided as required.

MARY WARD SETTLEMENT
STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL
FOR THE YEAR ENDED 31 JULY 2022

TRUSTEE INDUCTION AND TRAINING

Each new trustee has an induction programme designed to meet their needs as a trustee. The content of the programme will vary depending on their level of experience as a charity trustee and their knowledge and understanding of the Settlement.

The programme will include spending time with each of the key management personnel. They are also encouraged to attend appropriate external training events where these will facilitate the undertaking of their role.

BOARD PERFORMANCE

As part of its annual self-assessment process for the year ended 31st July 2022, the Settlement carried out a review of its own performance in Leadership and Management and graded itself as “Good” on the Ofsted scale. The Board is committed to development and in addition to 2 strategy days during the year, the Chair has held one-on-one reviews with individual trustees as well as induction sessions with new trustees. The Board has considered DfE guidance on board reviews and has commenced a review of governance in other IALs. It has plans to carry out its own internal audit of governance once this work is completed and a new 5 year strategy determined to ensure any governance changes meets future needs. It also has plans to commission and external reviewer in future but did not carry out a formal review in 2021-22.

REMUNERATION COMMITTEE

The membership of the Remuneration Committee is entirely ex-officio and comprises five members made up of the Chair, the Treasurer, and the chairs of the other committees. The Committee’s responsibilities are to make recommendations to the Board on the remuneration and benefits of the Warden and other senior post-holders, and to oversee staff terms and conditions including annual cost of living increases.

Details of remuneration for the year ended 31st July 2022 are set out in note 12 to the Financial Statements.

THE GOVERNANCE AND NOMINATIONS COMMITTEE

The Governance and Nominations Committee comprises four members. The Committee is responsible for advising the Board on the composition, balance and appointment of the Board and its committees. It also ensures that members undergo a regular skills audit and that an annual assessment of training needs takes place.

AUDIT AND RISK COMMITTEE

The Audit and Risk Committee comprises up to five members. No member of staff is permitted to serve on the Audit and Risk Committee. The Committee operates in accordance with written terms of reference approved by the Board. The Audit and Risk Committee provides a forum for reporting by the Settlement’s internal and financial statements auditors, who have access to the committee for independent discussion, without the presence of Settlement management.

The Settlement’s internal auditors review the systems of internal control, risk management controls and governance process in accordance with an agreed plan of input and report their findings to management and the Audit and Risk Committee.

Management is responsible for the implementation of agreed audit recommendations and internal audit undertake periodic follow up reviews to ensure such recommendations have been implemented.

The Audit and Risk Committee also advises the Board on the appointment of internal, regularity and financial statements auditors and their remuneration for both audit and non-audit work, as well as reporting annually to the Board.

MARY WARD SETTLEMENT
STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL
FOR THE YEAR ENDED 31 JULY 2022

THE FINANCE COMMITTEE

The Finance Committee comprises up to five members. The Committee is responsible for advising the Board on all strategic finance related matters.

THE MARKETING AND COMMUNICATIONS COMMITTEE

The Marketing and Communications Committee comprises up to six members. The Committee is responsible for advising the Board on all marketing, communications and related matters.

THE QUALITY AND IMPROVEMENT COMMITTEE

The Quality and Improvement Committee comprises up to five members with a focus on the performance of the Adult Education Centre. The Committee is responsible for advising the Board on all educational quality improvement related matters.

INTERNAL CONTROL

SCOPE OF RESPONSIBILITY OF INTERNAL CONTROL

The Board is ultimately responsible for the Settlement's system of internal control and for reviewing its effectiveness. However, such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against material misstatement or loss.

The Board has delegated the day to day responsibility to the Warden, as Accounting Officer, for maintaining a sound system of internal control that supports the achievement of the Settlement's policies, aims and objectives, whilst safeguarding the public funds and assets for which she is personally responsible, in accordance with the responsibilities assigned to her in the Financial Memorandum between the Adult Education Centre and the Education and Skills Funding Agency. She is also responsible for reporting to the Board any material weaknesses or breakdowns in internal control.

THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Settlement policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place at the Settlement for the year ended 31st July 2022 and up to the date of approval of the Annual Report and Financial Statements.

CAPACITY TO HANDLE RISK

The Board has reviewed the key risks to which the Settlement is exposed, together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board is of the view that there is a formal ongoing process for identifying, evaluating and managing the Settlement's significant risks that has been in place for the year ended 31st July 2022 and up to the date of approval of the Annual Report and Financial Statements. This process is regularly reviewed by the Board.

MARY WARD SETTLEMENT
STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL
FOR THE YEAR ENDED 31 JULY 2022

THE RISK AND CONTROL FRAMEWORK

The system of internal financial control is based on a framework of regular management information, administrative procedures including the segregation of duties, and a system of delegation and accountability. In particular, it includes:

- comprehensive budgeting systems with an annual budget which is reviewed and agreed by the governing body;
- regular reviews by the governing body of periodic and annual financial reports which indicate financial performance against forecasts;
- setting targets to measure financial and other performance;
- clearly defined capital investment control guidelines; and
- the adoption of formal project management disciplines where appropriate.

The Settlement has an internal audit service, which operates in accordance with the requirements of the ESFA's *Post 16 Audit Code of Practice*. The work of the internal audit service is informed by an analysis of the risks to which the Settlement is exposed, and annual internal audit plans are based on this analysis. The analysis of risks and the internal audit plans are endorsed by the Settlement's governing body on the recommendation of the Audit and Risk Committee. At least annually, the internal audit service provides the governing body with a report on internal audit activity in the Settlement. The report includes the internal audit service's independent opinion on the adequacy and effectiveness of the Settlement's system of risk management, controls and governance processes.

THE REVIEW OF EFFECTIVENESS

As Accounting Officer, the Warden has responsibility for reviewing the effectiveness of the system of internal control. Her review of the effectiveness of the system of internal control is informed by:

- the work of the internal auditors;
- the work of the executive managers within the Settlement who have the responsibility for the development and maintenance of the internal control framework; and
- comments made by the Settlement's Financial Statements auditors and the Regularity auditors in their management letters and other reports.

The Warden has been advised on the implications of the result of her review of the effectiveness of the system of internal control by the Audit and Risk Committee which oversees the work of the internal auditor and other sources of assurance, and a plan to address weaknesses and ensure continuous improvement of the system is in place.

The Senior Management Team receives reports setting out key performance and risk indicators and considers possible control issues brought to their attention by early warning mechanisms, which are embedded within the departments and reinforced by risk awareness training. The Senior Management Team and the Audit and Risk Committee also receive regular reports from the internal auditor and other sources of assurance, which include recommendations for improvement. The Audit and Risk Committee's role in this area is confined to a high-level review of the arrangements for internal control. The Committee's agenda includes a regular item for consideration of risk and control and it receives reports thereon from the Senior Management Team. The emphasis is on obtaining the relevant degree of assurance and not merely reporting by exception. At its November 2022 meeting the Audit and Risk Committee carried out the annual assessment for the year ended 31st July 2022 by considering documentation from the Senior Management Team and internal audit service, as well as reviewing events since the year end.

Based on the advice of the Audit and Risk Committee and the Warden, the Board is of the opinion that the Settlement has an adequate and effective framework for governance, risk management and control, and has fulfilled its statutory responsibility for "*the effective and efficient use of resources, the solvency of the institution and the body and the safeguarding of their assets*".

MARY WARD SETTLEMENT
STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL
FOR THE YEAR ENDED 31 JULY 2022

GOING CONCERN

As part of the Settlement's redevelopment project and in the development of the strategy for its move to Stratford the Settlement has developed detailed financial projections which include modelling the impact of Covid-19 on its plans for growth, and the impact of risks and uncertainties associated with the redevelopment project. This work has supported the Board's ability to consider the financial impact of the challenges and uncertainties created by the Covid-19 pandemic, those of the redevelopment project and the implications of the ONS reclassification of colleges. As such it considers that the Settlement has adequate resources to continue in operational existence for the foreseeable future and until at least 12 months from the date these financial statements are signed. For this reason it continues to adopt the going concern basis in preparing the financial statements.

Approved by order of the members of the Board on 5th April 2023 and signed on their behalf by



Christine Cryne
Chair



Suzanna Jackson
Accounting Officer

MARY WARD SETTLEMENT
STATEMENT OF RESPONSIBILITIES OF THE BOARD OF TRUSTEES
FOR THE YEAR ENDED 31 JULY 2022

The trustees (who are also directors of the Settlement for the purposes of company law) are responsible for preparing the trustees' report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Settlement and of the income and expenditure of the Settlement for that period.

In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Settlement will continue in operation.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Settlement 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 Settlement and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Each of the trustees confirms that:

- so far as the trustee is aware, there is no relevant audit information of which the Settlement's auditor is unaware; and
- the trustee has taken all the steps that he/she ought to have taken as a trustee in order to make himself/herself aware of any relevant audit information and to establish that the Settlement's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

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

Approved by order of the members of the Board on 5th April 2023.



Christine Cryne
Chair

Opinion

We have audited the financial statements of Mary Ward Settlement and its subsidiaries (the 'group') for the year ended 31 July 2022 which comprise the group Statement of Comprehensive Income, the group Statement of Changes in Reserves, the group and company Balance Sheets, the group Statement of Cash Flows, the principal accounting policies, and the Notes to the Financial Statements. 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 settlement and the group's affairs as at 31 July 2022 and of its income and expenditure for the year then ended;
- ◆ have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- ◆ have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group 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. 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 group'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 and financial statements, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Other information (continued)

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

we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the strategic report and the trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' report including the strategic report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report including the strategic report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us;
- the group's financial statements are not in agreement with the accounting records or returns;
- 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.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, 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 group'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 group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of 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.

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we obtained an understanding of the legal and regulatory frameworks that are applicable to the group and determined that the most significant frameworks which are directly relevant to specific assertions in the financial statements are those that relate to the reporting framework: Statement of Recommended Practice: Accounting for Further and Higher Education 2019 (the 2019 FE HE SORP), the College Accounts Direction for 2021 to 2022, The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS102), the Companies Act 2006 and the Charities Act 2011), those that relate to data protection (General Data Protection Regulation), safeguarding, employment and health and safety, and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the group's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias;
- used data analytics to investigate the rationale behind any significant or unusual transactions;
- tested authorisation controls on expenditure items, ensuring all expenditure was approved in line with the group's financial procedures; and
- performed substantive testing on grant income to ensure the income recognised complied with the funding agreements.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance; and

Auditor's responsibilities for the audit of financial statements (continued)

- enquiring of management as to actual and potential litigation and claims.

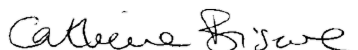
There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the trustees and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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 this report

This report is made solely to the charity's trustees, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charity's members those matters that 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 charity and the charity's trustees as a body, for our audit work, or the opinions we have formed.



Catherine Biscoe (Senior Statutory Auditor)
For and on behalf of Buzzacott LLP, Statutory Auditor
130 Wood Street
London
EC2V 6DL

Date: 6 April 2023

MARY WARD SETTLEMENT
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 JULY 2022

		Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
	Notes	Funds	Funds	2022	Funds	Funds	2021
INCOME		£'000	£'000	£'000	£'000	£'000	£'000
Donations and fundraising	2	533	25	558	427	-	427
Income for generating funds	3	375	-	375	367	-	367
<i>Income from charitable activities:</i>							
Adult education	4	3,246	28	3,274	3,040	24	3,064
Community services	5	7	215	222	-	223	223
Legal services	5	61	752	813	203	894	1,097
Investment income	6	3	-	3	5	-	5
Other Income - CJRS grant	7	5	-	5	130	-	130
Total income		4,230	1,020	5,250	4,172	1,141	5,313
EXPENDITURE							
<i>Cost of raising funds:</i>							
Generating donations and grants	8	56	-	56	54	-	54
<i>Expenditure on charitable activities:</i>							
Adult education		3,588	-	3,588	3,398	-	3,398
Community services		-	670	670	-	646	646
Legal services		-	1,064	1,064	-	1,219	1,219
Total expenditure	9/10	3,644	1,734	5,378	3,452	1,865	5,317
Surplus / (deficit) before other gains/losses		586	(714)	(128)	720	(724)	(4)
Gain on investments		-	-	-	4	-	4
Surplus / (Deficit) before tax		586	(714)	(128)	724	(724)	-
Taxation		-	-	-	-	-	-
Surplus / (Deficit) for the year		586	(714)	(128)	724	(724)	-
Actuarial gain / (loss) in respect of pension schemes	26	2,220	-	2,220	257	-	257
Transfers between funds		(714)	714	-	(724)	724	-
Total Comprehensive Income for the year		2,092	-	2,092	257	-	257

MARY WARD SETTLEMENT
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 JULY 2022

	Unrestricted funds £'000	Restricted funds £'000	Total 2022 £'000	<i>Unrestricted funds £'000</i>	<i>Restricted funds £'000</i>	<i>Total 2021 £'000</i>
Represented by:						
Restricted comprehensive income	-	-	-	-	-	-
Unrestricted comprehensive income	2,092	-	2,092	257	-	257
	<u>2,092</u>	<u>-</u>	<u>2,092</u>	<u>257</u>	<u>-</u>	<u>257</u>

MARY WARD SETTLEMENT
CONSOLIDATED AND CENTRE STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 JULY 2022

	Notes	2022 Group £'000	2022 Centre £'000	2021 Group £'000	2021 Centre £'000
INCOME					
Funding body grants	4	2,623	2,623	2,497	2,497
Tuition fees and education contracts	4	651	623	567	543
Other income from charitable activities	5	1,035	-	1,320	-
Other income - rent receivable	3	375	217	367	208
Investment income	6	3	1	5	2
Donations and fundraising	2	558	202	427	104
Other income - CJRS grant		5	-	130	62
Total income		5,250	3,666	5,313	3,416
EXPENDITURE					
Staff costs	12	3,359	2,119	3,549	2,175
Other operating expenses	11	1,728	1,391	1,475	1,113
Depreciation	14	222	145	219	141
Interest and other finance costs	13	69	64	74	66
Total expenditure		5,378	3,719	5,317	3,495
(Deficit) before other gains and losses		(128)	(54)	(4)	(79)
Gain on investments		-	-	4	-
(Deficit) before tax		(128)	(54)	-	(79)
Taxation		-	-	-	-
(Deficit) for the year		(128)	(54)	-	(79)
Actuarial gain /(loss) in respect of pension schemes	26	2,220	2,220	257	257
Total Comprehensive Income for the year		2,092	2,166	257	178
Represented by:					
Restricted comprehensive income		-	-	-	-
Unrestricted comprehensive income		2,092	2,166	257	178
		2,092	2,166	257	178

MARY WARD SETTLEMENT
CONSOLIDATED STATEMENT OF CHANGES IN RESERVES
FOR THE YEAR ENDED 31 JULY 2022

	Group Income and expenditure account £'000	Centre Income and expenditure account £'000
Balance as at 1st August 2020	9,451	6,483
Deficit from the income and expenditure account	-	(79)
Other comprehensive income	257	257
Total comprehensive income for the year	<u>257</u>	<u>178</u>
 Balance as at 31st July 2021	 9,708	 6,661
(Deficit) from the income and expenditure account	(128)	(54)
Other comprehensive income	2,220	2,220
Total comprehensive income for the year	<u>2,092</u>	<u>2,166</u>
 Balance as at 31st July 2022	 <u>11,800</u>	 <u>8,827</u>

MARY WARD SETTLEMENT
CONSOLIDATED AND CENTRE BALANCE SHEET
AS AT 31 JULY 2022

	Notes	2022 Group £'000	2022 Centre £'000	2021 Group £'000	2021 Centre £'000
Non current assets					
Tangible fixed assets	14	18,871	16,026	13,372	10,452
Investments	15	31	-	31	-
		<u>18,902</u>	<u>16,026</u>	<u>13,403</u>	<u>10,452</u>
Current assets					
Work in Progress		200	-	178	-
Trade and other receivables	16	2,476	2,342	678	542
Cash and cash equivalents	21	<u>647</u>	<u>465</u>	<u>2,496</u>	<u>2,331</u>
		<u>3,323</u>	<u>2,807</u>	<u>3,352</u>	<u>2,873</u>
Less: Creditors - amounts falling due within one year	17	(2,366)	(2,017)	(1,456)	(1,169)
Net current assets		<u>957</u>	<u>790</u>	<u>1,896</u>	<u>1,704</u>
Total assets less current liabilities		19,859	16,816	15,299	12,156
Creditors - amounts falling due after more than one year	18	(7,483)	(7,413)	(3,000)	(2,904)
Provisions					
Defined benefit obligations	20/26	(576)	(576)	(2,591)	(2,591)
Total net assets		<u>11,800</u>	<u>8,827</u>	<u>9,708</u>	<u>6,661</u>
Restricted reserves					
Income and expenditure account					
Other Restricted Reserves		9	9	9	9
Unrestricted reserves					
Income and expenditure account		3,722	3,596	3,422	3,300
Other Unrestricted Reserves		5,222	5,222	3,352	3,352
Designated Reserves:					
Fixed Asset Reserve		<u>2,847</u>	<u>-</u>	<u>2,925</u>	<u>-</u>
Total reserves		<u>11,800</u>	<u>8,827</u>	<u>9,708</u>	<u>6,661</u>

The Financial Statements on pages 34 to 6 were approved and authorised for issue by the Board on 5th April 2023 and signed on its behalf by:


Christine Cryne
Chair


Suzanna Jackson
Accounting Officer

MARY WARD SETTLEMENT
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 JULY 2022

		2022	2021
	Notes	£'000	£'000
Cash flow from operating activities			
(Deficit) for the year		(128)	-
Adjustment for non-cash items			
Depreciation	14	222	219
Provision of deferred income		4,618	1,762
Release of deferred gain		(265)	(272)
(Increase) in work in progress		(22)	(56)
Decrease / (increase) in debtors	16	(1,798)	434
Increase in creditors due within one year	17	1,170	178
Increase in creditors due after one year	18	-	-
Pension costs less contributions payable (including administration cost)	26	205	190
Adjustment for investing activities			
Investment income	6	(3)	(5)
Interest payable	13	28	38
(Gains) on investments		-	(4)
Net cash flow from operating activities		<u>4,027</u>	<u>2,484</u>
Cash flows from investing activities			
Investment income	6	3	5
Payments made to acquire fixed assets	14	<u>(5,721)</u>	<u>(1,562)</u>
		<u>(5,718)</u>	<u>(1,557)</u>
Cash flows from financing activities			
Interest paid		(28)	(38)
Repayments of amounts borrowed		<u>(130)</u>	<u>(116)</u>
		<u>(158)</u>	<u>(154)</u>
Increase / (Decrease) in cash and cash equivalents in the year		<u><u>(1,849)</u></u>	<u><u>773</u></u>
Cash and cash equivalents at the beginning of the year		2,496	1,723
Cash and cash equivalents at the end of the year		647	2,496

**MARY WARD SETTLEMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2022**

1 ACCOUNTING POLICIES

Statement of accounting policies and estimation techniques

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Financial Statements.

Basis of preparation

These Financial Statements have been prepared in accordance with the *Statement of Recommended Practice: Accounting for Further and Higher Education 2019 (the 2019 FE HE SORP)*, the *College Accounts Direction for 2021 to 2022* and in accordance with Financial Reporting Standard 102 - “*The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS102)*”. The Settlement is a public benefit entity and has therefore applied the relevant public benefit requirements of FRS102.

The preparation of financial statements in compliance with FRS102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Settlement’s accounting policies.

The Financial Statements are presented in sterling and are rounded to the nearest thousand.

Basis of accounting

The Financial Statements are prepared in accordance with the historical cost convention as modified by the use of previous valuations as deemed cost at transition for certain non-current assets.

Basis of consolidation

The consolidated Financial Statements include the Adult Education Centre and its subsidiaries, the Legal Centre, and Blackfriars, both controlled by the Settlement. Control is achieved where the Settlement has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

Going concern

The activities of the Settlement, together with the factors likely to affect its future development and performance are set out in the Report of the Board of Trustees. The financial position of the Settlement, its cash flow, liquidity and borrowings are described in the Financial Statements and accompanying Notes.

As part of our redevelopment project and in the development of our strategy for our move to Stratford we have developed detailed financial projections which include modelling the potential impact of COVID 19 on our plans for growth and the impact of risks and uncertainties associated with the redevelopment project. This work has supported the Board’s ability to consider the financial impact of the challenges and uncertainties created by the Covid-19 pandemic, those of the redevelopment project and the implications of the ONS reclassification of colleges. As such it considers that the Settlement has adequate resources to continue in operational existence for the foreseeable future and until at least 12 months from the date these financial statements are signed. For this reason, it continues to adopt the going concern basis in preparing the financial statements.

Recognition of income

Income is recognised in the period in which the Settlement has entitlement to the income and the amount can be measured reliably and it is probable that the income will be received. Income is deferred only when the Settlement has to fulfil conditions before becoming entitled to it or where the donor or funder has specified that the income is to be expended in a future accounting period.

MARY WARD SETTLEMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2022

Revenue funding

Government revenue grants, including funding body recurrent grants and other grants, are accounted for under the accrual model as permitted by FRS102. Funding body recurrent grants are measured in line with best estimates for the period of what is receivable and depend on the particular income stream involved. Any under or over achievement for the Adult Skills Budget is adjusted for and reflected in the level of recurrent grant recognised in the income and expenditure account. The final grant income is normally determined with the conclusion of the year end reconciliation process with the funding body at the end of November following the year end, and the results of any funding audits.

Donations and grants are recognised when the Settlement has confirmation of both the amount and settlement date. In the event of donations and grants pledged but not received, the amount is accrued for where the receipt is considered probable. In the event that a donation or grant is subject to conditions that require a level of performance before the Settlement is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the Settlement and it is probable that those conditions will be fulfilled in the reporting period.

Fee and contractual income represent the amounts receivable for the services provided to clients, excluding value added tax, under contractual obligations which are performed gradually over time. Incomplete contracts at the balance sheet date are accounted for by reference to the fair value of the work performed and amounts due but not received at the balance sheet date are described in the Financial Statements as contractual income debtors.

Capital grant funding

Government capital grants are capitalised, held as deferred income and recognised in income over the expected useful life of the asset, under the accrual method permitted by FRS102. Other non-governmental, capital grants are recognised in income when the Settlement is entitled to the funds, subject to any performance related conditions being met.

Fee income

Income from tuition fees is stated gross of any expenditure which is not a discount and is recognised in the period for which it is received and includes all fees payable by students or their sponsors, for example the National Health Service.

Investment income

All income from short term deposits is credited to the income and expenditure account in the period in which it is earned on a receivable basis.

Rental income is stated gross of any expenditure and is recognised in the period for which it is payable.

Other income

Other sundry income is recognised to the extent that it is probable that the economic benefits will flow to the Settlement and the revenue can be measured reliably. It is measured at fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

MARY WARD SETTLEMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2022

Agency arrangements

The Settlement acts as an agent in the collection and payment of various discretionary support funds. Related payments received from funding bodies and subsequent disbursements to students are excluded from the income and expenditure of the Settlement, where the Settlement is exposed to minimal risks or enjoys minimal economic benefit related to the transactions.

Accounting for post-employment benefits

Post-employment benefits to employees of the Settlement are provided by the Teachers' Pension Scheme (TPS) and the Local Government Pension Scheme (LGPS). These are defined benefit schemes, which are contracted out of the State Second Pension (for men born on or before 6th April 1951 and women born on or before 6th April 1953).

Teachers' Pension Scheme

The TPS is an unfunded scheme. Contributions to the TPS are calculated so as to spread the cost of pensions over employees' working lives with the Settlement in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by qualified actuaries on the basis of valuations using a prospective benefit method.

The TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as an expense in the income statement in the periods during which services are rendered by employees.

The London Pension Fund Authority

The LGPS is a funded scheme. The assets of the LGPS are measured using closing fair values. LGPS liabilities are measured using the projected unit credit method and discounted at the current rate of return on a high quality corporate bond of equivalent term and currency to the liability. The actuarial valuations are obtained at least triennially and are updated at each Balance Sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred.

Net interest on the net defined benefit liability/asset is also recognised in the Statement of Comprehensive Income and comprises the interest cost on the defined obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in interest and other finance costs.

Actuarial gains and losses are recognised immediately in the Statement of Comprehensive Income.

Short term Employment benefits

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

MARY WARD SETTLEMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2022

Non-current assets - Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses.

Land and buildings

Freehold buildings are depreciated on a straight line basis over their expected useful economic life of 40 years.

Freehold land is not depreciated as it is considered to have an infinite useful life.

The Settlement has a policy of depreciating major adaptations to freehold buildings over the period of their useful economic life of 40 years. Leasehold buildings are amortised over the term of the lease as are major adaptations to leasehold buildings.

Where land and buildings are acquired with the aid of specific grants, they are capitalised and depreciated as above. The related government grants are credited to a deferred income account within creditors, and are released to the income and expenditure account over the expected useful economic life of the related asset on a systematic basis consistent with the depreciation policy. The deferred income is allocated between creditors due within one year and those due after more than one year. Non-government grants are recognised in the Statement of Comprehensive Income when the Settlement becomes entitled to them.

A review of impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying amount of any fixed asset may not be recoverable.

On adoption of FRS102, the Settlement followed the transitional provision to retain the book value of land and buildings, which were revalued in 1996, as deemed cost but not to adopt a policy of revaluation of these properties in the future.

Subsequent expenditure on existing fixed assets

Where significant expenditure is incurred on tangible fixed assets after initial purchase, it is charged to income in the period it is incurred, unless it increases the future benefits to the Settlement, in which case it is capitalised and depreciated on the relevant basis.

Equipment

Equipment costing less than £1,000 per individual item is recognised as expenditure in the period of acquisition. All other equipment is capitalised at cost.

All equipment, including fixtures and fittings, is depreciated over 5 years on a straight line basis.

Borrowing costs

Borrowing costs are recognised as expenditure in the period in which they are incurred.

Leased assets

Costs in respect of operating leases are charged on a straight-line basis over the lease term.

The Settlement has 2 years remaining on an operating lease, until July 2022, with Meraki Holdings on the property occupied by the Legal Centre at 10 Great Turnstile. The amount payable by the Settlement under the lease (exclusive of rates and service charge) is £425,000 per annum.

MARY WARD SETTLEMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2022

Investments

Listed investments held as non-current assets and current asset investments, which may include listed investments, are stated at fair value, with movements recognised in the Statement of Comprehensive Income. Investments comprising unquoted equity instruments are measured at fair value, estimated using a valuation technique.

Cash and cash equivalents

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

Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash with insignificant risk of change in value. An investment qualifies as a cash equivalent when it has a maturity of 3 months or less from the date of acquisition.

Financial liabilities and equities

Financial liabilities and equity are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form.

All loans, investments and short term deposits held by the Settlement are classified as basic financial instruments in accordance with FRS102. These instruments are initially recorded at the transaction price less any transaction costs (historical cost). FRS102 requires that basic financial instruments are subsequently measured at amortised cost, however the Settlement has calculated that the difference between historical cost and amortised cost basis is not material and so these financial instruments are stated on the Balance Sheet at historical cost. Loans and investments that are payable or receivable within one year are not discounted.

Taxation

The Settlement is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Settlement is potentially exempt from taxation in respect of income and capital gains received within categories covered by sections 478-488 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

The Settlement is partially exempt in respect of Value Added Tax, so that it can only recover a minor element of VAT charged on its inputs. Irrecoverable VAT on inputs is included in the costs of such inputs and added to the cost of tangible fixed assets as appropriate, where the inputs themselves are tangible fixed assets by nature.

Provisions and contingent liabilities

Provisions are recognised when the Settlement, or one of its subsidiaries, has a present legal or constructive obligation as a result of a past event, it is probable that a transfer of economic benefit will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Where the effect of time value of money is material, the amount expected to be required to settle the obligation is recognised at present value using a pre-tax discount rate. The unwinding of the discount is recognised as a finance cost in the Statement of Comprehensive Income in the period that it arises.

MARY WARD SETTLEMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2022

Provisions and contingent liabilities (continued)

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

Contingent liabilities are not recognised in the Balance Sheet but are disclosed in the Notes to the Financial Statements.

Judgements in applying accounting policies and key sources of estimation of uncertainty

In preparing these Financial Statements, management have made the following judgements:

- To determine whether leases entered into by the Settlement, either as a lessor or a lessee are operating or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis.
- To determine whether there are indicators of impairment of the Settlement's tangible assets. Factors taken in to consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and, where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit.

Other key sources of estimation uncertainty

- **Tangible fixed assets**

Tangible fixed assets, other than investment properties, are depreciated over their useful lives, taking into account residual values where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and the projected disposal values.

- **Local Government Pension Scheme**

The present value of the LGPS defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 26, will impact the carrying amount of the pension liability. Furthermore, a roll forward approach which projects results from the latest full actuarial valuation performed at 31st March 2016, has been used by the actuary in valuing the pension liability at 31st July 2022. Any difference between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

- **Sale and Leaseback**

The Settlement sold a property in 2017-18 under a sale and leaseback agreement. The sale price was above fair value and so the excess over fair value has been treated as a gain deferred over the life of the lease. Fair value has been determined by the trustees, taking into account an independent professional valuation report from its property advisers, Gryphon Property Partners, and adjusting the value shown in the report based on current market rental values and the future use of the property.

**MARY WARD SETTLEMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2022**

Judgements in applying accounting policies and key sources of estimation of uncertainty (continued)

- Sale and Leaseback (continued)

The amortisation of the deferred gain over the life of the lease is being charged on a straight line basis to rental expenditure. No legal right to set off exists, as would normally be required for this treatment under FRS102, but the trustees believe that one of the purposes of the agreement is to give rise to a gain that partly represents the rent to be paid over the term of the lease. It is therefore considered true and fair to set off the gain against the rent.

- Gifts in Kind

Donated professional services are recognised as income when the Settlement has control over them, any conditions associated with the donated service having been met, the receipt of economic benefit from the use by the Settlement of the item is probable and that the economic benefit can be measured reliably. In accordance with the FE/HE SORP (FRS102), the time of general volunteers is not recognised.

On receipt, donated professional services are recognised on the basis of the value of the gift to the Settlement which is the amount that the Settlement would have been willing to pay to obtain those services on the open market; a corresponding amount is then recognised in expenditure in the same period as the receipt.

MARY WARD SETTLEMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2022

2 DONATIONS AND FUNDRAISING

	2022 Group	2022 Centre	2021 Group	2021 Centre
	£'000	£'000	£'000	£'000
Income from general fundraising and donations	278	116	186	52
Income from fund raising and donations for bursary fund	98	-	81	-
Value in kind donations	164	86	160	52
Total	540	202	427	104

3 ACTIVITIES FOR GENERATING FUNDS

	2022 Group	2022 Centre	2021 Group	2021 Centre
	£'000	£'000	£'000	£'000
Rent received	375	217	367	208
Total	375	217	367	208

4A ADULT EDUCATION

	2022 Group	2022 Centre	2021 Group	2021 Centre
	£'000	£'000	£'000	£'000
Grants receivable	2,623	2,623	2,497	2,497
Tuition fees	623	623	543	543
Education contracts	28	-	24	-
Total	3,274	3,246	3,064	3,040

4B FUNDING BODY GRANTS

	Group and Centre	Group and Centre
	2022 £'000	2021 £'000
ESFA recurrent grant	2,367	2,299
ESFA non recurrent grants	224	166
Releases of deferred capital grants	32	32
Total	2,623	2,497

MARY WARD SETTLEMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2022

4c TUITION FEES AND EDUCATION CONTRACTS

	2022 Group £'000	2022 Centre £'000	2021 Group £'000	2021 Centre £'000
Adult education fees	507	507	409	409
Fees for FE loan supported courses	116	116	134	134
Education contracts	28	-	24	-
Total	651	623	567	543

5 OTHER INCOME FROM CHARITABLE ACTIVITIES

	2022 Group £'000	2022 Centre £'000	2021 Group £'000	2021 Centre £'000
Legal fees and disbursements	199	-	434	-
Grants receivable - Legal Centre	614	-	663	-
Total - Legal Services	813	-	1,097	-
Other Grants receivable	222	-	223	-
Total	1,035	-	1,320	-

6 INVESTMENT INCOME

	2022 Group £'000	2022 Centre £'000	2021 Group £'000	2021 Centre £'000
Bank interest received	1	1	2	2
Other investment income	2	-	3	-
Total	3	1	5	2

7 OTHER INCOME

Other income is comprised of receipts from the government's Coronavirus Job Retention Scheme.

MARY WARD SETTLEMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2022

8 COST OF RAISING FUNDS

	2022	2021
	Group	Group
	£'000	£'000
Adult education – staff costs	31	29
Legal services – staff costs	12	12
Other – staff costs	13	13
Total	56	54

9 TOTAL EXPENDITURE

	Grant	Direct	Support	Total
	funding	costs	Costs	2022
	£'000	£'000	£'000	Group
				£'000
Adult education	31	1,768	1,820	3,619
Legal services	12	679	385	1,076
Other	13	352	318	683
	<u>56</u>	<u>2,799</u>	<u>2,523</u>	<u>5,378</u>

	Grant	Direct	Support	Total
	funding	costs	costs	2021
	£'000	£'000	£'000	Group
				£'000
<i>Adult education</i>	29	1,618	1,780	3,427
<i>Legal services</i>	12	797	422	1,231
<i>Other</i>	13	202	444	659
	<u>54</u>	<u>2,617</u>	<u>2,646</u>	<u>5,317</u>

MARY WARD SETTLEMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2022

10 SUPPORT COSTS

	Other	Adult education	Legal services	Total 2022 Group
	£'000	£'000	£'000	£'000
Staff costs	192	861	228	1,281
Travel and subsistence	-	3	-	3
Publicity	-	28	2	30
Premises costs	104	269	109	482
Administration	31	280	32	343
Audit fee	7	37	14	58
Legal and professional fees	-	130	-	130
Bank charges	-	3	-	3
Interest payable	5	64	-	69
Amortisation and depreciation	77	145	-	222
	<u>417</u>	<u>1,820</u>	<u>385</u>	<u>2,621</u>

	Other	Adult education	Legal services	Total 2021 Group
	£'000	£'000	£'000	£'000
Staff costs	243	902	223	1,368
Travel and subsistence	7	1	-	8
Publicity	-	30	-	30
Premises costs	92	133	120	345
Administration	10	336	68	414
Audit fee	7	35	10	52
Legal and professional fees	-	133	-	133
Bank charges	-	3	1	4
Interest payable	8	66	-	74
Amortisation and depreciation	77	141	-	218
	<u>444</u>	<u>1,780</u>	<u>422</u>	<u>2,646</u>

Support costs include:

	2022 Group	2022 Centre	2021 Group	2021 Centre
	£'000	£'000	£'000	£'000
Auditor's remuneration:				
Financial Statements audit	39	26	41	24
Regularity audit	2	2	2	2
Internal audit	9	9	9	9

MARY WARD SETTLEMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2022

11 OTHER OPERATING EXPENSES

	2022 Group £'000	2022 Centre £'000	2021 Group £'000	2021 Centre £'000
Teaching costs	141	141	146	146
Non-teaching costs	736	512	784	567
Premises costs	851	738	545	400
Total	<u>1,728</u>	<u>1,391</u>	<u>1,475</u>	<u>1,113</u>

12 STAFF COSTS

The average number of persons (including key management personnel) employed by the Settlement during the year, described as both individuals and full-time equivalents was:

	2022		2021	
	No.	fte	No.	fte
Adult Education Centre staff	150	47	116	46
Legal Centre staff	22	19	27	24
Blackfriars staff	17	10	16	11
	<u>189</u>	<u>76</u>	<u>159</u>	<u>80</u>

The difference between the number of teaching staff and the full-time equivalent is the large number of part-time tutors employed by the Mary Ward Adult Education Centre.

	2022		2021	
<i>Adult Education Centre:</i>	No.	fte	No.	fte
Teaching staff	120	23	80	19
Non-teaching staff	30	24	36	27
	<u>150</u>	<u>47</u>	<u>116</u>	<u>46</u>

Staff costs for the above persons

	2022 £'000	2021 £'000
Adult Education Centre staff	2,119	2,175
Legal Centre staff	869	958
Blackfriars staff	371	416
	<u>3,359</u>	<u>3,549</u>

MARY WARD SETTLEMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2022

12 STAFF COSTS (continued)

	2022 Group	2022 Centre	2021 Group	2021 Centre
	£'000	£'000	£'000	£'000
Wages and salaries	2,614	1,552	2,812	1,621
Social security costs	225	121	232	125
Other pension costs (including LGPS adjustments of £159,000 (2020-21: £149,000))	520	446	505	429
	<u>3,359</u>	<u>2,119</u>	<u>3,549</u>	<u>2,175</u>

Key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Settlement and are represented by the Senior Management Team, which comprised the Warden (who is also the Accounting Officer), the Director of Community and Adult Education, the Director of Mary Ward Legal Centre, the Director of Blackfriars Settlement and the Director of Finance and Resources.

	2022 Group	2022 Centre	2021 Group	2021 Centre
	No.	No.	No.	No.
The number of key management personnel	<u>5</u>	<u>3</u>	<u>5</u>	<u>3</u>

The number of key management personnel and other staff who received annual emoluments, excluding pension contributions but including benefits in kind, in the following ranges was:

	2022 Group	2022 Centre	2021 Group	2021 Centre
	£'000	£'000	£'000	£'000
£45,001 to £50,000 p.a.	1	-	1	-
£55,001 to £60,000 p.a.	1	-	1	-
£70,001 to £75,000 p.a.	-	-	1	1
£75,001 to £80,000 p.a.	2	2	1	1
£85,001 to £90,000 p.a.	1	1	1	1
	<u>5</u>	<u>3</u>	<u>5</u>	<u>3</u>

MARY WARD SETTLEMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2022

12 STAFF COSTS (continued)

Key management personal emoluments are made up as follow:

	2022 Group £'000	2022 Centre £'000	2021 Group £'000	2021 Centre £'000
Salaries	352	231	343	222
Employers National Insurance	44	29	41	27
Pension contributions	59	50	55	46
Total key management emoluments	<u>455</u>	<u>310</u>	<u>439</u>	<u>295</u>

The above emoluments include amounts payable to the Accounting Officer (who is also the highest paid officer) of:

	2022 Group and Centre £'000	2021 Group and Centre £'000
Salaries	90	85
	<u>90</u>	<u>85</u>
Pension contributions	<u>21</u>	<u>11</u>

Relationship of Accounting Officer pay and remuneration expressed as a multiple

	2022	2021
Accounting Officer's basic salary as a multiple of the median of all staff	2.3	3.0
Accounting Officer's total remuneration as a multiple of the median of all staff	<u>2.5</u>	<u>2.9</u>

No trustees received any payment from the Settlement, making no claims for travel and subsistence or any other expenses (2021 – none).

MARY WARD SETTLEMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2022

13 INTEREST AND OTHER FINANCE COSTS

	2022 Group £'000	2022 Centre £'000	2021 Group £'000	2021 Centre £'000
On bank and government agency loans	28	23	38	30
Pension finance costs (note 26)	41	41	36	36
Total	69	64	74	66

14 TANGIBLE FIXED ASSETS - THE SETTLEMENT

	Land and buildings		Equipment	Total
	Freehold £'000	Leasehold £'000	£'000	£'000
Cost				
As at 1 st August 2021	10,268	5,517	599	16,384
Additions	5,688	-	33	5,721
As at 31st July 2022	15,956	5,517	632	22,105
Depreciation				
At 1 st August 2021	-	2,506	506	3,012
Charge for the year	-	200	22	222
At 31st July 2022	-	2,706	528	3,234
Net book value as at 31st July 2022	15,956	2,811	104	18,871
<i>Net book value as at 31st July 2021</i>	<i>10,268</i>	<i>3,011</i>	<i>93</i>	<i>13,372</i>

MARY WARD SETTLEMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2022

14 TANGIBLE FIXED ASSETS - ADULT EDUCATION CENTRE

	Land and buildings		Equipment	Total
	Freehold	Leasehold		
	£'000	£'000	£'000	£'000
Cost				
As at 1 st August 2021	10,268	2,143	472	12,883
Additions	5,688	-	31	5,719
As at 31st July 2022	15,956	2,143	503	18,602
Depreciation				
At 1 st August 2021	-	2,009	422	2,431
Charge for the year		134	11	145
At 31st July 2022	-	2,143	433	2,576
Net book value as at 31st July 2022	15,956	-	70	16,026
<i>Net book value as at 31st July 2021</i>	<i>10,268</i>	<i>134</i>	<i>50</i>	<i>10,452</i>

In 2017-18 the Settlement sold a property for sale proceeds of £9,460,000, under a sale and leaseback agreement. As stated in the accounting policies, the sale price was above fair value and so the excess over fair value has been deferred over the life of the lease. Fair value has been determined by the trustees, taking into account an independent professional valuation report from Gryphon property partners, and adjusting this based on the current market rental values and the future use of the property. The total gain on the sale was £5,319,000. Of this, £4,068,000 was recognised as a gain on disposal in 2017-18, and the remaining gain of £1,081,000 was recognised as deferred income, to be released in equal amounts over the life of the lease. The amortisation of the gain credited to rental expenditure in 2021-22 was £265,000 (2020-21: £272,000).

15 INVESTMENTS

	2022 Group £'000	2022 Centre £'000	2021 Group £'000	2021 Centre £'000
Listed investments				
Market value as at 1 st August 2021	31	-	27	-
Net unrealised investment gains	-	-	4	-
				-
Total value of portfolio as at 31st July 2022	31	-	31	-
Cost of listed investments at 31 st July 2021	3	-	3	-

MARY WARD SETTLEMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2022

15 INVESTMENTS (continued)

Listed investments held at 31st July 2022 comprised the following:

	2022	2021
	Group only	Group only
	£'000	£'000
UK fixed interest		
UK equities	30	30
Unlisted investments	1	1
Total	<u>31</u>	<u>31</u>

At 31st July 2022 the Settlement held no individual holdings that were material relative to the market value of the total listed investments portfolio held at that date.

16 DEBTORS

	2022	2022	2021	2021
	Group	Centre	Group	Centre
	£'000	£'000	£'000	£'000
Amounts falling due within one year:				
Trade receivables	269	150	270	84
Other debtors	2		2	-
Amounts owed by group undertakings		152	-	220
VAT recoverable	89	94	39	38
Prepayments and accrued income	2,116	1,946	367	200
	<u>2,476</u>	<u>2,342</u>	<u>678</u>	<u>542</u>

17 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022	2022	2021	2021
	Group	Centre	Group	Centre
	£'000	£'000	£'000	£'000
Bank loans and overdrafts	133	108	128	103
Trade payables	911	902	114	107
Bursary creditor	79	79	77	77
Other taxation and social security	99	72	125	98
Accrual for untaken annual leave	70	53	74	68
Other accruals and deferred income	1,074	803	641	419
Deferred income - government capital grants	-	-	32	32
Deferred income - profit on disposal of property (note 14)	-	-	265	265
Total	<u>2,366</u>	<u>2,017</u>	<u>1,456</u>	<u>1,169</u>

MARY WARD SETTLEMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2022

18 CREDITORS: AMOUNTS FALLING DUE AFTER ONE YEAR

	2022 Group £'000	2022 Centre £'000	2021 Group £'000	2021 Centre £'000
Bank loans	398	328	533	437
Deferred income - government capital grants	7,085	7,085	2,467	2,467
Total	7,483	7,413	3,000	2,904

19 MATURITY OF DEBT

Bank loans and overdrafts are repayable as follows:

	2022 Group £'000	2022 Centre £'000	2021 Group £'000	2021 Centre £'000
In one year or less	133	108	128	103
Between two and five years	398	328	533	437
Total	531	436	661	540

A loan to the Settlement, at 5%, repayable by instalments, falling due December 2025, is secured by a fixed charge on the freehold property.

On 24th February 2022 the Settlement entered into an agreement to borrow £3,000,000 from The Charity Bank Ltd, repayable over 23 years from the second anniversary of the agreement. Interest is payable at 3.65% above the Bank of England base rate ("base") on the outstanding balance in the first 2 years and thereafter at 2.45% above base. The loan is secured by a fixed charge on the freehold property. As at the balance sheet date, no drawdown had been made on this facility. This facility has been drawdown in full since the year end date (see note 25).

20 PROVISIONS

	Defined benefit obligations £'000	Group and Centre	
		Other £'000	Total £'000
At 1 st August 2021	2,591	-	2,591
Gain in the period	(2,015)	-	(2,015)
As at 31st July 2022	576	-	576

Defined Benefit Obligations relate to the liabilities under the Settlement's membership of the Local Government Pension Scheme. Further details are given in note 26.

MARY WARD SETTLEMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2022

21 CASH AND CASH EQUIVALENTS

	At 1 August 2021 £'000	Group Cash flows £'000	Other changes £'000	At 31 July 2022 £'000
Cash and cash equivalents	2,496	(1,849)	-	647
	<u>2,496</u>	<u>(1,849)</u>	<u>-</u>	<u>647</u>

22 CAPITAL AND OTHER COMMITMENTS

	Group and Centre	
	2022 £'000	2021 £'000
Commitments contracted for at 31 st July	4,480	-

23 LEASE OBLIGATIONS

At 31st July the Settlement had minimum lease payments under non-cancellable operating leases as follows:

	2022 Group £'000	2022 Centre £'000	2021 Group £'000	2021 Centre £'000
Land and buildings				
Not later than one year	-	-	336	269
	<u>-</u>	<u>-</u>	<u>336</u>	<u>269</u>
	2022 Group £'000	2022 Centre £'000	2021 Group £'000	2021 Centre £'000
Equipment				
Not later than one year	-	-	3	-
	<u>-</u>	<u>-</u>	<u>3</u>	<u>-</u>

MARY WARD SETTLEMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2022

24 CONTINGENT LIABILITIES

There are no contingent liabilities.

25 EVENTS AFTER THE REPORTING PERIOD

In order to address rising costs of construction for elements of the redevelopment work not captured by the Design and Build contract of 19th January 2022, a Deed of Variation was negotiated and signed on 17th October 2022 for a total committed sum of £11,420,000.

During August 2022, in order to fund rising costs of construction, an agreement was reached with The Charity Bank Ltd, to extend the loan facility to £3,300,000 from £3,000,000. Between August 2022, and February 2023, the full amount of this loan facility was drawn down (with DfE consent obtained where required) against costs of construction incurred.

On 29 November 2022, the Office for National Statistics reclassified all college corporations to Central Government sector with immediate effect. This means that colleges, including the Centre, will now be subject to the framework for financial management set out in Managing Public Money (MPM) and the Department for Education will introduce new rules for colleges, some of which will take effect immediately.

26 DEFINED BENEFIT OBLIGATIONS

The Settlement's employees belong to two principal post-employment defined benefit plans: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by the London Pensions Fund Authority. Both are multi-employer defined-benefit schemes.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest formal actuarial valuation of the TPS was 31 March 2019 and of the LGPS 31 March 2019.

Total pension cost for the year	2022	2021
	£'000	£'000
Teachers' Pension Scheme: contributions paid	178	232
Local Government Pension Scheme:		
Contributions paid	79	79
FRS102 (s28) charge	159	149
Charge to the Statement of Comprehensive Income	238	228
Enhanced pension charge to Statement of Comprehensive Income	-	-
	416	460
Total Pension Cost for Year within staff costs		

There were no outstanding or prepaid contributions at either the beginning or the end of the financial year. All contributions due for the year had been paid.

The employees of the Legal Centre and Blackfriars belong to defined contribution pension schemes operated by the National Employers Savings Trust (NEST) and Aviva, respectively. The costs are therefore not included above.

Teachers' Pension Scheme

The Teachers' Pension Scheme ("TPS") is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations 2010, and, from 1st April 2014, by the Teachers' Pension Scheme Regulations 2014. These regulations apply to teachers in schools and other educational establishments, including

MARY WARD SETTLEMENT
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26 DEFINED BENEFIT OBLIGATIONS (continued)

Teachers' Pension Scheme (continued)

academies, in England and Wales that are maintained by local authorities. In addition, teachers in many independent and voluntary-aided schools, and teachers and lecturers in establishments of further and higher education, may be eligible for membership. Membership is automatic for full-time teachers and lecturers and from 1st January 2007 automatic too for teachers and lecturers in part-time employment following appointment or a change of contract. Teachers and lecturers are able to opt out of the TPS.

The Teachers' Pension Budgeting and Valuation Account

Although members may be employed by various bodies, their retirement and other pension benefits are set out in the regulations made under the Superannuation Act 1972 and are paid by public funds provided by Parliament. The TPS is an unfunded scheme and members contribute on a 'pay-as-you-go' basis - these contributions, along with those made by employers, are credited to the Exchequer under arrangements governed by the above Act. Retirement and other pension benefits are paid by public funds provided by Parliament.

The Teachers' Pensions Regulations 2010 require an annual account, the Teachers' Pension Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pension increases).

From 1st April 2001, the Account has been credited with a real rate of return, which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return.

Valuation of the Teachers' Pension Scheme

The latest actuarial review of the TPS was carried out as at 31 March 2019. The valuation report was published by the Department for Education (DfE) in April 2019. The valuation reported total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218 billion, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196 billion, giving a notional past service deficit of £22 billion.

As a result of the valuation, new employer contribution rates were set at 23.68% of pensionable pay from September 2019 onwards (compared to 16.48% during 2018/19). The Department for Education has agreed to pay a teacher pension employer contribution grant to cover the additional costs during the 2020/21 academic year.

A full copy of the valuation report and supporting documentation can be found on the Teachers' Pension Scheme website.

Scheme changes

Following the Hutton report in March 2011, and the subsequent consultations with trade unions and other representative bodies on reform of the TPS, the Department published a Proposed Final Agreement, setting out the design for a reformed TPS which was implemented from 1st April 2015.

The key provisions of the reformed scheme include: a pension based on career average earnings, an accrual rate of 1/57th; and a Normal Pension Age equal to State Pension Age, but with options to enable members to retire earlier or later than their Normal Pension Age. Importantly, pension benefits built up before 1st April 2015 will be fully protected.

MARY WARD SETTLEMENT
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26 DEFINED BENEFIT OBLIGATIONS (continued)

Scheme changes (continued)

In addition, the Proposed Final Agreement includes a Government commitment that those within 10 years of Normal Pension Age on 1st April 2012 will see no change to the age at which they can retire, and no decrease in the amount of pension they receive when they retire. There will also be further transitional protection, tapered over a three and a half year period, for people who would fall up to three and a half years outside of the 10 year protection.

Regulations giving effect to a reformed Teachers' Pension Scheme came into force on 1st April 2014 and the reformed scheme commenced on 1st April 2015.

The employer's pension costs paid to TPS in the period amounted to £178,000 (2020-21: £232,000).

FRS102 (Section 28)

Under the definitions set out in FRS102 (28.11), the TPS is a multi-employer pension plan. The Settlement is unable to identify its share of the underlying assets and liabilities of the scheme.

Accordingly, the Settlement has taken advantage of the exemption in FRS102 and has accounted for its contributions to the scheme as if it were a defined-contribution scheme. The Settlement has set out above the information available on the scheme and the implications for the Settlement in terms of the anticipated contribution rates.

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate funds administered by the London Pension Fund Authority. The total contribution made for the year ended 31st July 2022 was £123,000 (2020-21: £122,000), of which employer's contributions totalled £79,000 (2020-21: £79,000) and employees' contributions totalled £44,000 (2020-21: £43,000). The agreed contribution rates for future years are 14.30% for employers and range from 5.5% to 12.5% for employees, depending on salary. In addition there is an agreed, annual, contribution designed to eliminate the actual deficit.

Principal Actuarial Assumptions

The following information is based upon a full actuarial valuation of the fund at 31st March 2016 updated to 31st July 2022 by a qualified independent actuary

	At 31st July 2022	At 31st July 2021
Rate of increase in salaries	3.75%	3.80%
Rate of increase for pensions in payment / inflation	2.75%	2.80%
Discount rate for scheme liabilities	3.40%	1.60%
Inflation assumption (CPI)	2.90%	2.80%

Due to high periods of inflation up to 31 July 2022, an adjustment has been made to the year end valuation to account for the estimated impact on the Pension Order Increase due to be implemented from 1 April 2023. The estimated impact of the defined benefit obligation has been recognised as an experience loss of £226,000. This charge has been made against Other Comprehensive Income, however is not directly reflected within the listed actuarial assumptions above.

MARY WARD SETTLEMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2022

26 DEFINED BENEFIT OBLIGATIONS (continued)

Principal Actuarial Assumptions (continued)

The current mortality assumptions include sufficient allowance for future improvements in mortality rates.

The assumed life expectations on retirement age 65 are:

	At 31st July 2022	At 31st July 2021
Retiring today		
Males	20.7	20.6
Females	24.5	24.5
Retiring in 20 years		
Males	23.0	22.9
Females	25.6	25.5

Sensitivity analysis

Present value of defined benefit obligation	At 31st July 2022 £'000	At 31st July 2021 £'000
Discount rate +0.1%	4,904	6,566
Discount rate -0.1%	5,106	6,841
Mortality assumption - 1 year increase	5,161	6,988
Mortality assumption - 1 year decrease	4,852	6,430

The Settlement's share of the assets and liabilities in the plan at the Balance Sheet date and the expected rates of return were:

	Value as at 31st July 2022 £'000	Value as at 31st July 2021 £'000
Equities	2,513	2,307
Target Return Portfolio	961	888
Infrastructure	466	360
Property	435	343
Cash	53	213
Total fair value of plan assets	4,428	4,111
Weighted average expected long term rate of return	5.0%	5.0%

MARY WARD SETTLEMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2022

26 DEFINED BENEFIT OBLIGATIONS (continued)

The amount included in the Balance Sheet in respect of the defined benefit pension plan is as follows:

	2022	2021
	£'000	£'000
Fair value of plan assets	4,428	4,111
Present value of plan liabilities	(5,004)	(6,702)
Net pensions liability (Note 20)	(576)	(2,591)

Amounts recognised in the Statement of Comprehensive Income in respect of the plan are:

	2022	2021
	£'000	£'000
Amounts included in staff costs		
Employer service cost (net of employee contributions)	238	228
Past service cost	-	-
Total operating charge	238	228

Amounts included in interest and other finance costs

Expected return on pension scheme assets	-	-
Interest on pension liabilities	41	36
Administrative charge	5	5
Pension finance costs	46	41

	2022	2021
	£'000	£'000
Amounts recognised in Other Comprehensive Income		

Return on assets	201	434
Experience gain arising on defined benefit obligations	(342)	104
Changes in assumptions	2,361	(281)
Amounts recognised in Other Comprehensive Income	2,220	257

Movement in net defined liability during the year

	2022	2021
	£'000	£'000
Deficit in scheme at 1 st August	(2,591)	(2,658)
Movement in year:		
Employer service cost (net of employee contributions)	(238)	(228)
Employer contributions	79	79
Net interest on liabilities	(41)	(36)
Administration charge	(5)	(5)
Actuarial gain	2,220	257
Deficit in scheme at 31st July	(576)	(2,591)

MARY WARD SETTLEMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2022

26 DEFINED BENEFIT OBLIGATIONS (continued)

Asset and Liability reconciliation	2022	2021
	£'000	£'000
Changes in the present value of defined benefit obligations		
Defined benefit obligations at start of period	6,702	6,202
Current service cost	238	228
Interest cost	107	84
Contributions by Scheme participants	44	43
Change in financial assumptions	342	(104)
Change to demographic assumptions	(2,361)	355
Estimated benefits paid	-	(74)
Curtailments and settlements	(68)	(32)
Defined benefit obligations at end of period	5,004	6,702
Changes in the fair value of plan assets		
Fair value of plan assets at start of period	4,111	3,544
Interest on plan assets	66	48
Return on plan assets	201	434
Other actuarial gains	-	-
Administration cost	(5)	(5)
Employer contributions	79	79
Contributions by Scheme participants	44	43
Benefits paid	(68)	(32)
Fair value of plan assets at end of period	4,428	4,111

Other information

Under the LPFA's credit scoring system a charge against assets enables the Settlement to be classified in the lowest risk category with the lowest contribution rates. Following the 2019 triennial valuation, the agreed employer's contribution rate was increased to 16.6% with effect from 1st April 2020 (previously 14.3% plus an annual lump sum payment of £35,692). The requirement for an annual lump sum payment was removed with effect from 1st April 2020.

MARY WARD SETTLEMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2022

27 RELATED PARTY TRANSACTIONS

Owing to the nature of the Settlement's operations and the composition of the board being drawn from local public and private sector organisations, it is inevitable that transactions will take place with organisations in which a member of the board may have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Settlement's financial regulations and normal procurement procedures.

Other than those disclosed in note 11, there were no expenses paid to or on behalf of the trustees during the year (2020-21: £nil).

No trustee has received any remuneration or waived any payments from the Settlement, except in their capacity as a member of staff (2020-21: £nil).

28 AMOUNTS DISBURSED AS AGENT

	Group and Centre	
	2022	2021
	£'000	£'000
Funding body grants - hardship support	30	33
Funding body grants - childcare	-	4
Funding body grants - 24+ advanced learning loans	76	117
	<u>106</u>	<u>154</u>
Disbursed to students	(77)	(76)
Administration costs	(1)	(1)
	<u>28</u>	<u>77</u>
Balance unspent as at 31 st July, included in creditors		

Funding body grants are available solely for students. In the majority of instances, the Settlement only acts as a paying agent. In these circumstances, the grants and related disbursements are therefore excluded from the Statement of Comprehensive Income.

**MARY WARD SETTLEMENT
SUMMARY OF RESULTS
FOR THE YEAR ENDED 31 JULY 2022**

This page does not form part of the audited Financial Statements

	Unrestricted funds £'000	Restricted funds £'000	Total 2021 £'000	<i>Unrestricted funds £'000</i>	<i>Restricted funds £'000</i>	<i>Total 2020 £'000</i>
Adult Education Centre	2,166	-	2,166	178	-	178
Holding Company Surplus/(Deficit)	2,166	-	2,166	178	-	178
Legal Centre	(65)	-	(65)	109	-	109
Blackfriars	(9)	-	(9)	(30)	-	(30)
Group Surplus/(Deficit)	2,092	-	2,092	257	-	257

MARY WARD SETTLEMENT

England & Wales - Charity number 223066

Accounts

MARY WARD SETTLEMENT
(A COMPANY LIMITED BY GUARANTEE)
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2021

MARY WARD SETTLEMENT
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2021

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MARY WARD SETTLEMENT REPORT FROM THE CHAIR FOR THE YEAR ENDED 31 JULY 2021

Mary Ward Settlement (“the Settlement”) faced a challenging time in 2020-21 due to the uncertainties resulting from the pandemic and frequent changes to government guidance with a tightening and easing of restrictions experienced throughout the year. These factors impacted the curriculum offer, enrolment and student numbers at Mary Ward Centre (“the Adult Education Centre”); the provision of specialist advice, casework and representation by Mary Ward Legal Centre (“the Legal Centre”) and the range of specialist community services offered by Blackfriars Settlement (“Blackfriars”) during the period. It also had a negative effect on the redevelopment of Queensway House, which is critical for the relocation of the Settlement during 2022-23.

The Adult Education Centre took a considered and cautious approach to curriculum planning for 2020-21, reworking our plans to comply with government guidance and providing a Covid-safe environment for students and staff. With support of grant funding, primarily from the GLA, an enormous amount of effort went into getting the buildings ready for students and on 8th September 2020 we welcomed our first students back since March 2020. Our original forecast for the year was based on 30% of normal face-to-face delivery in term 1, with incremental increases term by term as restrictions eased. Having to close the Centre altogether for most of the term 2, and the impact of social distancing, meant this was not possible. We were unable to run any large groups such as Choirs and Orchestras or any of the Community Outreach Dance provision. The number of classrooms available were reduced, as multiple rooms were combined for use by a single group. We also changed the mix and balance of our offer, limiting the amount of provision that attracted a nil fee and protecting that which earned fee income to ensure we covered our overheads. Taking this into account, we prioritised courses that required specialist facilities or equipment in the Centre as well as further developing our online provision. We were creative about what we could offer and how we might deliver courses. For example, we spread classes across two rooms to maintain the ratio of tutor to students, and offered blended learning options where students attended more than one session per week. In light of the constantly changing situation, we took a term-by-term approach to planning to allow us to be as flexible as possible, to add more provision as the restrictions eased but being prepared to go online when necessary.

A second lockdown in term 2 prevented us from delivering any face-to-face learning and resulted in significant reduction in the volume of courses we could offer, particularly in the Arts section. This had a significant impact on our income from students’ fees. Staff worked exceptionally hard, with a very quick turnaround, to develop and plan additional online courses to offer students alternatives and to provide tutors with work. Although there was a return to face-to-face learning for the last four weeks of the term, we were limited as to how much we could achieve in such a short space of time. However, it did enable us to offer some face-to-face classes and make up for some of the loss of the more specialist provision. We were able to carry out exams (ESOL, Payroll) as well as bringing some of the more vulnerable students in to support their learning in areas such as literacy, IT and Business Administration. It also gave us an opportunity to trial the lateral flow testing that needed to be in place for staff and students after the Easter break.

It became clear that a return to normal was not going to happen as quickly as anticipated and recovery from Covid-19 would be slow with student numbers and income lower than the levels expected. We therefore re-forecast term 3, expecting that it would achieve similar volumes to term 1 recognising that the original target of £932,000 for fee income was clearly overly optimistic. However, these reductions were off-set by a reduction in tutor costs and we ended the year with costs in line with income.

We successfully achieved the tolerance level of a minimum of 90% against our GLA and ESFA funding allocations which avoided any clawback of income. Despite the challenges, the Adult Education Centre was able to support 2,181 learners on 4,639 course places with their learning throughout the year using a range of face-to-face, distance and online methods. Students on all accredited courses were supported to work towards their assessments and gain their qualifications. We continued to develop delivery of a wide range of additional online courses with subjects including History, Philosophy, Economics, Ukulele, Keep Fit, Modern Foreign Languages, Singing,

**MARY WARD SETTLEMENT
REPORT FROM THE CHAIR
FOR THE YEAR ENDED 31 JULY 2021**

(CONTINUED)

Psychology, Art, Community Interpreting and Pronunciation. Although, only a small amount of this type of provision will remain with us long term, our increasing expertise in the use of technology will offer alternative ways of learning to our students, making learning more accessible and enhancing the quality of classroom teaching and learning well beyond the current Covid-19 crisis.

Community Outreach services experienced a huge impact from the pandemic. At very short notice the team were forced to rethink the way they delivered our courses which has resulted in nothing but positivity in both the short term and longer term. Over the course of the year the team worked with 20 groups and organisations in Camden, Islington, Tower Hamlets, and Newham. Most of the classes moved online, which meant training partners in new skills, such as how to use Wifi, how to connect to multiple devices or how to troubleshoot. It also meant supporting students with door to door training, lending devices, and telephone support. While there were fewer courses, each was able to reach many students with some, such as Line Dance, having classes of 30 learners. Those classes not online were successfully delivered through outdoor classrooms, through weekly postal lessons, via weekly telephone calls and sending out resource packs. Some students who struggled to engage received 1:1 doorstep lessons from the outreach team. The success of online learning was evident and the overall approach was one of personalisation and a celebration of a new style of learning. There was an online Dance Along fundraising event where they raised in excess of £1,000, exhibitions online and in libraries and cafes and Christmas singing socials. Dancers were awarded the medals they won before the pandemic and there was a wonderful summer celebration of taster courses for students to meet face to face in a safe environment for the first time for some since March 2020. Besides all the learning the services helped people stay connected and worked with our partners in helping reduce the risk of isolation within our communities.

Mary Ward Legal Centre (“the Legal Centre”) helped 2,000 people with their legal issues during 2020-21, continuing to provide specialist advice casework and representation in the areas of debt, housing and welfare benefits, and a pro bono service offering advice on employment, housing, consumer, general civil litigation, and family law.

Whilst demand for advice in some areas fell due to measures introduced to reduce the impact of Covid-19, such as debt recovery and housing possession action being stayed, demand for employment and family advice continued to rise dramatically. Demand has started to rise in all the areas the Legal Centre advises on and a surge in demand is forecast over the coming months and years as the full impact of Covid-19 hits.

To address the impact of Covid-19, the Legal Centre made several successful grant applications, securing funding from a number of funders including The National Lottery Community Fund, Trust for London and the Community Justice Fund. The Legal Centre was able to maintain access to its specialist advice service and pro bono clinic throughout the pandemic by providing increased access by telephone and email.

A grant from the Legal Education Foundation, under their Justice First Fellowship Scheme, enabled the Legal Centre to employ another trainee solicitor for two years from January 2021. The Legal Centre was successful in securing continuation funding from Henry Smith Charity for a Housing Support Worker to support our most vulnerable clients to sustain their tenancies and help break the cycle of homelessness. To help deal with the forecasted increase in demand for debt advice, the Legal Centre received an additional grant from Debt Free London, funded by the Money and Pensions Service to employ four trainee debt advisers, increasing the Legal Centre’s capacity to help more people in need. The hard work and commitment of the Legal Centre staff and pro bono volunteers has resulted in many successful outcomes for clients, including reducing homelessness, increasing incomes and improving wellbeing.

We are grateful to the following funders and donors for their generosity to the Legal Centre during 2020-21: London Borough of Camden, Legal Aid Agency, Money and Pensions Service, The National Lottery Community Fund, Community Justice Fund, Trust for London, City Bridge Trust, Legal Education

**MARY WARD SETTLEMENT
REPORT FROM THE CHAIR
FOR THE YEAR ENDED 31 JULY 2021**

(CONTINUED)

Foundation, London Legal Support Trust, Henry Smith Charity, AB Charitable Trust, Linklaters, Clifford Chance, Weil Gotshal & Manges, and Farrer & Co.

In a year dominated by Covid-19, all services offered by Blackfriars worked hard to continue to serve the local community. The autumn saw limited activities in small, socially distanced groups as well as remote activities supporting those of our members who are online. A huge amount of regular support was delivered by phone on a one to one basis - time consuming for staff and volunteers but very much appreciated by members.

We were very grateful for the wealth of financial and volunteer support from local people and our corporate supporters. In August, a donation from Charles Russell Speechlys enabled the Positive Ageing service to purchase some canopies for our outside space, which made a huge difference, enabling members to sit outside and spend time together more safely. Corporate and other volunteers have made a huge difference in a number of ways during this year: boosting the number of befriending calls we are able to make to isolated older people, delivering weekly meals to those who struggle to cook and delivering shopping and other essentials as needed.

Staff in all of the services have invested time in providing IT support for members. This has increased the number who are online and able to access support and stay in touch with friends and family in ways many of us take for granted. The services have provided discussion groups, art groups, exercise classes and other activities online. For those who are not online, they were able to take part in these using their landline, at no charge. Our group of vision impaired older people took to this service most enthusiastically and enjoyed being able to have a group chat and do crosswords together over the phone.

The resumption of lockdown in January meant that all services again reverted to telephone and online, reopening in March for small group activities which then continued into the summer.

We worked hard to mitigate the effects of Covid-19 and the lockdown on our members through the continuation of much needed services. The lockdown has affected people differently and some have bounced back quicker than others. Staff have worked tirelessly to meet individual needs, to allay fears, to keep members and students safe and to support people back into community. We expect that this work will continue well into 2022.

We would like to extend our thanks to all our service providers and users, and to our funders, many of whom have been engaged with us over an extended period of time and without whom little of what we do would be possible. In particular, we would like to thank those funders who have supported our core work and been flexible with their support during the challenges of Covid-19.

The redevelopment project for the Stratford building continued throughout the year and we have now developed a design for a building that will considerably improve the accessibility of all our courses. The building will have a very visible high street location and greatly improved specialist classroom facilities. We are very pleased to be supported by capital grants from Skills for Londoners, towards the whole project cost; from The London Marathon Trust, towards fitness and movement facilities; and from the Clothworkers Foundations, for our visual Arts spaces. This project too has been significantly impacted by Covid-19, with costs increasing and completion now expected for December 2022 rather than during the summer of 2022, as originally planned. We have continued to work closely with the professional design team advising us, as well as the contractors, who were formally appointed on a fixed price design and build contract in December 2021. Plans are underway for alternative locations for our provision of adult education during the autumn term of 2022, and in the meantime we continue to fundraise to enable us to afford the very best design possible.



Christine Cryne
Chair

**MARY WARD SETTLEMENT
REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 JULY 2021**

REFERENCE DETAILS

Charity number:	223066
Company number:	46188
Address and Registered Office:	42 Queen Square, London WC1N 3AQ

KEY MANAGEMENT PERSONNEL

Key management personnel are defined as members of the Settlement's Senior Management Team and were represented by the following in 2020-21:

Warden, CEO; Accounting Officer	Suzanna Jackson
Director of Adult and Community Education	Sue Craggs
Director of Finance and Resources	Juliet Woodford
Director of the Mary Ward Legal Centre	Paula Twigg
Director of Blackfriars Settlement	Liz Ranger

BOARD OF TRUSTEES

A full list of the Trustees is given on pages 22-23 of these Financial Statements.

Ms. Beverley Campbell acted as Clerk to the Trustees throughout the year under review.

PROFESSIONAL ADVISERS

**FINANCIAL STATEMENTS AUDITOR AND
REPORTING ACCOUNTANTS**

Buzzacott LLP
130 Wood Street
London
EC2V 6DL

INTERNAL AUDITOR

Haines Watts
30 Camp Road
Farnborough
Hants
GU14 6EW

BANKERS

The Co-operative Bank plc
3rd floor, St Paul's House
10 Warwick Lane
London
EC4M 7BP

INVESTMENT MANAGER

Rathbone Greenbank Investments
10 Queen Square
Bristol
BS1 4NT

PROPERTY CONSULTANTS

Gryphon Property Partners
12 Austin Friars
London
EC2N 2HE

**MARY WARD SETTLEMENT
REPORT OF THE BOARD OF TRUSTEES
FOR THE YEAR ENDED 31 JULY 2021**

NATURE, OBJECTIVES AND STRATEGIES

The Board of Trustees (“the Board”) is pleased to present its Annual Report, together with the Financial Statements of Mary Ward Settlement (“the Settlement”) for the year ended 31st July 2021. This report is also prepared to meet the requirements for a Directors’ Report and Financial Statements for Companies Act purposes.

LEGAL STATUS

The Settlement is a registered charity (number 223066) and company limited by guarantee (number 46188), first registered in December 1895. It provides adult education and community services under its trading name of the Mary Ward Centre (“the Adult Education Centre”). The Settlement is also the controlling entity of the Mary Ward Legal Centre (“the Legal Centre”) and Blackfriars Settlement (“Blackfriars”), both of which are wholly owned subsidiaries.

For the purpose of these Financial Statements, references to the Settlement or Group, refer to the activities and consolidated results of the Adult Education Centre, the Legal Centre and Blackfriars, whilst references to the Adult Education Centre or Centre include only those activities and results of the parent entity trading as Mary Ward Centre in its role as an Institute of Adult Learning (IAL). References to the Board or to the trustees refer to the Board of the Settlement or to its trustees, unless specifically stated otherwise.

OBJECTS AND MISSION

The objects for which the Settlement is established are the advancement of public education and the promotion of social service for the benefit of the community. The Settlement’s mission is to develop and provide excellent, innovative and wide ranging adult education and community services.

PUBLIC BENEFIT

In setting and reviewing the Settlement’s strategic objectives, the Board has had due regard for the Charity Commission’s guidance on public benefit and particularly upon its supplementary guidance on the advancement of education. The guidance sets out the requirement that all organisations wishing to be recognised as charities must demonstrate, explicitly, that their aims are for the public benefit.

In delivering its mission, the Settlement provides the following identifiable public benefits through the advancement of education and community services:

- High quality teaching;
- Advice, information, assistance and representation dealing with housing, debt, welfare benefits and other financial and legal problems;
- Widening participation and tackling social exclusion;
- Strong student support systems, particularly for students with physical and learning difficulties; and
- Vocational support where appropriate.

The effectiveness of the Settlement’s delivery of public benefit is covered throughout the Members’ Report.

IMPLEMENTATION OF THE STRATEGIC PLAN

The Settlement worked towards the objectives of the 2018-2022 Strategic Plan. Key elements of this plan include the implementation of the Buildings Strategy, which will play a major part in achieving long term sustainability with a wider reach of adult education and community support and advisory services across London. Having purchased a new freehold site in the London Borough of Newham in July 2018, a key part of the Board’s focus during 2020-21 has been to continue with the plans for the redevelopment of this site, set in motion during 2018-19, to become a new, modern set of premises for the provision of the activities of the Settlement, from 2023 onwards.

The key focus points of the new Strategic Plan include:

- To grow existing services and to extend our range of services to enhance the delivery of our Mission, in ways that are relevant now and which look to the future;
- To deliver excellent services, that prioritise outcomes and impact for our users;

**MARY WARD SETTLEMENT
REPORT OF THE BOARD OF TRUSTEES
FOR THE YEAR ENDED 31 JULY 2021**

IMPLEMENTATION OF THE STRATEGIC PLAN (CONTINUED)

- To add our expertise, encouragement and support to the efforts and achievements of people in the communities and neighbourhoods in which we are located and create opportunities for them to reach their educational, social and economic potential;
- To further develop an organisational structure and culture which realises the Settlement's Mission and Core Values;
- To maintain good financial health in order to ensure the sustainable delivery of our Mission;
- To redevelop our new premises to support a sustainable future, enhance the quality of our provision and enable us to reach new audiences;
- To develop partnerships and alliances with other organisations that will improve and extend our ability to deliver our Mission and Strategic Objectives;
- To improve our public profile and develop an effective communications, PR and marketing strategy that supports the development of the Settlement's work, our move east and contributes to our plans for growth.

The Board monitors the performance of the Settlement against the plan. The Board reviews and updates the plan annually.

During 2020-21 the Covid-19 pandemic continued to have a significant impact of the Settlement and its operations. Following the prolonged national lockdown of the spring and early summer of 2020, the Settlement did not open its doors again, for face to face activities, until the autumn of 2020-21. The Settlement prioritised planning ahead for 2020-21, ensuring that options would be available to preserve as much face to face provision as possible, with alternative arrangements for students, clients and other Settlement users, unable to attend in person or should another lockdown occur. Arrangements were made to prioritise the most essential services, for example accredited courses where students had been, or would be, working towards exams and other courses that could not be delivered online, such as literacy, maths and those using specialist rooms (e.g. glass, sculpture, computing). Some courses used a blended approach to minimise the number of times students came into the building. A range of Covid safety measures were implemented, such as restricting numbers in classes to allow for 2m social distancing, staggered starts and mask wearing.

The second lockdown over the winter 2020 to spring 2021 meant that no face to face provision was held during the early spring and, as with the previous lockdown, all parts of the Settlement focused on moving provision online where possible, and prioritising the most essential services. We re-opened for face to face provision once more in May, extending the teaching term at the Adult Education Centre beyond the usual end date. Once again, the Settlement continued to prioritise face to face provision for the most essential services and those for which provision was not possible in an online format.

However, through managing direct costs, successful applications to funders where appropriate grants were available, and taking advantage of the government's Coronavirus Job Retention Scheme, the Settlement was able to mitigate losses across all services. Furthermore, the Adult Education Centre received all of its AEB grant funding following the ESFA's guarantee that full payment would be made provided that the Centre earned a minimum 90% of the AEB grant allocation.

The most significant longer term risk arising from the impact of Covid-19 relates to the affordability of the Settlement's Property Strategy in an environment of greater uncertainty, rising costs and reduced grant funding. Consequently the Settlement's Senior Management Team has prioritised actions to ensure that this project is completed as planned.

**MARY WARD SETTLEMENT
REPORT OF THE BOARD OF TRUSTEES
FOR THE YEAR ENDED 31 JULY 2021**

CORE VALUES AND OBJECTIVES

The Settlement's operations are guided by the Core Values and Strategic Objectives which are jointly agreed across the Settlement group.

Core Values

- Putting the needs and aspirations of current and potential users at the centre of all that we do;
- Providing consistently high and professional standards across our service;
- Promoting access to education including the value of learning for personal development and quality of life and using learning as a tool to combat disadvantage;
- Promoting access to justice and providing legal advice for the poorest and most disadvantaged;
- Promoting collaborative work, both across the Settlement and with partner organisations;
- Advancing equality, eliminating discrimination, and fostering good relations among all our users;
- Meeting, or exceeding, the expectations of our key stakeholders, service users and partners;
- Aiming for excellence in the outcomes and impact of our services;
- Providing access to training and development in order that all staff may achieve their potential and be motivated and committed to their work and these core values; and
- Maintaining an open, honest, accountable and fair approach in all our communications with all our service users, staff and other stakeholders.

Strategic Objectives

- To provide a range of services that delivers our Mission in ways that are relevant now and look to the future;
- To deliver excellent services;
- To maintain an organisational structure and culture which realises the Mission and Core Values;
- To maintain good financial health in order to ensure the sustainable delivery of our Mission and objectives;
- To secure the Settlement in its buildings and provide an environment and facilities that support the delivery of excellent services;
- To plan for and provide equipment and technology that support excellent service delivery and effective management; and
- To develop partnerships and alliances with other organisations that will improve and extend our ability to deliver our Mission and objectives.

The Settlement's Financial Objectives are:

- To achieve a minimum annual operating surplus of 1% of income, excluding any pension costs arising from the impact of the Local Government Pension Scheme ("LGPS") costs;
- To provide sufficient courses to ensure that we earn all of the available funding from the Education and Skills Funding Agency ("ESFA");
- To diversify our funding streams, consistent with our Mission and Core Values, in order to maximise our income generating potential;
- To effectively manage costs, keeping any increase in non-pay costs below the prevailing inflation rate; and
- To secure funding for a capital investment programme following the purchase of Queensway House in Stratford, for its redevelopment and refurbishment as the main location for the Settlement's activities following the end of its current lease on 42 Queen Square, in July 2022.

A series of performance indicators have been agreed to monitor the successful implementation of the policies.

The Covid-19 pandemic had a significant impact on the Settlement's operational results, however the Settlement was able to meet its objective in relation to the minimum 1% operating surplus and all other financial objectives were met.

**MARY WARD SETTLEMENT
REPORT OF THE BOARD OF TRUSTEES
FOR THE YEAR ENDED 31 JULY 2021**

STRATEGIC REPORT

ACHIEVEMENTS AND PERFORMANCE

PERFORMANCE INDICATORS

ADULT EDUCATION CENTRE

The performance against the Adult Education Centre's targets is set out in the table below:

Key Performance Indicator	Target 2020-21	Achieved 2020-21	Target 2019 - 20	Achieved 2019 - 20
Maximise the number of people who access adult education given Covid-19 restrictions	2,700	2,182	5,750	4,154
Maximise the number of course enrolments given Covid-19 restrictions	6,250	5,012	13,000	8,403
Maximise the average number of students per course given Covid-19 restrictions	10	9	12	11
Maintain high average level of student retention; AND Maintain high retention across ALL courses	90% and No more than 5% of courses below 80%	95%	90% and No more than 5% of courses below 80%	91%
Maintain high level of student satisfaction	95%+	94%	95%+	92%
Maintain high level of average achievement on non-accredited courses; AND Maintain high level of achievement on ALL non-accredited courses	95%+	96% across all levels and lengths	95%+	94%
Improved average success rates for students taking accredited courses	90%+	90%	90%+	86%
Improved success rates on ALL non - accredited qualifications	7 course quals out of 38 were below 80%	95%	No more than 5% of classes below a success rate of 80%	87% (4% below 80% - 5 course qualifications out of 36)
The % of students reporting additional benefits is increasing	75%+	All students who return a questionnaire report at least one additional benefit to learning	75%+	77%
Maximise the number of people who access adult education given Covid-19 restrictions	2,700	2,182	5,750	4,154

**MARY WARD SETTLEMENT
REPORT OF THE BOARD OF TRUSTEES
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ACHIEVEMENTS AND PERFORMANCE (CONTINUED)

The Adult Education Centre is committed to monitoring a range of key sector indicators and is required to complete the Annual Finance Record for the ESFA. The Centre's financial health grading is assessed by the ESFA as "Good" (2019-20: "Good"). This is notwithstanding decisions made in relation to the Property Strategy, which have increased costs in the short term, and further pressure caused by losses from Covid during 2020-21.

MARY WARD LEGAL CENTRE

The Centre's specific achievements for 2020-21 are outlined below:

- Continuing to prevent homelessness, improve people's housing conditions, combat poverty, help people reduce their debt and maximise their income through providing free specialist casework and representation in housing, debt and welfare benefits;
- Continuing to maintain access to our advice services in response to Covid-19 by transforming our services from face-to-face to telephone/email;
- Securing additional grant funding and donations to deal with the devastating impact of Covid-19;
- Helping 2,000 people with their legal issues;
- Delivering against contractual funding outputs and outcomes;
- Delivering a pro bono advice service to help more people who cannot access help from legal aid to resolve their legal issues;
- Securing continuation funding from Henry Smith Charity for a Housing Support Worker to support our most vulnerable clients to sustain their tenancies and help break the cycle of homelessness;
- Continuing to deliver housing advice in Newham and Southwark;
- Over £350,000 of clients' debts were written off;
- Clients receiving help with their welfare benefits matters achieved an average increase of £87 a week in benefits;
- Playing an active role in the development of the new Camden Advice Network;
- Helping to secure funding from the GLA for a new partnership in Newham to provide advice in food banks and schools;
- Upgrading to a new case management system, which has also enabled us to move to electronic case files and reduce our use of paper; and
- Passing our Lexcel audit with no non-compliance - Lexcel is the Law Society's accredited legal practice quality mark.

The actual performance against the agreed targets is set out in the table below.

The figures for the numbers of new matters opened have been affected by Covid-19. This is primarily due to reduced demand in some areas as a result of measures put in place to protect people during the pandemic, including: a stay on possession cases; payment holidays; suspension of debt recovery and of welfare benefits work-related conditionality and sanctions and face-to-face assessments for ESA and PIP (which often trigger a decision to stop an award). However, performance measuring outcomes for clients exceeded targets.

**MARY WARD SETTLEMENT
REPORT OF THE BOARD OF TRUSTEES
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ACHIEVEMENTS AND PERFORMANCE (CONTINUED)

Key Performance Indicator	Target 2020-21	Achieved 2020-21	Target 2019/20	Achieved 2019/20
Meet annual target for matter starts	2044	1663	2,500	2,009
Increase the number of people who get advice through pro bono clinics	175	187	350	228
Maintain a high level of client satisfaction	95%	98%	95%	95%
Maintain the high % of cases that have a positive outcome	92%	94%	92%	93%
A high % of clients who respond to our survey report an improvement in health and well-being	88%	95%	88%	91%

BLACKFRIARS SETTLEMENT

Positive Ageing

The implementation of the Ageing Well Southwark contract serving older people across the borough, has been a major focus of work this year. The delivery aims are to ensure that the ‘front door’ to services are coordinated and, that by whatever means a resident contacts older people’s services, they will be afforded the same access. We aimed for a seamless start to this contract for our existing members and, behind the scenes, we have worked closely with the other members of the COPSINS Consortium, switching to a new database enabling joined up working and have implementing a new reporting system.

There has been a steady flow of new referrals over the year. We have worked very hard to meet the needs of isolated and anxious existing members as well as new contacts in the community. We have accepted new referrals from the Southwark Covid Hub, arranged volunteers to do shopping and deliver prescriptions, delivered meals twice weekly, sent out activity packs and supported over 100 people with befriending calls once or twice weekly.

Needs have become more complex, with the team dealing with safeguarding issues, an increasing number of members and referrals with early dementia.

Our waiting list for the Befriending Service highlights our need to increase capacity in this area in order to meet need. There is significant interest amongst members in getting online or improving their IT skills. We are committed to meeting both of these needs over the coming year.

Adult Education

We are pleased to provide learning and development classes on behalf of Southwark Adult Education as well as via Mary Ward Centre. Some courses switched to remote provision during the lockdowns, although for some of our students this was difficult. As a result there were significantly lower registrations during this year. During the latter part of the year, Adult Education and The Orb Space started working more closely together and as a result we increased our offer with a diverse range of other education opportunities, including baby massage, creative writing, African drumming, sewing etc. These have proved popular and we aim to continue this during 2021-22. Adult Education also started working with Positive Ageing and Mental Health & Wellbeing, enabling us to deliver some courses specifically for these particular groups. This has worked well, and is something we will continue to deliver.

**MARY WARD SETTLEMENT
REPORT OF THE BOARD OF TRUSTEES
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ACHIEVEMENTS AND PERFORMANCE (CONTINUED)

Mental Health and Wellbeing

During this year the Mental Health and Wellbeing (MHWB) service successfully started a new project funded by the National Lottery Community Fund. The Thinking Ahead Project will run for five years, focussing on building skills and confidence amongst members, enabling them to access educational opportunities, to volunteer and contribute to their community.

As with Positive Ageing, the service has switched between small group provision in the Settlement, to remote only and then back to face-to-face delivery onsite. During the Covid-19 lockdown support was provided by telephone, online and by text. The team made regular calls to members wanting this and were available to provide support with issues and needs as they arose.

The service delivers a broad range of high quality services:

- In partnership with professional design studio, the Plant, our Social Enterprise Design Studio Art2Print, has continued to provide high quality design to internal services and external clients
- Continued support from Lloyds Bank volunteers provided individually tailored IT training sessions.
- The service has once again hosted two Social Work students from LSBU and an Art Therapy student on placement with us from the University of Roehampton, all of whom have boosted our capacity by working directly with members.
- During the Covid-19 lockdown the service has supported 108 people, the majority with no internet access. The service has also provided emergency food and medication and sent out activity packs.
- The women's group met for six months and had very positive outcomes for participants.
- We have successfully run 3 courses for our education funders: Spring Back from Covid, Music Appreciation and Mindful Movements.
- The 'Switched On' digital inclusion project supported 46 people to build and develop tech skills in smart phone, online, tablets, and peer support, sharing skills and building confidence.

The Orb Space

Although limited by Covid-19, the social integration project continued this year with a range of activities and events including an online Black History Month event, baby massage, creative writing and spoken word. As soon as guidelines permitted, we resumed activities in the spring, with small group sessions and some online. We ran a Creative Saturday in July, with workshops which were very popular and which has already led on to follow up work.

Legal Clinic

The legal clinic moved to telephone appointments for most of this year. We continue to work closely with City University of London Law School and our partner lawyers to deliver free housing and employment legal advice. There is a high demand for this service.

PERFORMANCE INDICATORS

The actual performance of services is set out in the table below. Year on year comparison where data is available, demonstrates the impact of covid on our different services this period. Comparative data is not provided where measurement was introduced for the first time during 2020-21.

**MARY WARD SETTLEMENT
REPORT OF THE BOARD OF TRUSTEES
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ACHIEVEMENTS AND PERFORMANCE (CONTINUED)

PERFORMANCE INDICATORS (CONTINUED)

Key Performance Indicator	2020-21	2019-20	2018-19	2017-18
MHWP				
No of members supported	108	140	72	69
No of referrals	46			
No of new members	13	23		
PA				
No of members supported	529	413	407	352
No of new members	103			
No of people attending sessions	219	272	262	259
No of attendances	5,460	6,551	7,295	6,642
No befriended members	180	142	145	93
No befriending referrals	64	61	61	57
Adult Education				
No of students	189	617	716	316
No of enrolments	451	1,040		
Orb				
No of attendances	54	356	75	-
Legal Clinic				
Client appointments	124	186	288	288

FINANCIAL REVIEW

The Settlement had an operating surplus of £nil in the year (2019-20: deficit of £363,000). This was after the inclusion of a £149,000 (2019-20: £107,000) Local Government Pension Scheme (“LGPS”) service cost; £36,000 (2019-20: £34,000) LGPS finance cost; and £5,000 (2019-20: £4,000) LGPS administration cost.

The Settlement’s accumulated reserves rose to £9,708,000 (2019-20: £9,451,000). The two most significant factors in the movement in funds were the actuarial gain of £257,000 in the LGPS before the inclusion of the LGPS costs, and the surplus of the Legal Centre of £109,000 (2019-20: surplus of £34,000). The Settlement’s target is to increase reserves, by a minimum of 1% of income, before taking into account the impact of LGPS costs.

**MARY WARD SETTLEMENT
REPORT OF THE BOARD OF TRUSTEES
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FINANCIAL REVIEW (CONTINUED)

The written down value of fixed assets increased to £13,372,000 (2019-20: £12,029,000). Capital expenditure in the year totalled £1,562,000 (2019-20: £1,022,000), all but £52,000 of which related to the development of the freehold property, Queensway House, in Stratford, East London which forms a key part of the Settlement's Property Strategy to secure a location for its activities beyond 2022 when the lease on 42 Queen Square expires. The depreciation charge for the year totalled £219,000 (2019-20: £220,000). The value of the investment funds held by the Settlement rose to £31,000 (2019-20: £27,000).

The Settlement's operational income fell by £65,000 to £5,313,000 (2019-20: £5,433,000), reflecting the fall of £347,000 in tuition fee income in the Adult Education Centre and other smaller losses from various income streams across the group, all a direct impact of Covid-19. These falls were offset by several new, one-off, income sources across the Settlement, primarily emergency grants, awarded to help mitigate Covid-19 losses or to provide support for the provision of essential Covid-19 services. Income from the Coronavirus Job Retention Scheme fell to £130,000 (2019-20: £260,000), as furloughed staff were asked to return to full or partial working following the first lockdown of 2019-20.

Costs of the Settlement decreased by £481,000 to £5,317,000 (2019-20: £5,798,000). This decrease relates to operational cost savings arising from the Settlement's operations being severely restricted as a result of the Covid-19 restrictions and the second lockdown which impacted the Settlement's ability to offer a full range of services at the usual capacity, meaning that some operational costs were not incurred. This fall in operational costs included a decrease of £566,000 in staff costs, primarily in the Adult Education Centre. This was the result of running a smaller curriculum to comply with Covid-19 restrictions, saving around £318,000 as well as the result of a restructuring programme which saved around £176,000.

The Adult Education Centre's income was £3,416,000 (2019-20: £3,771,000) and reflects the fall in student fee income, noted above.

Costs at the Adult Education Centre fell by £597,000 to £3,495,000 (2019-20: £4,092,000) reflecting cost savings arising from running a smaller curriculum and the restructuring programme, both responses to the impact of Covid-19 and noted above.

The Legal Centre's income was £1,340,000 (2019-20: £1,232,000), of which £1,097,000 (2019-20: £826,000) came from operational grants and funding for legal advisory services and £225,000 (2019-20: £369,000) from donations and other fundraising, including value in kind of £108,000 (2019-20: £136,000) from pro bono advice and the provision of legal trainees.

Legal Centre costs increased by £33,000 to £1,231,000 (2019-20: £1,198,000). This reflects an increase in operational staff costs of £29,000 as a result of taking on 4 new debt trainees in response to a new, short term contract with Debt for London but offset by staff reductions through a combination of natural turnover and necessary cost reductions, and various small operational cost savings from the continued impact of Covid-19.

At Blackfriars, operational income was £625,000 for the period (2019-20: £653,000). The fall in income reflected, primarily, the loss of income through the usual range of face to face membership and activities. However, this was partially offset through one-off grants provided by funders and supporters to help keep essential services running. Operational expenditure fell by £73,000 to £659,000 (2019-20: £732,000), again, the result of a lower level of overall activity along with careful cost management and a limited staff restructure.

The 2020-21 Financial Statements and associated Notes are set out on pages 34 to 66.

**MARY WARD SETTLEMENT
REPORT OF THE BOARD OF TRUSTEES
FOR THE YEAR ENDED 31 JULY 2021**

FINANCIAL REVIEW (CONTINUED)

TREASURY MANAGEMENT

Treasury management is the management of the Settlement's cash flows, its banking, money market and capital market transactions, the effective control of the risks associated with those activities and the pursuit of optimum performance consistent with those risks.

Short term borrowing for temporary revenue purposes is authorised by the Accounting Officer. Such arrangements are restricted by limits in the Settlement's Financial Memorandum agreed with the Education and Skills Funding Agency. All other borrowing requires the authorisation of the Board in order to comply with the Financial Memorandum.

There was a net increase in the cash held by the Settlement of £773,000 to £2,496,000 (2019-20: decrease of £1,235,000 to £1,723,000). Receipts of a GLA capital grant, in relation to preliminary work on the development of Queensway House, was by far the most significant factor, with capital grant receipts of £2,250,000 offset against capital expenditure of £1,562,000, during the period, of which all except £52,000 related to the Queensway House development work. The high rental costs of 10 Great Turnstile, following its disposal during 2017-18 continued during 2020-21, resulting in a cash outflow of £324,000.

RESERVES POLICY

The Settlement recognises the importance of reserves in the financial stability of the organisation and has a stated Reserves Policy to hold a minimum of 1 to 3 month's operating expenditure as unrestricted free reserves. Consequently the Settlement continues to ensure that it has adequate reserves to support its core activities.

As at the balance sheet date the Settlement's unrestricted reserves were £9,699,000, (2019-20: £9,440,000) of which £2,925,000 were unrestricted fixed asset reserves (2019-20: £2,985,000) and £6,774,000 were other unrestricted reserves (2019-20: £6,455,000). Restricted reserves totalled £9,000 (2019-20: £11,000). Of these reserves £1,893,000 (2019-20: £1,188,000) are immediately available, or at short notice and can be drawn upon to meet the working capital needs of the Settlement.

The increase in reserves, at the Balance Sheet date, reflects the underlying operational surpluses associated with the activities of the Adult Education Centre and the Legal Centre, and an actuarial surplus in the LGPS, which more than offset the costs of the scheme during the period.

It is anticipated that the 2021-22 financial year will be difficult, following the continued impact of Covid-19 and combined with an expected reduction in some of the supportive measures provided by our funders over the past two financial periods. Overall, an operating deficit is expected for Settlement over the year 2021-22 and the costs of implementing the Property Strategy is likely to result in the Settlement's reserves falling below target in the next financial year. Should this happen as expected, it is the Board's intention to restore the Settlement's reserves, excluding any impact from the LGPS, to at least the minimum target level as soon as practicable.

**MARY WARD SETTLEMENT
REPORT OF THE BOARD OF TRUSTEES
FOR THE YEAR ENDED 31 JULY 2021**

CURRENT AND FUTURE DEVELOPMENTS AND PERFORMANCE

FINANCIAL HEALTH

In 2020-21 the Adult Education Centre achieved a “Good” ESFA financial health grading (2019-20: “Good”). This financial health rating was achieved notwithstanding the combination of the following factors which had an adverse impact on the financial position:

- (i) the impact of the Covid lockdown, which resulted in the loss around 50% of the tuition fee income that might have otherwise been expected in the absence of Covid-19. However, unlike in 2019-20, during 2020-21 the Centre was able to plan for an equivalent reduction in costs, which included altering the mix and balance of provision, as well as taking advantage of the Coronavirus Job Retention Scheme and other small grants;
- (ii) the result of strategic activity taken by the Adult Education Centre to secure its future through a restructuring of its operational property portfolio which has both increased cash balances and led to increased operating costs in the short term. It is expected that these higher costs will be sustained as the Property Strategy is completed over the next 1-3 financial years, while the cash balance gradually falls and that the ESFA financial health grading will fluctuate.

The Property Strategy was agreed by the Board because the Adult Education Centre’s main building is approaching the end (July 2022) of a long lease that has been on beneficial terms for many years. The landlord has indicated that if it were to offer a new lease it would be at a considerably higher rent. After careful consideration of the risks and opportunities, the Board adopted a strategy that, when implemented, will help provide for a financially sustainable future for the Settlement as a whole.

As part of this strategy the Board took the decision to sell the freehold property at 10 Great Turnstile and to lease it back for a period to coincide with the termination of the lease on 42 Queen Square. This sale was completed during 2017-18, and the proceeds of the sale were put towards the purchase of a new building, Queensway House in the London Borough of Stratford which completed in July 2018. A fundraising plan, together with a portion of the existing reserves, will enable the redevelopment and refurbishment of this building, for which planning permission was granted in December 2021 and for which some aspects of preliminary development have commenced. The expectation that most of the Settlement’s service offering will operate from Queensway House from January 2023. The premises at 1 Rushworth Street will be retained, enabling the Settlement to operate from two permanent sites in two London boroughs.

In the short to medium term, the implementation of the Property Strategy will continue to put pressure on operating surpluses and cash balances and, in turn, on the ESFA financial health grade, with the achievement of a consistent “Good” or better financial health grading unlikely until the completion of the Property Strategy.

Based on our forecasts the “Good” financial health grading achieved in recent years was always expected to fluctuate during the execution of the Property Strategy, and consequently, given the challenges faced over 2020-21, the “Good” outcome reported for the period is seen as a positive result.

STUDENT NUMBERS

The Centre is funded according to the levels of activity that it generates. In 2020-21, the Centre generated a funding value of £2,287,000 (2019-20: £2,257,000). The total number of students enrolled onto courses was 2,181, compared with 4,154 for 2019-20. Student retention was 95% for 20-21 compared with 90% for 2019-20.

STUDENT ACHIEVEMENTS

In 2020-21 there were 392 examination entries of which 351 were successful (2019-20: 408 and 353 respectively). Overall success is 96% (2019-20: 94%). Student achievement in non-accredited courses is 92% (2019-20: 86%), which is assessed using the Recognising and Rewarding Progress and Achievement (RARPA) strategy.

**MARY WARD SETTLEMENT
REPORT OF THE BOARD OF TRUSTEES
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CURRICULUM DEVELOPMENTS

Curriculum planning at the Centre combines a needs analysis of local communities with a broader perspective of its contribution to adult education across London. The Centre has been effective in reviewing and realigning its curriculum to meet changing priorities and funding constraints, whilst retaining the distinctive characteristics of the curriculum and patterns of learning. In 2020-21 the Centre continued to offer courses within the curriculum financed entirely from student fees and successfully ran such courses across the curriculum. In response to the Covid-19 pandemic, the Centre's strategy was to change the mix and balance of the curriculum, maximising both the amount of fully funded and paid-for provision that could be delivered within the constraints of space and cost of resourcing. This resulted in an increased spend per head from £104 to £116. Consequently although the number of enrolments fell to 60% of that in 2019-20, the proportion of the value of tuition fees compared to 2019-20, was 67%.

Community Outreach continue to be successful at providing courses for the over 60's and hard to reach communities to reduce social isolation particularly during the pandemic.

Partnerships with employers continue to develop to provide bespoke training for employees and referrals from the Job Centre Plus to meet students' needs to help them get work. In Vocational and Life Skills, Level 1 and Level 2 courses continue to be offered; these offer transferrable business skills to support employability including Coaching and Mentoring and Event Management qualifications. 24+ Loan provision continues to be offered in Community Interpreting, Counselling and Art and Design. Progression routes in Community Interpreting into specialist areas have also been offered, e.g. Level 6 - Preparation for the Diploma in Public Service Interpreting; Law Option. A number of continuing professional development opportunities in Counselling and Community Interpreting are also offered to enhance student's skills.

PAYMENT PERFORMANCE

The Late Payment of Commercial Debts (Interest) Act 1998, which came into force on 1st November 1998, requires colleges, in the absence of agreement to the contrary, to make payments to suppliers within 30 days of either the provision of goods or services or the date on which the invoice was received.

The target set by the Treasury for payment to suppliers within 30 days is 95%. During the accounting period 1st August 2020 to 31st July 2021, the Centre paid 90% of its invoices within 30 days. The Centre incurred no interest charges in respect of late payment for this period.

EVENTS AFTER THE END OF THE REPORTING PERIOD

Since the balance sheet date of 31st July 2021, formal planning permission has been granted for the development and refurbishment of Queensway House, and a construction contract for this work, to the value of £9,569,000 with a completion date of 23rd December 2022, has been signed with Curo Construction Limited. A mortgage secured on Queensway House, for the value of £3,000,000 was agreed with Charity Bank on 21st February 2022, and will be used to finance the redevelopment.

FUTURE DEVELOPMENTS

The Strategic Plan of the Settlement includes its relocation to Queensway House, a new site in the London Borough of Newham, following the redevelopment and opening of this new site in December 2022. For the period from 1st August 2022 until December 2022 it is envisaged that the Adult Education Centre will extend its activities at 1 Rushworth Street and at a number of temporary locations in the London Borough of Newham. Once Queensway House is fully open, it is envisaged that the Settlement will be able to extend the range of its community services to the new site, operating the whole variety of the Settlement's activities in both the Boroughs of Newham and Southwark.

At a strategy day in June 2018, the following Strategic Objectives were agreed for the period 2018-23:

- To grow existing services and to extend our range of services to enhance the delivery of our Mission, in ways that are relevant now and which look to the future;

MARY WARD SETTLEMENT

REPORT OF THE BOARD OF TRUSTEES

FOR THE YEAR ENDED 31 JULY 2021

FUTURE DEVELOPMENTS (CONTINUED)

- To deliver excellent services, that prioritise outcomes and impact for our users;
- To further develop an organisational structure and culture which realises the Settlement's Mission and Core Values;
- To add our expertise, encouragement and support to the efforts and achievements of people in the communities and neighbourhoods in which we are located and create opportunities for them to reach their educational, social and economic potential;
- To maintain good financial health in order to ensure the sustainable delivery of our Mission;
- To redevelop our new premises to support a sustainable future, enhance the quality of our provision and enable us to reach new audiences;
- To develop partnerships and alliances with other organisations that will improve and extend our ability to deliver our Mission and Strategic Objectives;
- To improve our public profile and develop an effective communications, PR and marketing strategy that supports the development of Blackfriars, our move east and contributes to our plans for growth.

The Settlement plans to continue to be a distinct and high quality provider of adult and continuing education, to increase its provision for students over the next 3 years and to return to an 'outstanding' financial status with the ESFA within the life of the new strategic plan.

The Settlement will continue to diversify its income streams and thereby reduce its dependency on ESFA funding, and plans to continue to work towards higher tuition fee income, without compromising access to education for those with the greatest needs. It is expected that there will be continuing development of a range of courses funded through student loans. Covid-19 continues to be a major factor in immediate plans and consequently the Adult Education Centre has focused on improving its technology including investing in staff training and resources to enable continuity of provision, both face to face and online.

ADULT EDUCATION CENTRE

The implementation of the Property Strategy is expected to see Queensway House in the London Borough of Newham being opened in December 2022. Newham was identified at an early stage of research as an area where there is underprovision of adult education and where it is thought likely that the Adult Education Centre can maximise its impact. The opening of the new site will allow for a major review of the curriculum and particular emphasis will be given to the specific needs of the community in this part of East London where the Adult Education Centre will be establishing its new base.

The Adult Education Centre will continue to manage its costs effectively, mindful that staff costs represent more than two thirds of total costs. Greater efforts will be made to make effective use of more volunteers in a more structured and better way.

The public funding environment remains challenging and there is no immediate end in sight to this. Outcomes from Area Reviews are beginning to bring substantial change to the wider FE sector although there has been no immediate impact on the Settlement.

MARY WARD LEGAL CENTRE

Looking forward the Legal Centre expects to be able to achieve the following:

- To continue to adapt its advice provision to ensure safe access during the Covid-19 crisis, including a mix of face-to-face and remote appointments, and advice via video conference;
- To continue to develop new advice provision in Southwark and Newham;
- To expand its housing advice service and recruit additional solicitors;
- To take an active role in advice networks, and work in partnership with local advice providers.
- To continue to seek new sources of income and funding to deliver specialist legal advice services including raising unrestricted income;
- To develop an online triage tool to increase the channels of access to its services.

MARY WARD SETTLEMENT

REPORT OF THE BOARD OF TRUSTEES

FOR THE YEAR ENDED 31 JULY 2021

BLACKFRIARS SETTLEMENT

Looking forward the Settlement expects to be able to achieve the following, as part of the Settlement's Strategic Plan 2018-22:

- To maintain and develop the range of activities currently offered to the local community by the Settlement - primarily for the elderly and for people experiencing mental health issues
- To partner Mary Ward Adult Education Centre in hosting adult education classes at the Rushworth Street premises
- To partner Mary Ward Legal Centre in hosting Legal Advice clinics and drop-in services at the Rushworth Street premises

GOING CONCERN

As part of our redevelopment project, and in the development of our strategy for our move to Stratford the Settlement has developed detailed financial projections which include modelling the impact of Covid-19 on its plans for growth and the impact of risks and uncertainties associated with the redevelopment project. This work has supported the Board's ability to consider the financial impact of the challenges and uncertainties created by the Covid-19 pandemic, and those of the redevelopment project. As such it considers that the Settlement has adequate resources to continue in operational existence for the foreseeable future and until at least March 2023. For this reason, it continues to adopt the going concern basis in preparing the financial statements.

RESOURCES

The Settlement has a variety of resources that it can deploy in pursuit of its strategic objectives.

Tangible resources include the freehold of Queensway House on Stratford High Street in the London Borough of Newham, the long term leasehold (995 years) of 1 Rushworth Street, and the remaining term of the lease of 42 Queen Square, the Settlement's main site for adult education.

Financial

The Settlement has £9,708,000 of net assets (2019-20: £9,451,000), having taken in to account the FRS102 pension liability of £2,591,000 (2019-20: £2,658,000). The balance owing to the Social Investment Business was £661,000 as at 31st July 2021 (2019-20: £781,000).

People

The Senior Management Team comprised five members of staff and is expected to remain at this level for the foreseeable future. The staff teams of the Adult Education Centre, the Legal Centre and Blackfriars are settled, with a low turnover. The Adult Education Centre employs a wide range of sessional tutors, many of whom have taught at Mary Ward for many years.

Reputation

The Settlement has a very well established reputation and draws students and clients from across London and beyond. The Adult Education Centre is known as 'the friendly place to learn'. It is also well known for its ability to support students with both physical and learning difficulties. The Legal Centre is well regarded in the legal community, shown by the continuing support of a number of major law firms. Blackfriars runs a wide variety of well-established clubs, activities and services for older people and for people with mental health issues and continues to be well regarded in its local community in the London Borough of Southwark.

MARY WARD SETTLEMENT REPORT OF THE BOARD OF TRUSTEES FOR THE YEAR ENDED 31 JULY 2021

PRINCIPAL RISKS AND UNCERTAINTIES

The Settlement has undertaken further work during the year to develop and embed the system of internal control, including financial, operational and risk management which is designed to protect the Settlement's assets and reputation.

Based on the Strategic Plan, the Senior Management Team regularly undertakes a comprehensive review of the risks to which the Settlement is exposed. They identify systems and procedures, including specific preventable actions which should mitigate any potential impact on the Settlement. The internal controls are then implemented and the subsequent year's appraisal will review their effectiveness and progress against risk mitigation actions. In addition to the annual review, the Senior Management Team will also consider any risks which may arise as a result of a new area of work being undertaken by the Settlement.

A risk register is maintained at the Settlement level, which is reviewed regularly by the Audit and Risk Committee. The risk register identifies the key risks, the likelihood of those risks occurring, their potential impact on the Settlement and its subsidiaries and the actions being taken to reduce and mitigate the risks. Risks are prioritised using a consistent scoring system. The risk register includes a separate section for each business stream and, as needed, for major projects.

Outlined below is a description of the principal risk factors that have the potential to have a significant impact on the Settlement. Not all the factors are within the Settlement's control:

- Risks in connection with the implementation of the Property Strategy
- A reduction in student numbers and / or falling average class sizes as a result of the ongoing impact of Covid-19
- Increasing mismatch between work demands and the capacity of staff to deliver
- Ability of the IT and communications infrastructure to respond to the demands placed on it

STAKEHOLDER RELATIONSHIPS

The Settlement has many stakeholders including:

- students;
- clients;
- funding bodies;
- staff;
- local employers (with specific links);
- our local authorities;
- the Mayor of London's office;
- local community and voluntary organisations; and
- other colleges, in particular other AECs.

The Settlement recognises the importance of these relationships and is active in their maintenance and development.

EQUAL OPPORTUNITIES AND EMPLOYMENT OF DISABLED PERSONS

The Settlement is committed to ensuring equality of opportunity for all who learn and work there. It respects and values positively differences in race, gender, sexual orientation, ability, class and age. It strives vigorously to remove conditions which place people at a disadvantage and it will actively combat bigotry. This policy will be resourced, implemented and monitored on a planned basis.

A Single Equality Policy is in place and is published on the Settlement's website. The Settlement also publishes an Annual Equality Report, which includes its equality objectives. This ensures compliance with all of the relevant legislation, including the Equality Act 2010. The Settlement also undertakes equality impact assessments on policies and procedures as appropriate.

**MARY WARD SETTLEMENT
REPORT OF THE BOARD OF TRUSTEES
FOR THE YEAR ENDED 31 JULY 2021**

EQUAL OPPORTUNITIES AND EMPLOYMENT OF DISABLED PERSONS (CONTINUED)

The Settlement considers all applications from disabled persons, bearing in mind the aptitudes of the individuals concerned. Where an existing employee becomes disabled, every effort is made to ensure that employment with the Settlement continues. The Settlement's policy is to provide training, career development and opportunities for promotion, which are, as far as possible, identical to those for other employees.

DISABILITY STATEMENT

The Settlement seeks to achieve the objectives set down in the Disability Discrimination Act 1995 as amended by the Special Educational Needs and Disability Acts 2001 and 2005 and the Equality Act of 2010 by:

- having a management structure bringing together the support for learners with disabilities and learning difficulties and the provision of additional learning support;
- the use of 10 Great Turnstile to provide 100% level access to all areas and a wheelchair lift at the front entrance;
- the supply of specialist equipment for use by students with disabilities;
- the continuing investment in resources to support students with learning difficulties and/or disabilities; and
- the continuing programme of staff development to ensure the provision of a high level of appropriate support for students who have learning difficulties and/or disabilities.

In 2020-21 20% (19-20: 20.5%) of the student body declared a disability or learning difficulty. This remains high in comparison with adult and further education colleges in general which is between 14% and 15%.

FUNDRAISING

The Settlement aims to achieve best practice in the way in which it communicates with donors and other supporters. It takes care with both the tone of its communications and the accuracy of its data to minimise the pressures on supporters. It applies best practice to protect supporters' data and never sells or shares data, and ensures that communication preferences can be changed at any time. The Settlement manages its own fundraising activities and, during the period under review, has employed the services of a professional fundraising organisation who have made one of their employees available to provide hands-on expertise and operational input. The Settlement undertakes to react to and investigate any complaints regarding its fundraising activities and to learn from them and improve its service.

During 2020-21, the Settlement received no complaints about its fundraising activities.

TRADE UNION FACILITY TIME

There were no employees who were relevant union officials during the period, so there was no time or percentage of the pay bill spent on facility time. There were no paid trade union activities during the year.

DISCLOSURE OF INFORMATION TO AUDITORS

The members of the Board who held office at the date of approval of this report confirm that, so far as they are each aware, there is no relevant audit information of which the Settlement's auditors are unaware; and each member has taken all the steps that he or she ought to have taken to be aware of any relevant audit information and to establish that the Settlement's auditors are aware of that information.

Approved by order of the members of the Board on 26th March 2022 and signed on their behalf by:



Christine Cryne
Chair

MARY WARD SETTLEMENT

STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL

FOR THE YEAR ENDED 31 JULY 2021

STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL

The following statement is provided to enable readers of the Annual Report and Financial Statements of the Settlement to obtain a better understanding of its governance and legal structure. The statement covers the period from 1st August 2020 to 31st July 2021 and up to the date of the approval of the Annual Report and Financial Statements.

The Settlement endeavours to conduct its business:

- in accordance with the seven principles identified by the Committee on Standards in Public Life (selflessness, integrity, objectivity, accountability, openness, honesty and leadership);
- in full accordance with the guidance to colleges from the Association of Colleges in The Code of Good Governance for English Colleges; and
- having due regard to the UK Corporate Governance Code (“the Code”) insofar as it is applicable to its operational activities.

The Settlement is committed to exhibiting best practice in all aspects of corporate governance and, in particular, the Board has adopted and complied with the Code of Good Governance. The Board has not adopted, and therefore does not apply, the UK Corporate Governance Code. However, we have reported on our Corporate Governance arrangements by drawing upon best practice available, including those aspects of the UK Corporate Governance Code we consider to be relevant to the further education sector and best practice.

In the opinion of the Board, the Settlement complies with all the provisions of the Code of Good Governance, and it has complied throughout the year ended 31st July 2020. The Board recognises that, as a body entrusted with both public and private funds, it has a particular duty to observe the highest standards of corporate governance at all times.

The Settlement is a registered charity. The trustees confirm that they have had due regard for the Charity Commission's guidance on public benefit and that the required statements appear elsewhere in these Financial Statements.

THE BOARD

The members of the Board, or on the Boards of its subsidiaries, who served during the year and up to the date of signature of this report are as listed in the following table:

Member	Date of appointment	Term of office	Date of leaving	Elected trustees	Position and Committees served
Ms F Bates	March 2015 reappointed June 2019	4 years	July 2021		Chair of Trustees; Governance and Nominations (Chair); Remuneration (Chair)
Mr M Bassett	December 2020	4 years	December 2021		
Ms R Brain***	October 2019	4 years			
Ms N Cartner	June 2017	4 years			Governance and Nominations; Quality Improvement Group (Chair)
Mr G Collins	May 2018	4 years			Audit & Risk
Mr J Collins	December 2020	4 years			
Ms C Cryne	May 2021	4 years			Chair of Trustees; Governance and Nominations (Chair); Remuneration (Chair)
Mr G Darby**	May 2018	3 years		Tutor	Quality Improvement Group
Ms K Duong	May 2018	4 years			Treasurer; Audit & Risk; Finance (Chair); Remuneration; Governance and Nominations

MARY WARD SETTLEMENT
STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL
FOR THE YEAR ENDED 31 JULY 2021

THE BOARD (continued)

Member	Date of appointment	Term of office	Date of leaving	Elected trustees	Position and Committees served
Mr J Edwards*	July 2013 reappointed May 2018	4 years	October 2021		Finance (Chair); Governance and Nominations; Remuneration
Mr A Hill**	March 2015 reappointed May 2018 extended to June 2022	3 years		Staff	Quality Improvement Group
Mr F Martins	September 2020	4 years			Governance and Nominations
Ms B Montoya	June 2017 extended to June 2022	4 years			Governance and Nominations
Mr R Nadarajan	July 2013 reappointed May 2018	4 years	July 2021		
Mr P Nichols* ⁽¹⁾	December 2021	4 years			
Ms P Nicholson**	November 2019	3 years		Student	Finance
Mr A Peck	March 2014 reappointed May 2018	4 years			Audit and Risk (Chair); Governance and Nominations; Remuneration
Ms S Selzer	September 2020	4 years			
Ms P Snow**	June 2019	3 years	September 2021	Student	
Ms S Todd	September 2020	4 years			
Baroness M Wheeler	May 2018	4 years	December 2020		Vice Chair
Ms A Williams**	February 2011 reappointed March 2014	4 years extended to October 2020	October 2020		Vice Chair Governance and Nominations Quality Improvement Group
Ms E Wyatt*	Oct 2016 reappointed June 2021	4 years			Finance
Ms B Campbell acts as Clerk to the Board					

* Trustees of MWLC only

** Trustees of MWS only

*** Trustees of Blackfriars Settlement only

⁽¹⁾ Paul Nichols was appointed in April 2020 as a co-opted trustee of Mary Ward Settlement, and served in this capacity until his formal appointment as a trustee to the board of Mary Ward Legal Centre in December 2021

In addition to the Board, other people who served on committees during the year and up to the date of signature of this report were as listed in the following table:

Member	Date of Appointment	Date of resignation	Status of appointment	Committees served
Ms F Stormer	February 2019		External representative	Audit & Risk

MARY WARD SETTLEMENT
STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL
FOR THE YEAR ENDED 31 JULY 2021

THE BOARD (CONTINUED)

It is the Board's responsibility to bring independent judgement to bear on issues of strategy, performance, resources and standards of conduct.

The Board is provided with regular and timely information on the overall financial performance of the Settlement together with other information such as performance against funding targets, proposed capital expenditure, quality matters and personnel related matters such as health and safety and environmental issues.

The Board conducts some of its business through a number of committees. Each committee has terms of reference which have been approved by the Board. These committees are Governance and Nominations, Remuneration, Finance and Audit and Risk.

Full minutes of all meetings except those deemed to be confidential are available from the Clerk at the address below.

ATTENDANCE

The table below summarises the attendance at Board and sub-committee meetings for the year to 31st July 2021. For trustees of subsidiary company boards, the number of meetings refers only to those meetings of the subsidiary represent.

Member	Board	Strategy days	Governance and Nominations	Finance	Audit and Risk
Ms F Bates	5 of 5	2 of 2	0 of 1	1 of 2	0 of 2
Mr M Bassett	2 of 4	0 of 2			
Ms R Brain	3 of 6	2 of 2			
Ms N Cartner	5 of 6	1 of 2	1 of 1		
Mr G Collins	6 of 6	2 of 2			4 of 4
Mr J Collins	4 of 5	2 of 2	1 of 1		
Ms C Cryne	1 of 2	1 of 1			
Mr G Darby	6 of 6	0 of 2			
Ms K Duong	5 of 6	2 of 2	1 of 1	4 of 4	4 of 4
Mr J Edwards	5 of 6	1 of 2		4 of 4	
Mr A Hill	4 of 6	1 of 2			
Mr F Martins	5 of 6	2 of 2	1 of 1		
Ms B Montoya	5 of 6	2 of 2	1 of 1		
Mr R Nadarajan	4 of 6	0 of 2			
Mr P Nichols	5 of 6	1 of 2		4 of 4	
Ms P Nicholson	6 of 6	2 of 2		4 of 4	
Mr A Peck	5 of 6	2 of 2	1 of 1		4 of 4
Ms S Selzer	5 of 5	2 of 2			
Ms P Snow	4 of 6	1 of 2			
Ms S Todd	5 of 5	2 of 2			
Baroness M Wheeler	0 of 2				
Ms A Williams	1 of 1		1 of 1		
Ms E Wyatt	5 of 6	2 of 2		4 of 4	
Ms F Stormer					4 of 4

The Remuneration Committee and the Quality Improvement Group did not meet formally during 2020-21.

**MARY WARD SETTLEMENT
STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL
FOR THE YEAR ENDED 31 JULY 2021**

ATTENDANCE (CONTINUED)

Property - overseeing the sale of 10 Great Turnstile and the purchase of Queensway House
Marketing and Communications - reviewing the marketing and communications strategy
Friends and Alumni - overseeing relationships with friends and alumni
Rewrite Mission - tasked with reviewing and updating the Centre's mission ahead of developing the next phase of the Centre's strategic plan

The above working groups were not operated as formal committees with registers of attendance, nor were they formally clerked. However all significant discussions were reported back to the full Board, and a record of any decisions taken by the Board was formally noted as part of the full board minutes.

The Clerk maintains a register of financial and personal interests of the members of the Board. The register is available from the Clerk at the address below:

Mary Ward Settlement
42 Queen Square
London
WC1H 3AQ

All members of the Board are able to take independent professional advice in furtherance of their duties at the Settlement's expense and have access to the Clerk to the Board, who is responsible to the Board for ensuring that all applicable procedures and regulations are complied with. The appointment and removal of the Clerk are matters for the Board as a whole.

Formal agendas, papers and reports are supplied to members in a timely manner, prior to board meetings. Briefings are also provided on an ad-hoc basis.

The Board has a strong and independent non-executive element and no individual or group dominates its decision-making process. The Board considers that each of its non-executive members is independent of management and free from any business or other relationship which could materially interfere with the exercise of their independent judgement.

There is a clear division of responsibility in that the roles of the Chair and the Warden, the Accounting Officer, are separate.

APPOINTMENTS TO THE BOARD

With the exception of ex-officio appointments, members of the Board hold office for a period of four years (increased from three years by special resolution at the AGM in March 2016). Elected trustees currently on the Board will serve the term to which they were elected. Appointed members may be re-appointed for a second term of four years on the recommendation of the Governance and Nominations Committee. Third and further terms of four years may exceptionally be approved by the board on recommendation of the Governance and Nominations Committee if it is considered that this would produce a better balance of knowledge, skills, commitment and experience amongst the members.

Student and staff members of the Board are eligible to stand for re-election at the end of their term. Staff members are not eligible to serve as members if they cease to be a member of staff of the Settlement. Student members may continue to the end of their elected term of office even if they cease to be students of the Adult Education Centre during their term.

The Board is responsible for ensuring that appropriate training is provided as required.

MARY WARD SETTLEMENT
STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL
FOR THE YEAR ENDED 31 JULY 2021

BOARD PERFORMANCE

A review of the performance of individual trustees, including the Chair, took place during the year. Individual performance appraisals are also scheduled for 2021-22 and it is proposed that an overall self-assessment of the Board's performance should be derived from these.

REMUNERATION COMMITTEE

The membership of the Remuneration Committee is entirely ex-officio and comprises five members made up of the Chair, the Treasurer, and the chairs of the other committees. The Committee's responsibilities are to make recommendations to the Board on the remuneration and benefits of the Warden and other senior post-holders, and to oversee staff terms and conditions including annual cost of living increases.

Details of remuneration for the year ended 31st July 2021 are set out in note 11 to the Financial Statements.

THE GOVERNANCE AND NOMINATIONS COMMITTEE

The Governance and Nominations Committee comprises four members. The Committee is responsible for advising the Board on the composition, balance and appointment of the Board and its committees. It also ensures that members undergo a regular skills audit and that an annual assessment of training needs takes place.

AUDIT AND RISK COMMITTEE

The Audit and Risk Committee comprises up to five members. No member of staff is permitted to serve on the Audit and Risk Committee. The Committee operates in accordance with written terms of reference approved by the Board.

The Audit and Risk Committee provides a forum for reporting by the Settlement's internal and financial statements auditors, who have access to the committee for independent discussion, without the presence of Settlement management.

The Settlement's internal auditors review the systems of internal control, risk management controls and governance process in accordance with an agreed plan of input and report their findings to management and the Audit and Risk Committee.

Management is responsible for the implementation of agreed audit recommendations and internal audit undertake periodic follow up reviews to ensure such recommendations have been implemented.

The Audit and Risk Committee also advises the Board on the appointment of internal, regularity and financial statements auditors and their remuneration for both audit and non-audit work, as well as reporting annually to the Board.

THE FINANCE COMMITTEE

The Finance Committee comprises up to five members. The Committee is responsible for advising the Board on all strategic finance related matters.

INTERNAL CONTROL

SCOPE OF RESPONSIBILITY OF INTERNAL CONTROL

The Board is ultimately responsible for the Settlement's system of internal control and for reviewing its effectiveness. However, such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against material misstatement or loss.

MARY WARD SETTLEMENT
STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL
FOR THE YEAR ENDED 31 JULY 2021

INTERNAL CONTROL (CONTINUED)

SCOPE OF RESPONSIBILITY OF INTERNAL CONTROL (CONTINUED)

The Board has delegated the day to day responsibility to the Warden, as Accounting Officer, for maintaining a sound system of internal control that supports the achievement of the Settlement's policies, aims and objectives, whilst safeguarding the public funds and assets for which she is personally responsible, in accordance with the responsibilities assigned to her in the Financial Memorandum between the Adult Education Centre and the Education and Skills Funding Agency. She is also responsible for reporting to the Board any material weaknesses or breakdowns in internal control.

THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Settlement policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place at the Settlement for the year ended 31st July 2021 and up to the date of approval of the Annual Report and Financial Statements.

CAPACITY TO HANDLE RISK

The Board has reviewed the key risks to which the Settlement is exposed, together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board is of the view that there is a formal ongoing process for identifying, evaluating and managing the Settlement's significant risks that has been in place for the year ended 31st July 2021 and up to the date of approval of the Annual Report and Financial Statements. This process is regularly reviewed by the Board.

THE RISK AND CONTROL FRAMEWORK

The system of internal financial control is based on a framework of regular management information, administrative procedures including the segregation of duties, and a system of delegation and accountability. In particular, it includes:

- comprehensive budgeting systems with an annual budget which is reviewed and agreed by the governing body;
- regular reviews by the governing body of periodic and annual financial reports which indicate financial performance against forecasts;
- setting targets to measure financial and other performance;
- clearly defined capital investment control guidelines; and
- the adoption of formal project management disciplines where appropriate.

The Settlement has an internal audit service, which operates in accordance with the requirements of the ESFA's *Post 16 Audit Code of Practice*. The work of the internal audit service is informed by an analysis of the risks to which the Settlement is exposed, and annual internal audit plans are based on this analysis. The analysis of risks and the internal audit plans are endorsed by the Settlement's governing body on the recommendation of the Audit and Risk Committee. At least annually, the internal audit service provides the governing body with a report on internal audit activity in the Settlement. The report includes the internal audit service's independent opinion on the adequacy and effectiveness of the Settlement's system of risk management, controls and governance processes.

MARY WARD SETTLEMENT
STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL
FOR THE YEAR ENDED 31 JULY 2021

THE REVIEW OF EFFECTIVENESS

As Accounting Officer, the Warden has responsibility for reviewing the effectiveness of the system of internal control. Her review of the effectiveness of the system of internal control is informed by:

- the work of the internal auditors;
- the work of the executive managers within the Settlement who have the responsibility for the development and maintenance of the internal control framework; and
- comments made by the Settlement's Financial Statements auditors and the Regularity auditors in their management letters and other reports.

The Warden has been advised on the implications of the result of her review of the effectiveness of the system of internal control by the Audit and Risk Committee which oversees the work of the internal auditor and other sources of assurance, and a plan to address weaknesses and ensure continuous improvement of the system is in place.

The Senior Management Team receives reports setting out key performance and risk indicators and considers possible control issues brought to their attention by early warning mechanisms, which are embedded within the departments and reinforced by risk awareness training. The Senior Management Team and the Audit and Risk Committee also receive regular reports from the internal auditor and other sources of assurance, which include recommendations for improvement. The Audit and Risk Committee's role in this area is confined to a high-level review of the arrangements for internal control. The Committee's agenda includes a regular item for consideration of risk and control and it receives reports thereon from the Senior Management Team. The emphasis is on obtaining the relevant degree of assurance and not merely reporting by exception. At its November 2021 meeting the Audit and Risk Committee carried out the annual assessment for the year ended 31st July 2021 by considering documentation from the Senior Management Team and internal audit service, as well as reviewing events since the year end.

Based on the advice of the Audit and Risk Committee and the Warden, the Board is of the opinion that the Settlement has an adequate and effective framework for governance, risk management and control, and has fulfilled its statutory responsibility for *"the effective and efficient use of resources, the solvency of the institution and the body and the safeguarding of their assets"*.

GOING CONCERN

As part of the Settlement's redevelopment project and in the development of the strategy for its move to Stratford the Settlement has developed detailed financial projections which include modelling the impact of Covid-19 on its plans for growth, and the impact of risks and uncertainties associated with the redevelopment project. This work has supported the Board's ability to consider the financial impact of the challenges and uncertainties created by the Covid-19 pandemic and those of the redevelopment project. As such it considers that the Settlement has adequate resources to continue in operational existence for the foreseeable future and until at least March 2023. For this reason it continues to adopt the going concern basis in preparing the financial statements.

Approved by order of the members of the Board on 26th March 2022 and signed on their behalf by



Christine Cryne
Chair



Suzanna Jackson
Accounting Officer

MARY WARD SETTLEMENT
STATEMENT OF RESPONSIBILITIES OF THE BOARD OF TRUSTEES
FOR THE YEAR ENDED 31 JULY 2021

The trustees (who are also directors of the Settlement for the purposes of company law) are responsible for preparing the trustees' report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Settlement and of the income and expenditure of the Settlement for that period.

In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Settlement will continue in operation.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Settlement 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 Settlement and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Each of the trustees confirms that:

- so far as the trustee is aware, there is no relevant audit information of which the Settlement's auditor is unaware; and
- the trustee has taken all the steps that he/she ought to have taken as a trustee in order to make himself/herself aware of any relevant audit information and to establish that the Settlement's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

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

Approved by order of the members of the Board on 26th March 2022



Christine Cryne
Chair

Opinion

We have audited the financial statements of Mary Ward Settlement and its subsidiaries (the 'group') for the year ended 31 July 2021 which comprise the group Statement of Comprehensive Income, the group Statement of Changes in Reserves, the group and company Balance Sheets, the group Statement of Cash Flows, the principal accounting policies, and the Notes to the Financial Statements. 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 settlement and the group's affairs as at 31 July 2021 and of its income and expenditure for the year then ended;
- ◆ have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- ◆ have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group 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. 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 group'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 and financial statements, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Other information (continued)

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the strategic report and the trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' report including the strategic report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report including the strategic report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us;
- the group's financial statements are not in agreement with the accounting records or returns;
- 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.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees 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 group'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 group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of 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.

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we obtained an understanding of the legal and regulatory frameworks that are applicable to the group and determined that the most significant frameworks which are directly relevant to specific assertions in the financial statements are those that relate to the reporting framework (Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Companies Act 2006 and the Charities Act 2011), those that relate to data protection (General Data Protection Regulation), safeguarding, employment and health and safety, and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the group's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias;
- used data analytics to investigate the rationale behind any significant or unusual transactions;
- tested authorisation controls on expenditure items, ensuring all expenditure was approved in line with the group's financial procedures; and
- performed substantive testing on grant income to ensure the income recognised complied with the funding agreements.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance; and

Auditor's responsibilities for the audit of financial statements (continued)

- enquiring of management as to actual and potential litigation and claims.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the trustees and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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 this report

This report is made solely to the charity's trustees, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charity's members those matters that 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 charity and the charity's trustees as a body, for our audit work, or the opinions we have formed.

Buzzacott LLP

1 April 2022

Catherine Biscoe (Senior Statutory Auditor)
For and on behalf of Buzzacott LLP, Statutory Auditor
130 Wood Street
London
EC2V 6DL

MARY WARD SETTLEMENT
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 JULY 2021

		Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
	Notes	Funds	Funds	2021	Funds	Funds	2020
INCOME		£'000	£'000	£'000	£'000	£'000	£'000
Donations and fundraising	2	427	-	427	396	67	463
Income for generating funds	3	367	-	367	300	-	300
<i>Income from charitable activities:</i>							
Adult education	4	3,040	24	3,064	3,282	63	3,345
Community services	5	-	223	223	-	228	228
Legal services	5	203	894	1,097	15	811	826
Investment income	6	5	-	5	11	-	11
Other Income - CJRS grant	7	130	-	130	260	-	260
Total income		4,172	1,141	5,313	4,264	1,169	5,433
EXPENDITURE							
<i>Cost of raising funds:</i>							
Generating donations and grants	8	54	-	54	58	-	58
<i>Expenditure on charitable activities:</i>							
Adult education		3,398	-	3,398	3,839	24	3,863
Community services		-	646	646	-	702	702
Legal services		-	1,219	1,219	-	1,175	1,175
Total expenditure	9/10	3,452	1,865	5,317	3,897	1,901	5,798
Surplus / (deficit) before other gains/losses		720	(724)	(4)	367	(732)	(365)
Gain on investments		4	-	4	2	-	2
Surplus / (Deficit) before tax		724	(724)	-	369	(732)	(363)
Taxation		-	-	-	-	-	-
Surplus / (Deficit) for the year		724	(724)	-	369	(732)	(363)
Actuarial gain / (loss) in respect of pension schemes	26	257	-	257	-	(839)	(839)
Transfers between funds		(724)	724	-	(1,492)	1,492	-
Total Comprehensive Income for the year		257	-	257	(1,123)	(79)	(1,202)

MARY WARD SETTLEMENT
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 JULY 2021

	Unrestricted funds £'000	Restricted funds £'000	Total 2021 £'000	Unrestricted funds £'000	Restricted funds £'000	Total 2020 £'000
Represented by:						
Restricted comprehensive income	-	-	-	-	(79)	(79)
Unrestricted comprehensive income	257	-	257	(1,123)	-	(1,123)
	<u>257</u>	<u>-</u>	<u>257</u>	<u>(1,123)</u>	<u>(79)</u>	<u>(1,202)</u>

In 2020-21, £894,000 of income and £1,219,000 expenditure from legal services was restricted; all other income and expenditure was unrestricted (2019-20: £811,000 of income and £1,175,000 expenditure was restricted). In 2020-21 £24,000 (2019-20: £63,000) adult education income, £nil (2019-20: £67,000) donations and fundraising income and £223,000 (2019-20: £236,000) community services income was restricted. £nil (2019-20: £24,000) adult education expenditure and £646,000 (2019-20: £702,000) community services expenditure, before other gains and losses, was restricted. All other income and expenditure was unrestricted.

MARY WARD SETTLEMENT
CONSOLIDATED AND CENTRE STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 JULY 2021

	Notes	2021 Group £'000	2021 Centre £'000	2020 Group £'000	2020 Centre £'000
INCOME					
Funding body grants	4	2,497	2,497	2,431	2,431
Tuition fees and education contracts	4	567	543	914	906
Other income from charitable activities	5	1,320	-	1,054	-
Other income - rent receivable	3	367	208	300	120
Investment income	6	5	2	11	10
Donations and fundraising	2	427	104	463	113
Other income - CJRS grant		130	62	260	191
Total income		5,313	3,416	5,433	3,771
EXPENDITURE					
Staff costs	12	3,549	2,175	4,170	2,817
Other operating expenses	11	1,475	1,113	1,334	1,068
Depreciation	14	219	141	220	141
Interest and other finance costs	13	74	66	74	66
Total expenditure		5,317	3,495	5,798	4,092
(Deficit) before other gains and losses		(4)	(79)	(365)	(321)
Gain on investments		4	-	2	-
(Deficit) before tax		-	(79)	(363)	(321)
Taxation		-	-	-	-
(Deficit) for the year		-	(79)	(363)	(321)
Actuarial gain /(loss) in respect of pension schemes	26	257	257	(839)	(839)
Total Comprehensive Income for the year		257	178	(1,202)	(1,160)
Represented by:					
Restricted comprehensive income		-	-	(79)	5
Unrestricted comprehensive income		257	178	(1,123)	(1,165)
		257	178	(1,202)	(1,160)

MARY WARD SETTLEMENT
CONSOLIDATED STATEMENT OF CHANGES IN RESERVES
FOR THE YEAR ENDED 31 JULY 2021

	Group Income and expenditure account £'000	Centre Income and expenditure account £'000
Balance as at 1st August 2019, as restated	10,653	7,643
Deficit from the income and expenditure account	(363)	(321)
Other comprehensive income	(839)	(839)
Total comprehensive income for the year	<u>(1,202)</u>	<u>(1,160)</u>
 Balance as at 31st July 2020	 9,451	 6,483
(Deficit) from the income and expenditure account	-	(79)
Other comprehensive income	257	257
Total comprehensive income for the year	<u>257</u>	<u>178</u>
 Balance as at 31st July 2021	 <u>9,708</u>	 <u>6,661</u>

MARY WARD SETTLEMENT
CONSOLIDATED AND CENTRE BALANCE SHEET
AS AT 31 JULY 2021

	Notes	2021 Group £'000	2021 Centre £'000	2020 Group £'000	2020 Centre £'000
Non current assets					
Tangible fixed assets	14	13,372	10,452	12,029	9,031
Investments	15	31	-	27	-
		<u>13,403</u>	<u>10,452</u>	<u>12,056</u>	<u>9,031</u>
Current assets					
Work in Progress		178	-	122	-
Trade and other receivables	16	678	542	1,112	1,073
Cash and cash equivalents	21	<u>2,496</u>	<u>2,331</u>	<u>1,723</u>	<u>1,468</u>
		<u>3,352</u>	<u>2,873</u>	<u>2,957</u>	<u>2,541</u>
Less: Creditors - amounts falling due within one year	17	(1,456)	(1,169)	(1,285)	(931)
Net current assets		<u>1,896</u>	<u>1,704</u>	<u>1,672</u>	<u>1,610</u>
Total assets less current liabilities		15,299	12,156	13,728	10,641
Creditors - amounts falling due after more than one year	18	(3,000)	(2,904)	(1,619)	(1,500)
Provisions					
Defined benefit obligations	20/26	(2,591)	(2,591)	(2,658)	(2,658)
Total net assets		<u>9,708</u>	<u>6,661</u>	<u>9,451</u>	<u>6,483</u>
Restricted reserves					
Income and expenditure account					
Other Restricted Reserves		9	9	11	9
Unrestricted reserves					
Income and expenditure account		3,422	3,300	2,387	3,237
Other Unrestricted Reserves		3,352	3,352	4,068	3,237
Designated Reserves:					
Fixed Asset Reserve		<u>2,925</u>		<u>2,985</u>	-
Total reserves		<u>9,708</u>	<u>6,661</u>	<u>9,451</u>	<u>6,483</u>

The Financial Statements on pages 34 to 66 were approved and authorised for issue by the Board on 26th March 2022 and signed on its behalf on that date by:


Christine Cryne
Chair


Suzanna Jackson
Accounting Officer

MARY WARD SETTLEMENT
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 JULY 2021

		2021	2020
	Notes	£'000	£'000
Cash flow from operating activities			
(Deficit) for the year		-	(363)
Adjustment for non-cash items			
Depreciation	14	219	220
Provision of deferred income		1,762	353
Release of deferred gain		(272)	(272)
(Increase) in work in progress		(56)	(14)
Decrease / (increase) in debtors	16	434	(555)
Increase in creditors due within one year	17	178	77
Increase in creditors due after one year	18	-	279
Pension costs less contributions payable (including administration cost)	26	190	145
Adjustment for investing activities			
Investment income	6	(5)	(11)
Interest payable	13	38	40
(Gains) on investments		(4)	(2)
Net cash flow from operating activities		<u>2,484</u>	<u>(103)</u>
Cash flows from investing activities			
Investment income	6	5	11
Payments made to acquire fixed assets	14	<u>(1,562)</u>	<u>(1,022)</u>
		<u>(1,557)</u>	<u>(1,011)</u>
Cash flows from financing activities			
Interest paid		(38)	(40)
Repayments of amounts borrowed		<u>(116)</u>	<u>(81)</u>
		<u>(154)</u>	<u>(121)</u>
Increase / (Decrease) in cash and cash equivalents in the year		<u>773</u>	<u>(1,235)</u>
Cash and cash equivalents at the beginning of the year		1,723	2,958
Cash and cash equivalents at the end of the year		2,496	1,723

**MARY WARD SETTLEMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2021**

1 ACCOUNTING POLICIES

Statement of accounting policies and estimation techniques

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Financial Statements.

Basis of preparation

These Financial Statements have been prepared in accordance with the *Statement of Recommended Practice: Accounting for Further and Higher Education 2015* (the 2015 FE HE SORP), the *College Accounts Direction for 2020 to 2021* and in accordance with Financial Reporting Standard 102 - “*The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS102)*”. The Settlement is a public benefit entity and has therefore applied the relevant public benefit requirements of FRS102.

The preparation of financial statements in compliance with FRS102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Settlement’s accounting policies.

The Financial Statements are presented in sterling and are rounded to the nearest thousand.

Basis of accounting

The Financial Statements are prepared in accordance with the historical cost convention as modified by the use of previous valuations as deemed cost at transition for certain non-current assets.

Basis of consolidation

The consolidated Financial Statements include the Adult Education Centre and its subsidiaries, the Legal Centre, and Blackfriars, both controlled by the Settlement. Control is achieved where the Settlement has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

Going concern

The activities of the Settlement, together with the factors likely to affect its future development and performance are set out in the Report of the Board of Trustees. The financial position of the Settlement, its cash flow, liquidity and borrowings are described in the Financial Statements and accompanying Notes.

As part of our redevelopment project and in the development of our strategy for our move to Stratford we have developed detailed financial projections which include modelling the potential impact of COVID 19 on our plans for growth and the impact of risks and uncertainties associated with the redevelopment project. This work has supported the Board’s ability to consider the financial impact of the challenges and uncertainties created by the Covid-19 pandemic and those of the redevelopment project. As such it considers that the Settlement has adequate resources to continue in operational existence for the foreseeable future and until at least 31 March 2023. For this reason, it continues to adopt the going concern basis in preparing the financial statements.

Recognition of income

Income is recognised in the period in which the Settlement has entitlement to the income and the amount can be measured reliably and it is probable that the income will be received. Income is deferred only when the Settlement has to fulfil conditions before becoming entitled to it or where the donor or funder has specified that the income is to be expended in a future accounting period.

MARY WARD SETTLEMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2021

Revenue funding

Government revenue grants, including funding body recurrent grants and other grants, are accounted for under the accrual model as permitted by FRS102. Funding body recurrent grants are measured in line with best estimates for the period of what is receivable and depend on the particular income stream involved. Any under or over achievement for the Adult Skills Budget is adjusted for and reflected in the level of recurrent grant recognised in the income and expenditure account. The final grant income is normally determined with the conclusion of the year end reconciliation process with the funding body at the end of November following the year end, and the results of any funding audits.

Donations and grants are recognised when the Settlement has confirmation of both the amount and settlement date. In the event of donations and grants pledged but not received, the amount is accrued for where the receipt is considered probable. In the event that a donation or grant is subject to conditions that require a level of performance before the Settlement is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the Settlement and it is probable that those conditions will be fulfilled in the reporting period.

Fee and contractual income represent the amounts receivable for the services provided to clients, excluding value added tax, under contractual obligations which are performed gradually over time. Incomplete contracts at the balance sheet date are accounted for by reference to the fair value of the work performed and amounts due but not received at the balance sheet date are described in the Financial Statements as contractual income debtors.

Capital grant funding

Government capital grants are capitalised, held as deferred income and recognised in income over the expected useful life of the asset, under the accrual method permitted by FRS102. Other non-governmental, capital grants are recognised in income when the Settlement is entitled to the funds, subject to any performance related conditions being met.

Fee income

Income from tuition fees is stated gross of any expenditure which is not a discount and is recognised in the period for which it is received and includes all fees payable by students or their sponsors, for example the National Health Service.

Investment income

All income from short term deposits is credited to the income and expenditure account in the period in which it is earned on a receivable basis.

Rental income is stated gross of any expenditure and is recognised in the period for which it is payable.

Other income

Other sundry income is recognised to the extent that it is probable that the economic benefits will flow to the Settlement and the revenue can be measured reliably. It is measured at fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

MARY WARD SETTLEMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2021

Agency arrangements

The Settlement acts as an agent in the collection and payment of various discretionary support funds. Related payments received from funding bodies and subsequent disbursements to students are excluded from the income and expenditure of the Settlement, where the Settlement is exposed to minimal risks or enjoys minimal economic benefit related to the transactions.

Accounting for post-employment benefits

Post-employment benefits to employees of the Settlement are provided by the Teachers' Pension Scheme (TPS) and the Local Government Pension Scheme (LGPS). These are defined benefit schemes, which are contracted out of the State Second Pension (for men born on or before 6th April 1951 and women born on or before 6th April 1953).

Teachers' Pension Scheme

The TPS is an unfunded scheme. Contributions to the TPS are calculated so as to spread the cost of pensions over employees' working lives with the Settlement in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by qualified actuaries on the basis of valuations using a prospective benefit method.

The TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as an expense in the income statement in the periods during which services are rendered by employees.

The London Pension Fund Authority

The LGPS is a funded scheme. The assets of the LGPS are measured using closing fair values. LGPS liabilities are measured using the projected unit credit method and discounted at the current rate of return on a high quality corporate bond of equivalent term and currency to the liability. The actuarial valuations are obtained at least triennially and are updated at each Balance Sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred.

Net interest on the net defined benefit liability/asset is also recognised in the Statement of Comprehensive Income and comprises the interest cost on the defined obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in interest and other finance costs.

Actuarial gains and losses are recognised immediately in the Statement of Comprehensive Income.

Short term Employment benefits

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

MARY WARD SETTLEMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2021

Non-current assets - Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses.

Land and buildings

Freehold buildings are depreciated on a straight line basis over their expected useful economic life of 40 years.

Freehold land is not depreciated as it is considered to have an infinite useful life.

The Settlement has a policy of depreciating major adaptations to freehold buildings over the period of their useful economic life of 40 years. Leasehold buildings are amortised over the term of the lease as are major adaptations to leasehold buildings.

Where land and buildings are acquired with the aid of specific grants, they are capitalised and depreciated as above. The related government grants are credited to a deferred income account within creditors, and are released to the income and expenditure account over the expected useful economic life of the related asset on a systematic basis consistent with the depreciation policy. The deferred income is allocated between creditors due within one year and those due after more than one year. Non-government grants are recognised in the Statement of Comprehensive Income when the Settlement becomes entitled to them.

A review of impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying amount of any fixed asset may not be recoverable.

On adoption of FRS102, the Settlement followed the transitional provision to retain the book value of land and buildings, which were revalued in 1996, as deemed cost but not to adopt a policy of revaluation of these properties in the future.

Subsequent expenditure on existing fixed assets

Where significant expenditure is incurred on tangible fixed assets after initial purchase, it is charged to income in the period it is incurred, unless it increases the future benefits to the Settlement, in which case it is capitalised and depreciated on the relevant basis.

Equipment

Equipment costing less than £1,000 per individual item is recognised as expenditure in the period of acquisition. All other equipment is capitalised at cost.

All equipment, including fixtures and fittings, is depreciated over 5 years on a straight line basis.

Borrowing costs

Borrowing costs are recognised as expenditure in the period in which they are incurred.

Leased assets

Costs in respect of operating leases are charged on a straight-line basis over the lease term.

The Settlement has 2 years remaining on an operating lease, until July 2022, with Meraki Holdings on the property occupied by the Legal Centre at 10 Great Turnstile. The amount payable by the Settlement under the lease (exclusive of rates and service charge) is £425,000 per annum.

MARY WARD SETTLEMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2021

Investments

Listed investments held as non-current assets and current asset investments, which may include listed investments, are stated at fair value, with movements recognised in the Statement of Comprehensive Income. Investments comprising unquoted equity instruments are measured at fair value, estimated using a valuation technique.

Cash and cash equivalents

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

Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash with insignificant risk of change in value. An investment qualifies as a cash equivalent when it has a maturity of 3 months or less from the date of acquisition.

Financial liabilities and equities

Financial liabilities and equity are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form.

All loans, investments and short term deposits held by the Settlement are classified as basic financial instruments in accordance with FRS102. These instruments are initially recorded at the transaction price less any transaction costs (historical cost). FRS102 requires that basic financial instruments are subsequently measured at amortised cost, however the Settlement has calculated that the difference between historical cost and amortised cost basis is not material and so these financial instruments are stated on the Balance Sheet at historical cost. Loans and investments that are payable or receivable within one year are not discounted.

Taxation

The Settlement is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Settlement is potentially exempt from taxation in respect of income and capital gains received within categories covered by sections 478-488 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

The Settlement is partially exempt in respect of Value Added Tax, so that it can only recover a minor element of VAT charged on its inputs. Irrecoverable VAT on inputs is included in the costs of such inputs and added to the cost of tangible fixed assets as appropriate, where the inputs themselves are tangible fixed assets by nature.

Provisions and contingent liabilities

Provisions are recognised when the Settlement, or one of its subsidiaries, has a present legal or constructive obligation as a result of a past event, it is probable that a transfer of economic benefit will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Where the effect of time value of money is material, the amount expected to be required to settle the obligation is recognised at present value using a pre-tax discount rate. The unwinding of the discount is recognised as a finance cost in the Statement of Comprehensive Income in the period that it arises.

MARY WARD SETTLEMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2021

Provisions and contingent liabilities (continued)

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

Contingent liabilities are not recognised in the Balance Sheet but are disclosed in the Notes to the Financial Statements.

Judgements in applying accounting policies and key sources of estimation of uncertainty

In preparing these Financial Statements, management have made the following judgements:

- To determine whether leases entered into by the Settlement, either as a lessor or a lessee are operating or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis.
- To determine whether there are indicators of impairment of the Settlement's tangible assets. Factors taken in to consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and, where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit.

Other key sources of estimation uncertainty

- Tangible fixed assets

Tangible fixed assets, other than investment properties, are depreciated over their useful lives, taking into account residual values where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and the projected disposal values.

- Local Government Pension Scheme

The present value of the LGPS defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 25, will impact the carrying amount of the pension liability. Furthermore, a roll forward approach which projects results from the latest full actuarial valuation performed at 31st March 2016, has been used by the actuary in valuing the pension liability at 31st July 2010. Any difference between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

- Sale and Leaseback

The Settlement sold a property in 2017-18 under a sale and leaseback agreement. The sale price was above fair value and so the excess over fair value has been treated as a gain deferred over the life of the lease. Fair value has been determined by the trustees, taking into account an independent professional valuation report from its property advisers, Gryphon Property Partners, and adjusting the value shown in the report based on current market rental values and the future use of the property.

MARY WARD SETTLEMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2021

Judgements in applying accounting policies and key sources of estimation of uncertainty (continued)

- Sale and Leaseback (continued)

The amortisation of the deferred gain over the life of the lease is being charged on a straight line basis to rental expenditure. No legal right to set off exists, as would normally be required for this treatment under FRS102, but the trustees believe that one of the purposes of the agreement is to give rise to a gain that partly represents the rent to be paid over the term of the lease. It is therefore considered true and fair to set off the gain against the rent.

- Gifts in Kind

Donated professional services are recognised as income when the Settlement has control over them, any conditions associated with the donated service having been met, the receipt of economic benefit from the use by the Settlement of the item is probable and that the economic benefit can be measured reliably. In accordance with the FE/HE SORP (FRS102), the time of general volunteers is not recognised.

On receipt, donated professional services are recognised on the basis of the value of the gift to the Settlement which is the amount that the Settlement would have been willing to pay to obtain those services on the open market; a corresponding amount is then recognised in expenditure in the same period as the receipt.

MARY WARD SETTLEMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2021

2 DONATIONS AND FUNDRAISING

	2021 Group	2021 Centre	2020 Group	2020 Centre
	£'000	£'000	£'000	£'000
Income from general fundraising and donations	186	52	274	68
Income from fund raising and donations for bursary fund	81	-	18	18
Value in kind donations	160	52	171	27
Total	427	104	463	113

3 ACTIVITIES FOR GENERATING FUNDS

	2021 Group	2021 Centre	2020 Group	2020 Centre
	£'000	£'000	£'000	£'000
Rent from group company	-	-	-	-
Rent received	367	208	300	120
Total	367	208	300	120

4A ADULT EDUCATION

	2021 Group	2021 Centre	2020 Group	2020 Centre
	£'000	£'000	£'000	£'000
Grants receivable	2,497	2,497	2,431	2,431
Tuition fees	543	543	906	906
Education contracts	24	-	8	-
Total	3,064	3,040	3,345	3,337

4B FUNDING BODY GRANTS

	Group and Centre	Group and Centre
	2021 £'000	2020 £'000
ESFA recurrent grant	2,299	2,243
ESFA non recurrent grants	166	156
Releases of deferred capital grants	32	32
Total	2,497	2,431

MARY WARD SETTLEMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2021

4c TUITION FEES AND EDUCATION CONTRACTS

	2021 Group £'000	2021 Centre £'000	2020 Group £'000	2020 Centre £'000
Adult education fees	409	409	764	764
Fees for FE loan supported courses	134	134	142	142
Education contracts	24	-	8	-
Total	567	543	914	906

5 OTHER INCOME FROM CHARITABLE ACTIVITIES

	2021 Group £'000	2021 Centre £'000	2020 Group £'000	2020 Centre £'000
Legal fees and disbursements	434	-	361	-
Grants receivable - Legal Centre	663	-	464	-
Total - Legal Services	1,097	-	826	-
Other Grants receivable	223	-	228	-
Total	1,320	-	1,054	-

6 INVESTMENT INCOME

	2021 Group £'000	2021 Centre £'000	2020 Group £'000	2020 Centre £'000
Bank interest received	2	2	10	10
Other investment income	3	-	1	-
Total	5	2	11	10

7 OTHER INCOME

Other income is comprised of receipts from the government's Coronavirus Job Retention Scheme.

MARY WARD SETTLEMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2021

8 COST OF RAISING FUNDS

	2021	2020
	Group	Group
	£'000	£'000
Adult education – staff costs	29	28
Adult education – support costs	-	-
Legal services – staff costs	12	12
Legal services – support costs	-	11
Other – staff costs	13	7
Total	54	58

9 TOTAL EXPENDITURE

	Grant funding £'000	Direct costs £'000	Support Costs £'000	Total 2021 Group £'000
Adult education	29	1,618	1,780	3,427
Legal services	12	797	422	1,231
Other	13	202	444	659
	<u>54</u>	<u>2,617</u>	<u>2,646</u>	<u>5,317</u>

	Grant funding £'000	Direct costs £'000	Support costs £'000	Total 2020 Group £'000
<i>Adult education</i>	28	1,947	1,916	3,891
<i>Legal services</i>	23	768	407	1,198
<i>Other</i>	7	226	476	709
	<u>58</u>	<u>2,941</u>	<u>2,799</u>	<u>5,798</u>

MARY WARD SETTLEMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2021

10 SUPPORT COSTS

	Other	Adult education	Legal services	Total 2021 Group
	£'000	£'000	£'000	£'000
Staff costs	243	902	223	1,368
Travel and subsistence	7	1	-	8
Publicity	-	30	-	30
Premises costs	92	133	120	345
Administration	10	336	68	414
Audit fee	7	35	10	52
Legal and professional fees	-	133	-	133
Bank charges	-	3	1	4
Interest payable	8	66	-	74
Amortisation and depreciation	77	141	-	218
	<u>444</u>	<u>1,780</u>	<u>422</u>	<u>2,646</u>

	Other	Adult education	Legal services	Total 2020 Group
	£'000	£'000	£'000	£'000
Staff costs	252	1,202	230	1,684
Travel and subsistence	5	1	1	7
Publicity	-	36	1	37
Premises costs	89	104	110	303
Administration	23	201	42	266
Audit fee	4	34	11	49
Legal and professional fees	16	128	11	155
Bank charges	-	3	1	4
Interest payable	8	66	-	74
Amortisation and depreciation	79	141	-	220
	<u>476</u>	<u>1,916</u>	<u>407</u>	<u>2,799</u>

Support costs include:

	2021 Group	2021 Centre	2020 Group	2020 Centre
	£'000	£'000	£'000	£'000
Auditor's remuneration:				
Financial Statements audit	41	24	38	21
Regularity audit	2	2	2	2
Internal audit	9	9	9	9
Other services	-	-	-	-

MARY WARD SETTLEMENT
NOTES TO THE FINANCIAL STATEMENTS
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11 OTHER OPERATING EXPENSES

	2021 Group £'000	2021 Centre £'000	2020 Group £'000	2020 Centre £'000
Teaching costs	146	146	103	103
Non-teaching costs	784	567	723	555
Premises costs	545	400	508	410
Total	<u>1,475</u>	<u>1,113</u>	<u>1,334</u>	<u>1,068</u>

12 STAFF COSTS

The average number of persons (including key management personnel) employed by the Settlement during the year, described as both individuals and full-time equivalents was:

	2021		2020	
	No.	fte	No.	fte
Adult Education Centre staff	116	46	164	61
Legal Centre staff	27	24	24	18
Blackfriars staff	16	11	15	10
	<u>159</u>	<u>80</u>	<u>203</u>	<u>89</u>

The difference between the number of teaching staff and the full-time equivalent is the large number of part-time tutors employed by the Mary Ward Adult Education Centre.

	2021		2020	
<i>Adult Education Centre:</i>	No.	fte	No.	fte
Teaching staff	80	19	124	30
Non-teaching staff	36	27	40	31
	<u>116</u>	<u>46</u>	<u>164</u>	<u>61</u>

Staff costs for the above persons

	2021 £'000	2020 £'000
Adult Education Centre staff	2,175	2,817
Legal Centre staff	958	916
Blackfriars staff	416	437
	<u>3,549</u>	<u>4,170</u>

MARY WARD SETTLEMENT
NOTES TO THE FINANCIAL STATEMENTS
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12 STAFF COSTS (continued)

	2021 Group	2021 Centre	2020 Group	2020 Centre
	£'000	£'000	£'000	£'000
Wages and salaries	2,812	1,621	3,302	2,118
Social security costs	232	125	272	170
Other pension costs (including LGPS adjustments of £149,000; 2019-20 £107,000)	505	429	596	529
	<u>3,549</u>	<u>2,175</u>	<u>4,170</u>	<u>2,817</u>

Key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Settlement and are represented by the Senior Management Team, which comprised the Warden (who is also the Accounting Officer), the Assistant Chief Executive Officer (until his retirement on 31st March 2020), the Director of Community and Adult Education, the Director of Mary Ward Legal Centre, the Director of Blackfriars Settlement and the Director of Finance and Resources.

	2021 Group	2021 Centre	2020 Group	2020 Centre
	No.	No.	No.	No.
The number of key management personnel	<u>5</u>	<u>3</u>	<u>6</u>	<u>4</u>

The number of key management personnel and other staff who received annual emoluments, excluding pension contributions but including benefits in kind, in the following ranges was:

	2021 Group	2021 Centre	2020 Group	2020 Centre
	£'000	£'000	£'000	£'000
£45,001 to £50,000 p.a.	1	-	2	1
£55,001 to £60,000 p.a.	1	-	1	-
£70,001 to £75,000 p.a.	1	1	1	1
£75,001 to £80,000 p.a.	1	1	1	1
£85,001 to £90,000 p.a.	1	1	1	1
	<u>5</u>	<u>3</u>	<u>6</u>	<u>4</u>

MARY WARD SETTLEMENT
NOTES TO THE FINANCIAL STATEMENTS
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12 STAFF COSTS (continued)

Key management personal emoluments are made up as follow:

	2021 Group £'000	2021 Centre £'000	2020 Group £'000	2020 Centre £'000
Salaries	343	222	389	268
Employers National Insurance	41	27	47	33
Pension contributions	55	46	58	49
Total key management emoluments	439	295	494	350

The above emoluments include amounts payable to the Accounting Officer (who is also the highest paid officer) of:

	2021 Group and Centre £'000	2020 Group and Centre £'000
Salaries	85	85
	85	85
Pension contributions	11	16

Relationship of Accounting Officer pay and remuneration expressed as a multiple

	2021	2020
Accounting Officer's basic salary as a multiple of the median of all staff	3.0	2.5
Accounting Officer's total remuneration as a multiple of the median of all staff	2.9	2.6

No trustees received any payment from the Settlement, making no claims for travel and subsistence or any other expenses (2020 – none).

MARY WARD SETTLEMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2021

13 INTEREST AND OTHER FINANCE COSTS

	2021 Group £'000	2021 Centre £'000	2020 Group £'000	2020 Centre £'000
On bank and government agency loans	38	30	40	32
Pension finance costs (note 26)	36	36	34	34
Total	74	66	74	66

14 TANGIBLE FIXED ASSETS - THE SETTLEMENT

	Land and buildings		Equipment	Total
	Freehold	Leasehold		
	£'000	£'000	£'000	£'000
Cost				
As at 1 st August 2020	8,758	5,517	547	14,822
Additions	1,510	-	52	1,562
As at 31st July 2021	10,268	5,517	599	16,384
Depreciation				
At 1 st August 2020	-	2,306	487	2,793
Charge for the year	-	200	19	219
At 31st July 2021	-	2,506	506	3,012
Net book value as at 31st July 2021	10,268	3,011	93	13,372
<i>Net book value as at 31st July 2020</i>	<i>8,758</i>	<i>3,211</i>	<i>60</i>	<i>12,029</i>

MARY WARD SETTLEMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2021

14 TANGIBLE FIXED ASSETS - ADULT EDUCATION CENTRE

	Land and buildings		Equipment	Total
	Freehold	Leasehold		
	£'000	£'000	£'000	£'000
Cost				
As at 1 st August 2020	8,758	2,143	420	11,321
Additions	1,510	-	52	1,562
As at 31st July 2021	10,268	2,143	472	12,883
Depreciation				
At 1 st August 2020	-	1,877	413	2,290
Charge for the year	-	132	9	141
At 31st July 2021	-	2,009	422	2,431
Net book value as at 31st July 2021	10,268	134	50	10,452
<i>Net book value as at 31st July 2020</i>	<i>8,758</i>	<i>266</i>	<i>7</i>	<i>9,031</i>

In 2017-18 the Settlement sold a property for sale proceeds of £9,460,000, under a sale and leaseback agreement. As stated in the accounting policies, the sale price was above fair value and so the excess over fair value has been deferred over the life of the lease. Fair value has been determined by the trustees, taking into account an independent professional valuation report from Gryphon property partners, and adjusting this based on the current market rental values and the future use of the property. The total gain on the sale was £5,319,000. Of this, £4,068,000 was recognised as a gain on disposal in 2017-18, and the remaining gain of £1,081,000 was recognised as deferred income, to be released in equal amounts over the life of the lease. The amortisation of the gain credited to rental expenditure in 2020-21 was £272,000 (2019-20: £272,000).

15 INVESTMENTS

	2021 Group £'000	2021 Centre £'000	2020 Group £'000	2020 Centre £'000
Listed investments				
Market value as at 1 st August 2020	27	-	25	-
Net unrealised investment gains	4	-	2	-
		-		
Total value of portfolio as at 31st July 2021	31	-	27	-
Cost of listed investments at 31 st July 2020	3	-	3	-

MARY WARD SETTLEMENT
NOTES TO THE FINANCIAL STATEMENTS
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15 INVESTMENTS (continued)

Listed investments held at 31st July 2021 comprised the following:

	2021	2020
	Group only £'000	Group only £'000
UK fixed interest		
UK equities	30	26
Unlisted investments	1	1
Total	<u>31</u>	<u>27</u>

At 31st July 2021 the Settlement held no individual holdings that were material relative to the market value of the total listed investments portfolio held at that date.

16 DEBTORS

	2021 Group £'000	2021 Centre £'000	2020 Group £'000	2020 Centre £'000
Amounts falling due within one year:				
Trade receivables	270	84	122	41
Other debtors	2	-	25	10
Amounts owed by group undertakings	-	220	-	179
VAT recoverable	39	38	14	6
Prepayments and accrued income	367	200	951	837
	<u>678</u>	<u>542</u>	<u>1,112</u>	<u>1,073</u>

17 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021 Group £'000	2021 Centre £'000	2020 Group £'000	2020 Centre £'000
Bank loans and overdrafts	128	103	132	107
Trade payables	114	107	107	102
Bursary creditor	77	77	48	48
Other taxation and social security	125	98	72	45
Accrual for untaken annual leave	74	68	94	80
Other accruals and deferred income	641	419	528	197
Deferred income - government capital grants	32	32	32	32
Deferred income - profit on disposal of property (note 14)	265	265	272	272
Total	<u>1,456</u>	<u>1,169</u>	<u>1,285</u>	<u>931</u>

MARY WARD SETTLEMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2021

18 CREDITORS: AMOUNTS FALLING DUE AFTER ONE YEAR

	2021 Group £'000	2021 Centre £'000	2020 Group £'000	2020 Centre £'000
Bank loans	533	437	649	530
Deferred income - government capital grants	2,467	2,467	705	705
Deferred income - profit on disposal of property	-	-	265	265
Total	3,000	2,904	1,619	1,500

19 MATURITY OF DEBT

Bank loans and overdrafts are repayable as follows:

	2021 Group £'000	2021 Centre £'000	2020 Group £'000	2020 Centre £'000
In one year or less	128	103	124	99
Between two and five years	533	437	571	452
Over five years	-	-	86	86
Total	661	540	781	637

A loan to the Adult Education Centre, at 5%, repayable by instalments, falling due December 2025, is secured by a fixed charge on the freehold property.

A loan to Blackfriars at 5%, repayable by instalments, falling due December 2024, is secured by a fixed charge on the leasehold property.

20 PROVISIONS

	Defined benefit obligations £'000	Group and Centre	
		Other £'000	Total £'000
At 1 st August 2020	2,658	-	2,658
Gain in the period	(67)	-	(67)
As at 31st July 2021	2,591	-	2,591

Defined Benefit Obligations relate to the liabilities under the Settlement's membership of the Local Government Pension Scheme. Further details are given in note 26.

MARY WARD SETTLEMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2021

21 CASH AND CASH EQUIVALENTS

	At 1 August 2020 £'000	Group Cash flows £'000	Other changes £'000	At 31 July 2021 £'000
Cash and cash equivalents	1,723	773	-	2,496
	<u>1,723</u>	<u>773</u>	<u>-</u>	<u>2,496</u>

22 CAPITAL AND OTHER COMMITMENTS

	Group and Centre	
	2021 £'000	2020 £'000
Commitments contracted for at 31 st July	-	-

23 LEASE OBLIGATIONS

At 31st July the Settlement had minimum lease payments under non-cancellable operating leases as follows:

	2021 Group £'000	2021 Centre £'000	2020 Group £'000	2020 Centre £'000
Land and buildings				
Not later than one year	336	269	426	359
Later than one year and not later than five years	-	-	214	148
	<u>336</u>	<u>269</u>	<u>640</u>	<u>507</u>
	2021 Group £'000	2021 Centre £'000	2020 Group £'000	2020 Centre £'000
Equipment				
Not later than one year	3	-	3	-
Later than one year and not later than five years	-	-	3	-
	<u>3</u>	<u>-</u>	<u>6</u>	<u>-</u>

MARY WARD SETTLEMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2021

24 CONTINGENT LIABILITIES

There are no contingent liabilities.

25 EVENTS AFTER THE REPORTING PERIOD

Planning permission in respect of the development and refurbishment plan for Queensway House was granted in December 2021. Shortly after this, on 19 January 2022, a construction contract for the associated development work, was signed with Curo Construction Ltd, with a total works value of £9,569,000 excl VAT, and expected completion date of 23 December 2022.

An agreement for a commercial mortgage to the value of £3,000,000 was signed on 21 February 2022, to provide additional funding for the above project, with drawdown expected to commence in the summer of 2022. The loan is secured with a first legal charge on Queensway House and repayable over 23 years commencing February 2024 at 2.75% over base. For the first 24 months, interest only is chargeable at a rate of 3.75% over base.

26 DEFINED BENEFIT OBLIGATIONS

The Settlement's employees belong to two principal post-employment defined benefit plans: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by the London Pensions Fund Authority. Both are multi-employer defined-benefit schemes.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest formal actuarial valuation of the TPS was 31 March 2019 and of the LGPS 31 March 2019.

Total pension cost for the year	2021	2020
	£'000	£'000
Teachers' Pension Scheme: contributions paid	232	328
Local Government Pension Scheme:		
Contributions paid	79	88
FRS102 (s28) charge	149	107
Charge to the Statement of Comprehensive Income	228	195
Enhanced pension charge to Statement of Comprehensive Income	-	24
	460	547
Total Pension Cost for Year within staff costs		

There were no outstanding or prepaid contributions at either the beginning or the end of the financial year. All contributions due for the year had been paid.

The employees of the Legal Centre and Blackfriars belong to defined contribution pension schemes operated by the National Employers Savings Trust (NEST) and Aviva, respectively. The costs are therefore not included above.

Teachers' Pension Scheme

The Teachers' Pension Scheme ("TPS") is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations 2010, and, from 1st April 2014, by the Teachers' Pension Scheme Regulations 2014. These regulations apply to teachers in schools and other educational establishments, including academies, in England and Wales that are maintained by local authorities. In addition, teachers in many independent and voluntary-aided schools, and teachers and lecturers in establishments of further and

MARY WARD SETTLEMENT
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26 DEFINED BENEFIT OBLIGATIONS (continued)

Teachers' Pension Scheme (continued)

higher education, may be eligible for membership. Membership is automatic for full-time teachers and lecturers and from 1st January 2007 automatic too for teachers and lecturers in part-time employment following appointment or a change of contract. Teachers and lecturers are able to opt out of the TPS.

The Teachers' Pension Budgeting and Valuation Account

Although members may be employed by various bodies, their retirement and other pension benefits are set out in the regulations made under the Superannuation Act 1972 and are paid by public funds provided by Parliament. The TPS is an unfunded scheme and members contribute on a 'pay-as-you-go' basis - these contributions, along with those made by employers, are credited to the Exchequer under arrangements governed by the above Act. Retirement and other pension benefits are paid by public funds provided by Parliament.

The Teachers' Pensions Regulations 2010 require an annual account, the Teachers' Pension Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pension increases).

From 1st April 2001, the Account has been credited with a real rate of return, which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return.

Valuation of the Teachers' Pension Scheme

The latest actuarial review of the TPS was carried out as at 31 March 2019. The valuation report was published by the Department for Education (DfE) in April 2019. The valuation reported total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218 billion, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196 billion, giving a notional past service deficit of £22 billion.

As a result of the valuation, new employer contribution rates were set at 23.68% of pensionable pay from September 2019 onwards (compared to 16.48% during 2018/19). The Department for Education has agreed to pay a teacher pension employer contribution grant to cover the additional costs during the 2020/21 academic year.

A full copy of the valuation report and supporting documentation can be found on the Teachers' Pension Scheme website.

Scheme changes

Following the Hutton report in March 2011, and the subsequent consultations with trade unions and other representative bodies on reform of the TPS, the Department published a Proposed Final Agreement, setting out the design for a reformed TPS which was implemented from 1st April 2015.

The key provisions of the reformed scheme include: a pension based on career average earnings, an accrual rate of 1/57th; and a Normal Pension Age equal to State Pension Age, but with options to enable members to retire earlier or later than their Normal Pension Age. Importantly, pension benefits built up before 1st April 2015 will be fully protected.

MARY WARD SETTLEMENT
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26 DEFINED BENEFIT OBLIGATIONS (continued)

Scheme changes (continued)

In addition, the Proposed Final Agreement includes a Government commitment that those within 10 years of Normal Pension Age on 1st April 2012 will see no change to the age at which they can retire, and no decrease in the amount of pension they receive when they retire. There will also be further transitional protection, tapered over a three and a half year period, for people who would fall up to three and a half years outside of the 10 year protection.

Regulations giving effect to a reformed Teachers' Pension Scheme came into force on 1st April 2014 and the reformed scheme commenced on 1st April 2015.

The employer's pension costs paid to TPS in the period amounted to £232,000 (2019-20: £328,000).

FRS102 (Section 28)

Under the definitions set out in FRS102 (28.11), the TPS is a multi-employer pension plan. The Settlement is unable to identify its share of the underlying assets and liabilities of the scheme.

Accordingly, the Settlement has taken advantage of the exemption in FRS102 and has accounted for its contributions to the scheme as if it were a defined-contribution scheme. The Settlement has set out above the information available on the scheme and the implications for the Settlement in terms of the anticipated contribution rates.

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate funds administered by the London Pension Fund Authority. The total contribution made for the year ended 31st July 2021 was £122,000 (2019-20: £150,000), of which employer's contributions totalled £79,000 (2019-20: £112,000) and employees' contributions totalled £43,000 (2019-20: £38,000). The agreed contribution rates for future years are 14.30% for employers and range from 5.5% to 12.5% for employees, depending on salary. In addition there is an agreed, annual, contribution designed to eliminate the actual deficit.

Principal Actuarial Assumptions

The following information is based upon a full actuarial valuation of the fund at 31st March 2016 updated to 31st July 2021 by a qualified independent actuary

	At 31st July 2021	At 31st July 2020
Rate of increase in salaries	3.80%	3.25%
Rate of increase for pensions in payment / inflation	2.80%	2.25%
Discount rate for scheme liabilities	1.60%	1.35%
Inflation assumption (CPI)	2.80%	2.25%
Commutation of pensions to lump sums	50%	50%

MARY WARD SETTLEMENT
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26 DEFINED BENEFIT OBLIGATIONS (continued)

Principal Actuarial Assumptions (continued)

The current mortality assumptions include sufficient allowance for future improvements in mortality rates. The assumed life expectations on retirement age 65 are:

	At 31st July 2021	At 31st July 2020
Retiring today		
Males	20.6	21.3
Females	24.5	23.9
Retiring in 20 years		
Males	22.9	22.7
Females	25.5	25.4

Sensitivity analysis

Present value of defined benefit obligation	At 31st July 2021 £'000	At 31st July 2020 £'000
Discount rate +0.1%	6,566	6,076
Discount rate -0.1%	6,841	6,331
Mortality assumption - 1 year increase	6,988	6,410
Mortality assumption - 1 year decrease	6,430	6,001

The Settlement's share of the assets and liabilities in the plan at the Balance Sheet date and the expected rates of return were:

	Value as at 31st July 2021 £'000	Value as at 31st July 2020 £'000
Equities	2,307	1,946
Target Return Portfolio	888	806
Infrastructure	360	245
Property	343	329
Cash	213	218
Total fair value of plan assets	4,111	3,544
Weighted average expected long term rate of return	5.0%	5.0%

MARY WARD SETTLEMENT
NOTES TO THE FINANCIAL STATEMENTS
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26 DEFINED BENEFIT OBLIGATIONS (continued)

The amount included in the Balance Sheet in respect of the defined benefit pension plan is as follows:

	2021	2020
	£'000	£'000
Fair value of plan assets	4,111	3,544
Present value of plan liabilities	(6,702)	(6,202)
Net pensions liability (Note 20)	(2,591)	(2,658)

Amounts recognised in the Statement of Comprehensive Income in respect of the plan are:

	2021	2020
	£'000	£'000
Amounts included in staff costs		
Employer service cost (net of employee contributions)	228	219
Past service cost	-	-
Total operating charge	228	219

Amounts included in interest and other finance costs

Expected return on pension scheme assets	-	-
Interest on pension liabilities	36	34
Administrative charge	5	4
Pension finance costs	41	38

	2021	2019
	£'000	£'000

Amounts recognised in Other Comprehensive Income

Return on assets	434	111
Experience gain arising on defined benefit obligations	104	(41)
Changes in assumptions	(281)	(909)
Amounts recognised in Other Comprehensive Income	257	(839)

Movement in net defined liability during the year

	2021	2020
	£'000	£'000
Deficit in scheme at 1 st August	(2,658)	(1,674)
Movement in year:		
Employer service cost (net of employee contributions)	(228)	(219)
Employer contributions	79	112
Net interest on liabilities	(36)	(34)
Administration charge	(5)	(4)
Actuarial gain	257	(839)
Deficit in scheme at 31st July	(2,591)	(2,658)

MARY WARD SETTLEMENT
NOTES TO THE FINANCIAL STATEMENTS
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26 DEFINED BENEFIT OBLIGATIONS (continued)

Asset and Liability reconciliation	2021	2020
	£'000	£'000
Changes in the present value of defined benefit obligations		
Defined benefit obligations at start of period	6,202	5,067
Current service cost	228	219
Interest cost	84	106
Contributions by Scheme participants	43	38
Change in financial assumptions	(104)	41
Change to demographic assumptions	355	668
Estimated benefits paid	(74)	117
Curtailments and settlements	(32)	(54)
Defined benefit obligations at end of period	6,702	6,202
Changes in the fair value of plan assets		
Fair value of plan assets at start of period	3,544	3,393
Interest on plan assets	48	72
Return on plan assets	434	111
Other actuarial gains	-	124
Administration cost	(5)	(4)
Employer contributions	79	112
Contributions by Scheme participants	43	38
Benefits paid	(32)	(54)
Fair value of plan assets at end of period	4,111	3,792

Other information

Under the LPFA's credit scoring system a charge against assets enables the Settlement to be classified in the lowest risk category with the lowest contribution rates. Following the 2019 triennial valuation, the agreed employer's contribution rate was increased to 16.6% with effect from 1st April 2020 (previously 14.3% plus an annual lump sum payment of £35,692). The requirement for an annual lump sum payment was removed with effect from 1st April 2020.

MARY WARD SETTLEMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2021

27 RELATED PARTY TRANSACTIONS

Owing to the nature of the Settlement's operations and the composition of the board being drawn from local public and private sector organisations, it is inevitable that transactions will take place with organisations in which a member of the board may have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Settlement's financial regulations and normal procurement procedures.

Other than those disclosed in note 11, there were no expenses paid to or on behalf of the trustees during the year (2019-20: £nil).

No trustee has received any remuneration or waived any payments from the Settlement, except in their capacity as a member of staff (2019-20: £nil).

28 AMOUNTS DISBURSED AS AGENT

	Group and Centre	
	2021	2020
	£'000	£'000
Funding body grants - hardship support	33	33
Funding body grants - childcare	4	4
Funding body grants - 24+ advanced learning loans	117	105
	<u>154</u>	<u>142</u>
Disbursed to students	(76)	(93)
Administration costs	(1)	(1)
Balance unspent as at 31 st July, included in creditors	<u>77</u>	<u>48</u>

Funding body grants are available solely for students. In the majority of instances, the Settlement only acts as a paying agent. In these circumstances, the grants and related disbursements are therefore excluded from the Statement of Comprehensive Income.

**MARY WARD SETTLEMENT
SUMMARY OF RESULTS
FOR THE YEAR ENDED 31 JULY 2021**

This page does not form part of the audited Financial Statements

	Unrestricted funds £'000	Restricted funds £'000	Total 2021 £'000	<i>Unrestricted funds £'000</i>	<i>Restricted funds £'000</i>	<i>Total 2020 £'000</i>
Adult Education Centre	178	-	178	(1,165)	5	(1,160)
Holding Company Surplus/(Deficit)	178	-	178	(1,165)	5	(1,160)
Legal Centre	136	-	136	34	-	34
Blackfriars	(29)	-	(29)	(76)	-	(76)
Group Surplus/(Deficit)	285	-	285	(1,207)	5	(1,202)

MARY WARD SETTLEMENT

England & Wales - Charity number 223066

Accounts

MARY WARD SETTLEMENT
(A COMPANY LIMITED BY GUARANTEE)
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020

**MARY WARD SETTLEMENT
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020**

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**MARY WARD SETTLEMENT
REPORT FROM THE CHAIR
FOR THE YEAR ENDED 31 JULY 2020**

Mary Ward Settlement (“the Settlement”) was on track for a successful year prior to the impact of COVID 19 in March 2020. On 15th of March 2020, the week prior to lockdown, enrolment and student numbers at Mary Ward Centre (“the Adult Education Centre”) were in line with those at the same time in the previous year at 8,500 and 4,412 respectively; Mary Ward Legal Centre (“the Legal Centre”) was continuing to provide specialist advice, casework and representation with demand far outweighing supply; and at Blackfriars Settlement (“Blackfriars”) a wide range of activities had attracted both regular and new users, including parts of the community where there had not traditionally been strong links.

At the Adult Education Centre, the national lockdown prevented us from offering any face to face learning in the 3rd term and the resulting loss of fee income has inevitably had a significant impact on the financial outturn for the year and will continue to have an impact into the next academic year.

However, we were able to support almost 900 learners to continue learning through lockdown using a range of distance and online methods. Students on all accredited courses were supported to work towards their assessments and gain their qualifications. We also successfully delivered a wide range of additional online courses subjects including History, Philosophy, Economics, Ukulele, Keep Fit, Modern Foreign Languages, Singing, Psychology, Art, Community Interpreting and Pronunciation. This was the first time the Adult Education Centre had delivered on-line learning. It is clear that this will develop and remain part of our curriculum, offering alternative ways of learning to our students well beyond the current COVID crisis. As part of our support for all our students during this period of lockdown we have created 2 new pages on the website where there are a range of free resources and activities to keep people engaged and occupied - particularly for those who aren’t able to take part in online courses. This also offers us the opportunity to create a community feel for our students as well as enabling them to share their experiences. We intend that this should continue longer term in helping us strengthen our Mary Ward community.

Covid-19 has had a significant impact on the Legal Centre and its clients. Nevertheless the Legal Centre helped 2,000 people with their legal issues during 2019-20 continuing to provide specialist advice casework and representation in the areas of debt, housing and welfare benefits, and a pro bono service offering advice on employment, housing, tax, consumer, general civil litigation, and family law. During the initial phase of lockdown, demand for advice in some areas fell due to measures introduced to reduce the impact of Covid-19, such as debt recovery and housing possession action being stayed, face-to-face tribunal hearings for welfare benefits appeals and PIP and ESA assessments being suspended, and payment holidays, though demand for employment and family matters rose dramatically. The Legal Centre is forecasting a surge in demand for advice in housing, debt and welfare benefits over the coming months when the measures to ease the impact of Covid-19 are removed, in particular when housing possession action resumes, and rising unemployment leads to increased debt and more people seeking benefits advice.

To address the impact of Covid-19 the Legal Centre made a number of successful grant applications, securing funding from Trust for London via the Community Response Fund and the Community Justice Fund, and additional donations from our pro bono partners, including Linklaters, Clifford Chance, Eversheds, and Farrer & Co. The Legal Centre was able to maintain access to its specialist advice service and pro bono clinic during the lockdown by transforming its services from face-to-face to telephone and email. Prior to the lockdown, the Legal Centre continued to offer advice at various outreach venues across London and continued to develop its housing advice service in Newham and Southwark and grow its public law work. With a new grant from Trust for London and continuation funding from the City Bridge Trust, the Legal Centre was able to provide much-needed help with welfare benefits appeals and advice to people across London.

From January 2021 the Legal Centre will have the benefit of funding from the Legal Education Foundation, under their Justice First Fellowship Scheme, to pay for another trainee solicitor.

**MARY WARD SETTLEMENT
REPORT FROM THE CHAIR
FOR THE YEAR ENDED 31 JULY 2020**

At Blackfriars prior to March 2020 we saw the expansion of delivery services to local people and the continued development of links in the local community. Positive Ageing increased the number of its members through the new venue at Elephant & Castle Social Hub, and a steady stream of referrals. We continued to offer a wide range of activities, trips, hot food and the regular weekly befriending. Mental Health and Well-Being successfully concluded their delivery of the Well-Connected project and diversified their offering with the beginning of the 'Switched On' project funded by Maudsley Charity focussing on increasing the IT skills of members, and through the beginning of a women's group. Adult Education continued to expand, both in the number of courses and total enrolments.

The Orb Space project funded by the Department of Housing, Communities and Local Government continued during the year, opening the doors of the Settlement to parts of the local community which we have not traditionally had strong links with. During 2019-20 it attracted well over 350 people into the Settlement, and offered a wide range of activities and sessions. Some were regular and others were one-off. We aim to continue some of the most successful of these, including cook & eat, spoken word, baby massage, and the death café. We had a hugely successful Black History Month event in October, with a number of incredibly talented spoken word artists, a local jazz band, hot food and the hall at capacity. We learned about the local community, something about bringing people together, and are working to raise funding for this project to continue.

Following the nationwide lockdown in March, Blackfriars' premises in Rushworth Street were closed to the public. The Mental Health & Wellbeing and Positive Ageing services immediately switched to providing emergency remote support for members. Initially this was focused on ensuring all members had food, medication and essentials. We worked closely with the wider voluntary and community sector and the Southwark Covid Hub, accepting referrals and working together to ensure that between us, needs were met.

During the course of lockdown this support evolved and included:

- one-to-one practical and emotional telephone support
- an increase of the befriending service, using existing and new volunteers largely recruited from corporate partner organisations
- in partnership with Fooditude, the delivery of over 100 meals per week to the most vulnerable members
- the development of online and group telephone support sessions and activities

We worked hard, and continue to do so, to mitigate the effects of Covid-19 and the lockdown on our members through the continuation of much needed services. The lockdown has highlighted the high levels of digital exclusion of the majority of Blackfriars members. Both teams started using telephone conferencing to try and overcome this, but the access to information, communication and entertainment which most would take for granted are just not possible for our members. This is an area of need which we will attempt to tackle in the coming year.

We have made significant progress in developing partnerships in East London in preparation for our move to our new building in Stratford in 2022. We now have links with around 19 community organisations in our new area. In the first 2 terms around 25% of our community outreach work was with partners in East London. Serendipitously, the British Museum held a temporary exhibition of Middle Eastern artefacts called 'Look East' which presented a perfect opportunity to involve some of our East London partners in multi-partner art projects in response to the exhibition. Once again with the support of the British Museum students' work was exhibited in the great court.

**MARY WARD SETTLEMENT
REPORT FROM THE CHAIR
FOR THE YEAR ENDED 31 JULY 2020**

The redevelopment project for the Stratford building continued throughout the year and we have now developed a design for a building that will considerably improve the accessibility of all our courses, using level access. The building will have a very visible high street location and greatly improved specialist classroom facilities. We are very pleased to be supported by capital grants from Skills for Londoners, towards the whole project cost, from The London Marathon Trust, towards fitness and movement facilities, and from the Clothworkers Foundations, for our visual Arts spaces. Although this project too has been impacted by COVID, we continue to fundraise and expect to break ground in the spring of 2021.

We would like to extend our thanks to all our service providers and users, and to our funders, many of whom have supported us for a number of years, and to all the individuals who volunteer in our operational activities. With their help we are able to provide classes, activities, support and advice on a whole range of issues, which have a positive impact on the lives of those we touch. In particular we would like to thank those funders who have supported our core work, and been flexible with their support during the last few months during the challenges of Covid-19.

Frances Bates

Frances Bates
Chair

**MARY WARD SETTLEMENT
REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 JULY 2020**

REFERENCE DETAILS

Charity number:	223066
Company number:	46188
Address and Registered Office:	42 Queen Square, London WC1N 3AQ

KEY MANAGEMENT PERSONNEL

Key management personnel are defined as members of the Settlement's Senior Management Team and were represented by the following in 2019-20:

Warden, CEO; Accounting Officer	Suzanna Jackson
Deputy CEO	Allister Duncan (retired 31 st March 2020)
Director of Adult and Community Education	Sue Craggs
Director of Finance and Resources	Juliet Woodford
Director of the Mary Ward Legal Centre	Paula Twigg
Director of Blackfriars Settlement	Liz Ranger

BOARD OF TRUSTEES

A full list of the Trustees is given on pages 22-23 of these Financial Statements.

Ms. Beverley Campbell acted as Clerk to the Trustees throughout the year under review.

PROFESSIONAL ADVISERS

**FINANCIAL STATEMENTS AUDITOR AND
REPORTING ACCOUNTANTS**

Buzzacott LLP
130 Wood Street
London
EC2V 6DL

INTERNAL AUDITOR

Haines Watts
30 Camp Road
Farnborough
Hants
GU14 6EW

BANKERS

The Co-operative Bank plc
3rd floor, St Paul's House
10 Warwick Lane
London
EC4M 7BP

INVESTMENT MANAGER

Rathbone Greenbank Investments
10 Queen Square
Bristol
BS1 4NT

PROPERTY CONSULTANTS

Gryphon Property Partners
12 Austin Friars
London
EC2N 2HE

**MARY WARD SETTLEMENT
REPORT OF THE BOARD OF TRUSTEES
FOR THE YEAR ENDED 31 JULY 2020**

NATURE, OBJECTIVES AND STRATEGIES

The Board of Trustees (“the Board”) is pleased to present its Annual Report, together with the Financial Statements of Mary Ward Settlement (“the Settlement”) for the year ended 31st July 2020. This report is also prepared to meet the requirements for a Directors’ Report and Financial Statements for Companies Act purposes.

LEGAL STATUS

The Settlement is a registered charity (number 223066) and company limited by guarantee (number 46188), first registered in December 1895. It provides adult education and community services under its trading name of the Mary Ward Centre (“the Adult Education Centre”). The Settlement is also the controlling entity of the Mary Ward Legal Centre (“the Legal Centre”) and Blackfriars Settlement (“Blackfriars”), both of which are wholly owned subsidiaries.

For the purpose of these Financial Statements, references to the Settlement or Group, refer to the activities and consolidated results of the Adult Education Centre, the Legal Centre and Blackfriars, whilst references to the Adult Education Centre or Centre include only those activities and results of the parent entity trading as Mary Ward Centre in its role as an Institute of Adult Learning (IAL). References to the Board or to the trustees refer to the Board of the Settlement or to its trustees, unless specifically stated otherwise.

OBJECTS AND MISSION

The objects for which the Settlement is established are the advancement of public education and the promotion of social service for the benefit of the community. The Settlement’s mission is to develop and provide excellent, innovative and wide ranging adult education and community services.

PUBLIC BENEFIT

In setting and reviewing the Settlement’s strategic objectives, the Board has had due regard for the Charity Commission’s guidance on public benefit and particularly upon its supplementary guidance on the advancement of education. The guidance sets out the requirement that all organisations wishing to be recognised as charities must demonstrate, explicitly, that their aims are for the public benefit.

In delivering its mission, the Settlement provides the following identifiable public benefits through the advancement of education and community services:

- High quality teaching;
- Advice, information, assistance and representation dealing with housing, debt, welfare benefits and other financial and legal problems;
- Widening participation and tackling social exclusion;
- Strong student support systems, particularly for students with physical and learning difficulties; and
- Vocational support where appropriate.

The effectiveness of the Settlement’s delivery of public benefit is covered throughout the Members’ Report.

IMPLEMENTATION OF THE STRATEGIC PLAN

The Settlement worked towards the objectives of the 2018-2022 Strategic Plan. Key elements of this plan include the implementation of the Buildings Strategy which will play a major part in achieving long term sustainability with a wider reach of adult education and community support and advisory services across London. Having purchased a new freehold site in the London Borough of Newham in July 2018, a key part of the Board’s focus during 2019-20 has been to continue with the plans for the redevelopment of this site, set in motion during 2018-19, to become a new, modern set of premises for the provision of the activities of both the Settlement, from 2022 onwards.

**MARY WARD SETTLEMENT
REPORT OF THE BOARD OF TRUSTEES
FOR THE YEAR ENDED 31 JULY 2020**

IMPLEMENTATION OF THE STRATEGIC PLAN (CONTINUED)

The key focus points of the new Strategic Plan include:

- To grow existing services and to extend our range of services to enhance the delivery of our Mission, in ways that are relevant now and which look to the future;
- To deliver excellent services, that prioritise outcomes and impact for our users;
- To add our expertise, encouragement and support to the efforts and achievements of people in the communities and neighbourhoods in which we are located and create opportunities for them to reach their educational, social and economic potential;
- To further develop an organisational structure and culture which realises the Settlement's Mission and Core Values;
- To maintain good financial health in order to ensure the sustainable delivery of our Mission;
- To redevelop our new premises to support a sustainable future, enhance the quality of our provision and enable us to reach new audiences;
- To develop partnerships and alliances with other organisations that will improve and extend our ability to deliver our Mission and Strategic Objectives;
- To improve our public profile and develop an effective communications, PR and marketing strategy that supports the development of the Settlement's work, our move east and contributes to our plans for growth.

The Board monitors the performance of the Settlement against the plan. The Board reviews and updates the plan annually.

During 2019-20 the Covid-19 pandemic had a significant impact of the Settlement and its operations. The Settlement took the decision to close its premises shortly before the wider national lockdown in March 2020, taking into account the vulnerability of many of its users. As a result of the prolonged national lockdown the Adult Education Centre did not open its doors for face to face tuition during the summer term, but focused on moving provision online where possible, prioritising accredited courses where students had been working towards qualifications. The Legal Centre prioritised delivery online and/or by telephone, and Blackfriars concentrated both on emergency online and telephone support, and working with local voluntary and community organisations to deliver essential services to vulnerable groups which included its membership base.

The Settlement also prioritised planning ahead for 2020-21, ensuring that options would be available to preserve as much face to face provision as possible, with alternative arrangements for students and other users unable to attend in person or should another lockdown occur. While this meant that most of the summer term fee income, Legal Aid Agency income and some smaller provision-specific grant funding was lost, the Settlement was able to take advantage of the government's Coronavirus Job Retention Scheme to mitigate losses. Furthermore, the Adult Education Centre received all of its AEB grant funding following the ESFA's guarantee that full payment would be made provided that the Adult Education Centre earned a minimum 68% of the AEB grant allocation. Additionally, some other grants, including London Borough of Camden funding for legal services were guaranteed at 2019-20 rates until the end of March 2021.

The most significant longer term risk arising from the impact of Covid-19 relates to the affordability of the Settlement's Property Strategy in an environment of greater uncertainty, rising costs and reduced grant funding. Consequently the Settlement's Senior Management Team prioritised actions to ensure that this project is completed as planned.

**MARY WARD SETTLEMENT
REPORT OF THE BOARD OF TRUSTEES
FOR THE YEAR ENDED 31 JULY 2020**

IMPLEMENTATION OF THE STRATEGIC PLAN (CONTINUED)

CORE VALUES AND OBJECTIVES

The Settlement's operations are guided by the Core Values and Strategic Objectives which are jointly agreed across the Settlement group.

Core Values

- Putting the needs and aspirations of current and potential users at the centre of all that we do;
- Providing consistently high and professional standards across our service;
- Promoting access to education including the value of learning for personal development and quality of life and using learning as a tool to combat disadvantage;
- Promoting access to justice and providing legal advice for the poorest and most disadvantaged;
- Promoting collaborative work, both across the Settlement and with partner organisations;
- Advancing equality, eliminating discrimination, and fostering good relations among all our users;
- Meeting, or exceeding, the expectations of our key stakeholders, service users and partners;
- Aiming for excellence in the outcomes and impact of our services;
- Providing access to training and development in order that all staff may achieve their potential and be motivated and committed to their work and these core values; and
- Maintaining an open, honest, accountable and fair approach in all our communications with all our service users, staff and other stakeholders.

Strategic Objectives

- To provide a range of services that delivers our Mission in ways that are relevant now and look to the future;
- To deliver excellent services;
- To maintain an organisational structure and culture which realises the Mission and Core Values;
- To maintain good financial health in order to ensure the sustainable delivery of our Mission and objectives;
- To secure the Settlement in its buildings and provide an environment and facilities that support the delivery of excellent services;
- To plan for and provide equipment and technology that support excellent service delivery and effective management; and
- To develop partnerships and alliances with other organisations that will improve and extend our ability to deliver our Mission and objectives.

The Settlement's Financial Objectives are:

- To achieve a minimum annual operating surplus of 1% of income, excluding any pension costs arising from the impact of the Local Government Pension Scheme ("LGPS") costs;
- To provide sufficient courses to ensure that we earn all of the available funding from the Education and Skills Funding Agency ("ESFA");
- To diversify our funding streams, consistent with our Mission and Core Values, in order to maximise our income generating potential;
- To effectively manage costs, keeping any increase in non-pay costs below the prevailing inflation rate; and
- To secure funding for a capital investment programme following the purchase of Queensway House in Stratford, for its redevelopment and refurbishment as the main location for the Settlement's activities following the end of its current lease on 42 Queen Square, in July 2022.

A series of performance indicators have been agreed to monitor the successful implementation of the policies.

The Covid-19 pandemic had a significant impact on the Settlement's operational results, and consequently the Settlement failed to meet its objective in relation to the minimum 1% operating surplus. However all other financial objectives were met.

**MARY WARD SETTLEMENT
REPORT OF THE BOARD OF TRUSTEES
FOR THE YEAR ENDED 31 JULY 2020**

STRATEGIC REPORT

ACHIEVEMENTS AND PERFORMANCE

PERFORMANCE INDICATORS

ADULT EDUCATION CENTRE

The performance against the Adult Education Centre's targets is set out in the table below:

Key Performance Indicator	Target 2019-20	Achieved 2019-20	Target 2018-19	Achieved 2018-19
Increase the number of people who access adult education	5,750	4,154	5,750	5,288
Increase the number of course enrolments	13,000	8,403	13,000	12,014
Increase the average number of students per course	12	11	12	11
Maintain high average level of student retention; AND Maintain high retention across ALL courses	90% and No more than 5% of courses below 80%	91%	90% and No more than 5% of courses below 80%	92% 6% below 80%
Maintain high level of student satisfaction	95%+	92%	95%+	98%
Increase the % of teaching sessions graded good or better	95%	96%	95%	93%
Reduce the % of sessions graded below good	Requires improvement 3 or lower; inadequate - nil	Sessions are ungraded	Requires Improvement 3 or lower; inadequate - nil	RI = 3 Inadequate = nil
Maintain high level of average achievement on non-accredited courses; AND Maintain high level of achievement on ALL non-accredited courses	95%+	Sessions are ungraded	95%+	94%
Improved average success rates for students taking accredited courses	90%+	86%	90%+	88%
Improved success rates on ALL accredited qualifications	No more than 5% of classes below a success rate of 80%	87% (4% below 80% - 5 course qualifications out of 36)	No more than 5% of courses below a success rate of 80%	88% (19% below 80% - 10 course qualifications out of 51)
The % of students reporting additional benefits is increasing	75%+	77%	75%+	100% (from a 74% response rate)

The Adult Education Centre is committed to monitoring a range of key sector indicators and is required to complete the Annual Finance Record for the ESFA. The Adult Education Centre's financial health grading is assessed by the ESFA as "Good" (2018-19: "Requiring Improvement"). This is notwithstanding decisions made in relation to the Property Strategy, which have increased costs in the short term, and further pressure caused by losses from Covid during 2019-20.

**MARY WARD SETTLEMENT
REPORT OF THE BOARD OF TRUSTEES
FOR THE YEAR ENDED 31 JULY 2020**

ACHIEVEMENTS AND PERFORMANCE (CONTINUED)

MARY WARD LEGAL CENTRE

The Legal Centre's specific achievements for 2019-20 are outlined below:

- Continuing to prevent homelessness, improve people's housing conditions, combat poverty, help people reduce their debt and maximise their income through providing free specialist casework and representation in housing, debt and welfare benefits;
- Continuing to maintain access to our advice services in response to Covid-19 by transforming our services from face-to-face to telephone/email;
- Securing additional grant funding and donations to deal with the devastating impact of Covid-19;
- Helping 2,000 people with their legal issues;
- Delivering against contractual funding outputs and outcomes;
- Delivering debt advice at outreach venues across London;
- Co-developing and delivering financial capability courses in partnership with local community organisations with funding from Comic Relief and RBS to improve the financial literacy of people living in London;
- Delivering a pro bono advice service to help more people who cannot access help from legal aid to resolve their legal issues;
- Passing our Lexcel audit with no corrective action - Lexcel is the Law Society's accredited legal practice quality mark;
- Securing continuation funding from City Bridge Trust to deliver specialist welfare benefits casework and representation;
- Securing funding from the Legal Education Foundation for a trainee solicitor under their Justice First Fellowship programme;
- Supporting more vulnerable clients to sustain their tenancies and help break the cycle of homelessness through our Housing Support Worker;
- Securing long-term funding from the London Borough of Camden to provide specialist advice to people in Camden;
- Playing an active role in the development of the new Camden Advice Network with advice providers in the borough;
- Continuing to deliver housing advice in Newham and Southwark;
- Over £410,000 of clients' debts were written off; and
- Clients receiving help with their welfare benefits matters achieved an average increase of £87 a week in benefits.

The actual performance against the agreed targets are set out in the table below. The figures for the numbers of clients seen have been affected by Covid-19 primarily because the national lockdown from March 2020 meant people could no longer attend our office and outreach centres. Specific measures introduced nationwide at the start of lockdown, to reduce the impact of Covid-19 led to an initial reduction in demand. For example, housing possession cases being stayed, face-to-face tribunal hearings for welfare benefits appeals and PIP and ESA assessments being suspended, and suspension of debt recovery, and payment holidays. However performance measuring outcomes for clients remains high.

**MARY WARD SETTLEMENT
REPORT OF THE BOARD OF TRUSTEES
FOR THE YEAR ENDED 31 JULY 2020**

ACHIEVEMENTS AND PERFORMANCE (CONTINUED)

The actual performance against the agreed targets are set out in the table below:

Key Performance Indicator	Target 2019/20	Achieved 2019/20	Target 2018-19	Achieved 2018-19
Meet annual target for matter starts	2,500	2,009	2,500	2,502
Increase the number of people who get advice through pro bono clinics	350	228	330	358
Maintain a high level of client satisfaction	95%	95%	95%	98%
Maintain the high % of cases that have a positive outcome	92%	93%	92%	92%
A high % of clients who respond to our survey report an improvement in health and well-being	88%	91%	88%	93%

BLACKFRIARS SETTLEMENT

Positive Ageing

2020 marks 70 years of older people's services running at BFS. In February we learned that the COPSINS Consortium, of which we are a part, had been successful in securing the commissioned contract to provide services for older people in the London Borough of Southwark. This contract began on 1 June and will run for three years. Delivery will aim to ensure that the 'front door' to services is coordinated and that by whatever means a resident contacts services for older people, they will have access to the same services.

There has been a steady flow of new referrals over the year. Since the Covid-19 nationwide lockdown we have worked very hard to meet the needs of isolated and anxious members and new contacts in the community. We have accepted new referrals from the Southwark Covid Hub, arranged volunteers to do shopping and deliver prescriptions, delivered meals twice weekly, sent out activity packs and supported over 100 people with befriending calls once or twice weekly.

Needs have become more complex, with the team dealing with safeguarding issues, an increasing number of members and referrals with early dementia, and a slight increase in the average age of our service users (75.9 years).

**MARY WARD SETTLEMENT
REPORT OF THE BOARD OF TRUSTEES
FOR THE YEAR ENDED 31 JULY 2020**

ACHIEVEMENTS AND PERFORMANCE (CONTINUED)

Adult Education

We continued to provide learning and development classes on behalf of Southwark Adult Education but have greatly increased this offer with a range of other education opportunities provided through the Adult Education Centre. During the last year the number of enrolments at the Settlement increased by 45% to 1,040, despite being unable to offer face to face provision during the summer term because of the national lockdown.

Mental Health and Wellbeing

In the period under review the Mental Health and Wellbeing (MHWB) service successfully concluded and evaluated the 'Well Connected' project, delivered in partnership with Three C's, focusing on skills development for members. One to one support also continued through the 'Focus With' programme paid for through members' personal budgets. This has also delivered specialist sessions in woodworking and soft crafts, both of which are very popular with members.

During lockdown the service moved to offering remote support. Because so few of our members are able to access the internet, support was provided by telephone and text. The team made regular calls to members wanting this, and was available to support with issues and needs as they arose. The team contacted or was contacted by a large number of former services users who then re-engaged with the service during this time. The London Borough of Southwark funded the service during this time through the Covid-19 Community Fund.

The service has a number of other partnerships enabling us to deliver a broad range of high quality services:

- Art2Print, our Social Enterprise Design Studio, continued to provide opportunities for members to learn skills in graphic design in partnership with professional design studio, the Plant;
- Continued support from Lloyds Bank volunteers provided individually tailored IT training sessions.
- The service has once again hosted an Art Therapy student on placement with us from the University of Roehampton, who has run sessions which members have found very beneficial;
- The service has also hosted its first Social Work Student, on placement from London South Bank University, which increased the capacity of the team to provide sessions and individual support;
- During lockdown the service has been supporting 140 people, the majority with no internet access: support has been via telephone, text and post, and through provision of emergency food and medication and sending out activity packs.
- The women's group piloted last year, has been established and become a regular weekly event.

The Orb Space

This social integration project continues this year with a diverse range of activities and events including a hugely successful spoken word event for Black History Month, regular Cook & Eat courses, comedy workshops, spoken word courses, baby massage, and film nights. Through the project the people we engaged with had far more ideas and suggestions for events than we had the capacity to deliver, but the project engaged with over 380 people and received very positive feedback. We aim to continue this in the coming year, albeit in a scaled down and different format as a result of social distancing.

MARY WARD SETTLEMENT
REPORT OF THE BOARD OF TRUSTEES
FOR THE YEAR ENDED 31 JULY 2020

ACHIEVEMENTS AND PERFORMANCE (CONTINUED)

PERFORMANCE INDICATORS

The actual performance of services is set out in the table below:

Key Performance Indicator	Achieved 2019-20	Achieved 2018-19
Older people supported through the Positive Ageing service	414	407
No of members supported through the MHWB project	140	72
Hours of volunteer support provided	10,879	n/a
Student enrolments	1,040	716

FINANCIAL REVIEW

The Settlement had an operating deficit of £363,000 in the year (2018-19: deficit of £483,000). This was after the inclusion of a £107,000 (2018-19: £123,000) Local Government Pension Scheme ("LGPS") service cost; £34,000 (2018-19: £36,000) LGPS finance cost; and £4,000 (2018-18: £4,000) LGPS administration cost.

The Settlement's accumulated reserves fell to £9,451,000 (2018-19: £10,653,000 as restated). The two most significant factors in the movement in funds were the increase in the defined benefit obligation of the LGPS to £2,658,000 (2018-19: £1,674,000) and the incorporation of the 2019-20 deficit of the Adult Education Centre of £52,000 before the inclusion of the LGPS costs (2018-19: deficit of £124,000). The Settlement's target is to increase reserves, by a minimum of 1% of income, before taking into account the impact of LGPS costs.

The written down value of fixed assets increased to £12,029,000 (2018-19: £11,227,000). Capital expenditure in the year totalled £1,022,000 (2018-19: £510,000), all but £19,000 of which related to the development of the freehold property, Queensway House, in Stratford, East London which forms a key part of the Settlement's Property Strategy to secure a location for its activities beyond 2022 when the lease on 42 Queen Square expires. The depreciation charge for the year totalled £220,000 (2018-19: £218,000). The value of the investment funds held by the Settlement rose to £27,000 (2018-19: £25,000).

The Settlement's operational income fell by £30,000 to £5,433,000 (2018-19: £5,463,000), reflecting the loss of £324,000 tuition fee income in the Adult Education Centre, and other smaller losses from various income streams across the group, all a direct impact of Covid-19. These falls were offset by a new income source from the ESFA of £102,000 to cover increased Teachers' Pension Scheme contributions, by income from the Coronavirus Job Retention Scheme totalling £260,000 across the Settlement, and several smaller, emergency grants awarded to help mitigate Covid-19 losses or to provide support for the provision of essential Covid-19 services.

Costs of the Settlement decreased by £148,000 to 5,798,000 (2018-19: £5,946,000). Of this decrease, £216,000 relates to operational cost savings arising from the Settlement's operations being severely restricted during lockdown with the result that some operational costs were not incurred. This fall in operational costs was partially offset by an increase of £72,000 in staff costs, primarily the result of an increase of around £110,000 in teachers' pension costs funded by the new grant income referred to above.

**MARY WARD SETTLEMENT
REPORT OF THE BOARD OF TRUSTEES
FOR THE YEAR ENDED 31 JULY 2020**

FINANCIAL REVIEW (CONTINUED)

The Adult Education Centre's income was £3,771,000 (2018-19: £3,741,000) and reflects the fall in student fee income partially offset by the ESFA income provided to cover higher teachers' pension costs, and from the Coronavirus Job Retention Scheme, both noted above.

Costs at the Adult Education Centre rose by £64,000 to £4,092,000 (2018-19: £4,028,000) with the main increase arising from higher teachers' pension costs, partially offset by operational cost savings from the impact of Covid-19, both as noted above.

The Legal Centre's income was £1,232,000 (2018-19: £1,131,000), of which £825,000 (2018-19: £908,000) came from operational grants and funding for legal advisory services and £369,000 (2018-19: £222,000) from donations and other fundraising, including value in kind of £136,000 (2018-19: £139,000) from pro bono advice and the provision of legal trainees, and an intercompany donation of £124,000 provided to write-off a long term loan from the Settlement.

Legal Centre costs fell £92,000 from £1,290,000 to £1,198,000. This reflects a decrease in operational staff costs of £35,000 as the Legal Centre was obliged to make staff reductions in response to funding changes, along with a fall of £57,000 in operational costs as an impact of Covid-19,

At Blackfriars, operational income was £653,000 for the period (2018-19: £694,000), with operational expenditure of £732,000 (2018-19: £730,000).

The 2019-20 Financial Statements and associated Notes are set out on pages 33 to 65.

TREASURY MANAGEMENT

Treasury management is the management of the Settlement's cash flows, its banking, money market and capital market transactions, the effective control of the risks associated with those activities and the pursuit of optimum performance consistent with those risks.

Short term borrowing for temporary revenue purposes is authorised by the Accounting Officer. Such arrangements are restricted by limits in the Settlement's Financial Memorandum agreed with the Education and Skills Funding Agency. All other borrowing requires the authorisation of the Board in order to comply with the Financial Memorandum.

There was a net decrease in the cash held by the Settlement of £1,235,000 to £1,723,000 (2018-19: decrease of £976,000 to £2,958,000). Preliminary work related to the development of Queensway House was by far the most significant factor, with £1,008,000 of such costs being capitalised during the period. The high rental costs of 10 Great Turnstile, following its disposal during 2017-18 continue to result in an annual cash outflow of £340,000.

RESERVES POLICY

The Settlement recognises the importance of reserves in the financial stability of the organisation and has a stated Reserves Policy to hold a minimum of 1 to 3 month's operating expenditure as unrestricted free reserves. Consequently the Settlement continues to ensure that it has adequate reserves to support its core activities.

**MARY WARD SETTLEMENT
REPORT OF THE BOARD OF TRUSTEES
FOR THE YEAR ENDED 31 JULY 2020**

As at the balance sheet date the Settlement's unrestricted reserves were £9,440,000, (2018-19: £10,639,000) of which £2,985,000 were unrestricted fixed asset reserves (2018-19: £3,063,000) and £6,455,000 other unrestricted reserves (2018-19: £7,576,000). Restricted reserves totalled £11,000 (2018-19: £14,000). Of these reserves £1,188,000 (2018-19: £1,297,000) are immediately available, or at short notice and can be drawn upon to meet the working capital needs of the Settlement.

The decrease in reserves at the Balance Sheet date reflects the costs associated with the Settlement's investment in its growth strategy.

The combined result of an expected continuing operating deficit in the year 2020-21 and the costs of implementing the buildings strategy is likely to result in the Settlement's reserves falling below target in the next financial year. Should this happen as expected, it is the Board's intention to restore the Settlement's reserves, excluding any impact from the LGPS, to at least the minimum target level as soon as practicable.

CURRENT AND FUTURE DEVELOPMENTS AND PERFORMANCE

FINANCIAL HEALTH

In 2019-20 the Adult Education Centre achieved a "Good" ESFA financial health grading (2018-19: "Requires Improvement"). This financial health rating was achieved notwithstanding the combination of the following factors which had an adverse impact on the financial position:

- (i) the impact of the Covid lockdown, which resulted in the loss of most of the summer term tuition fee income, without an equivalent reduction in costs; and
- (ii) the result of strategic activity taken by the Adult Education Centre to secure its future through a restructuring of its operational property portfolio which has both increased cash balances and led to increased operating costs in the short term. It is expected that these higher costs will be sustained as the Property Strategy is completed over the next 2-4 financial years, while the cash balance gradually falls, and that the ESFA financial health grading will fluctuate.

The Property Strategy was agreed by the Board because the Settlement's main building is approaching the end (July 2022) of a long lease which has been on beneficial terms for many years. The landlord has indicated that if it were to offer a new lease it would be at a considerably higher rent. After careful consideration of the risks and opportunities, the Board adopted a strategy that, when implemented, will help provide for a financially sustainable future for the Settlement.

As part of this strategy the Board took the decision to sell the freehold property at 10 Great Turnstile and to lease it back for a period to coincide with the termination of the lease on 42 Queen Square. This sale was completed during 2017-18, and the proceeds of the sale were put towards the purchase of a new building, Queensway House in the London Borough of Stratford which completed in July 2018. A fundraising programme has commenced which, together with a portion of the existing reserves, will enable the redevelopment and refurbishment of this building with the expectation that most of the Settlement's service offering will operate from Queensway House from the financial year 2022-23. The premises at 1 Rushworth Street will be retained, enabling the Settlement to operate from two permanent sites in two London boroughs.

**MARY WARD SETTLEMENT
REPORT OF THE BOARD OF TRUSTEES
FOR THE YEAR ENDED 31 JULY 2020**

CURRENT AND FUTURE DEVELOPMENTS AND PERFORMANCE (CONTINUED)

In the short to medium term, the implementation of the Building Strategy will continue to put pressure on operating surpluses and cash balances and, in turn, on the ESFA financial health grade, with the achievement of a consistent “Good” or better financial health grading unlikely until the completion of the Buildings Strategy.

Based on our forecasts the “Good” financial health grading achieved in recent years was always expected to fall during the execution of the Property Strategy, and consequently, given the challenges faced over 2019-20, the “Good” outcome reported for the period is seen as a positive result.

STUDENT NUMBERS

The Adult Education Centre is funded according to the levels of activity that it generates. In 2019-20, the Adult Education Centre generated a funding value of £2,257,000 (2018-19: £2,182,000). The total number of students enrolled onto courses was 4,154, compared with 5,288 for 2018-19. Student retention was 90% for 2019-20 compared with 92% for 2018-19.

STUDENT ACHIEVEMENTS

In 2019-20 there were 408 examination entries of which 353 were successful (2018-19: 764 and 675 respectively). In 2019-20 more students took a full ESOL qualification than single modes resulting in a reduction in the number of exam entries. Overall success is 83% (2018-19: 94%). Student achievement in non-accredited courses is 83% (2018-19: 94%) which is assessed using the Recognising and Rewarding Progress and Achievement (RARPA) strategy.

CURRICULUM DEVELOPMENTS

Curriculum planning at the Adult Education Centre combines a needs analysis of local communities with a broader perspective of its contribution to adult education across London. The Adult Education Centre has been effective in reviewing and realigning its curriculum to meet changing priorities and funding constraints, whilst retaining the distinctive characteristics of the curriculum and patterns of learning. In 2019-20 the Adult Education Centre continued to offer courses within the curriculum financed entirely from student fees and successfully ran such courses across the curriculum. Community Outreach continue to be successful at providing courses for the over 60's to reduce social isolation as part of a project Ageing Better in Camden funded by Age UK Camden. In response to Covid-19 and local and national restrictions the Adult Education Centre moved provision online, supporting 605 students on 65 courses to continue with their learning and complete their qualifications. In addition the Adult Education Centre developed a programme of 34 online courses for the summer term whilst face-to-face teaching was suspended. 294 students enrolled onto these courses which generated a fee income of £23,172.

Partnerships with employers, such as Voluntary Action Camden (VAC), continue to develop to provide bespoke training for employees. In Vocational and Life Skills, Level 1 and Level 2 courses continue to be offered which offer transferrable business skills to support employability including the introduction of a Coaching and Mentoring qualification. 24+ Loan provision continues to be offered in Community Interpreting, Counselling and Art and Design. Progression routes in Community Interpreting into specialist areas have also been offered, e.g. Level 6 - Preparation for the Diploma in Public Service Interpreting; Law Option. A number of continuing professional development opportunities in Counselling and Community Interpreting are also offered to enhance student's skills.

PAYMENT PERFORMANCE

The Late Payment of Commercial Debts (Interest) Act 1998, which came into force on 1st November 1998, requires colleges, in the absence of agreement to the contrary, to make payments to suppliers within 30 days of either the provision of goods or services or the date on which the invoice was received.

**MARY WARD SETTLEMENT
REPORT OF THE BOARD OF TRUSTEES
FOR THE YEAR ENDED 31 JULY 2020**

PAYMENT PERFORMANCE (CONTINUED)

The target set by the Treasury for payment to suppliers within 30 days is 95%. During the accounting period 1st August 2019 to 31st July 2020, the Adult Education Centre paid 99% of its invoices within 30 days. The Adult Education Centre incurred no interest charges in respect of late payment for this period.

EVENTS AFTER THE END OF THE REPORTING PERIOD

There have been no significant post-balance sheet events.

FUTURE DEVELOPMENTS

The Strategic Plan of the Settlement includes its relocation to Queensway House, a new site in the London Borough of Newham, following the redevelopment and opening of this new site in 2022. It is envisaged that the Settlement will continue to operate from its property at Rushworth Street but will be able to extend the range of its community services to the new site, operating the whole variety of the Settlement's activities in both the Boroughs of Newham and Southwark.

At a strategy day in June 2018, the following Strategic Objectives were agreed for the period 2018-23:

- To grow existing services and to extend our range of services to enhance the delivery of our Mission, in ways that are relevant now and which look to the future;
- To deliver excellent services, that prioritise outcomes and impact for our users;
- To further develop an organisational structure and culture which realises the Settlement's Mission and Core Values;
- To add our expertise, encouragement and support to the efforts and achievements of people in the communities and neighbourhoods in which we are located and create opportunities for them to reach their educational, social and economic potential;
- To maintain good financial health in order to ensure the sustainable delivery of our Mission;
- To redevelop our new premises to support a sustainable future, enhance the quality of our provision and enable us to reach new audiences;
- To develop partnerships and alliances with other organisations that will improve and extend our ability to deliver our Mission and Strategic Objectives;
- To improve our public profile and develop an effective communications, PR and marketing strategy that supports the development of Blackfriars, our move east and contributes to our plans for growth.

The Settlement plans to continue to be a distinct and high quality provider of adult and continuing education, to increase its provision for students over the next 3 years and to return to an 'outstanding' financial status with the ESFA within the life of the new strategic plan.

The Settlement will continue to diversify its income streams and thereby reduce its dependency on ESFA funding, and plans to continue to work towards higher tuition fee income, without compromising access to education for those with the greatest needs. It is expected that there will be continuing development of a range of courses funded through student loans. Covid-19 continues to be a major factor in immediate plans and consequently the Adult Education Centre has focused on improving its technology including investing in staff training and resources to enable continuity of provision, both face to face and online.

ADULT EDUCATION CENTRE

The implementation of the Property Strategy is expected to see Queensway House in the London Borough of Newham being opened in 2022. Newham was identified at an early stage of research as an area where there is underprovision of adult education and where it is thought likely that the Adult Education Centre can maximise its impact. The opening of the new centre will allow for a major review of the curriculum and particular emphasis will be given to the specific needs of the community in this part of East London where the Adult Education Centre will be establishing its new base.

MARY WARD SETTLEMENT REPORT OF THE BOARD OF TRUSTEES FOR THE YEAR ENDED 31 JULY 2020

ADULT EDUCATION CENTRE (CONTINUED)

The Adult Education Centre will continue to manage its costs effectively, mindful that staff costs represent more than two thirds of total costs. Greater efforts will be made to make effective use of more volunteers in a more structured and better way.

The public funding environment remains challenging and there is no immediate end in sight to this. Outcomes from Area Reviews are beginning to bring substantial change to the wider FE sector although there has been no immediate impact on the Settlement.

MARY WARD LEGAL CENTRE

Looking forward, the Legal Centre expects to be able to achieve the following as part of the Settlement's Strategic Plan 2018-22:

- To continue to adapt its advice provision to ensure safe access during the Covid-19 crisis, including a mix of face-to-face and remote appointments, and advice via video conference;
- To continue to develop new advice provision in Southwark and Newham;
- To expand its housing advice service and recruit additional solicitors;
- To take an active role in advice networks, and work in partnership with local advice providers.
- To continue to seek new sources of income and funding to deliver specialist legal advice services including raising unrestricted income;
- To secure continuation funding for its Housing Support Work project to help sustain tenancies and break the cycle of homelessness;
- To secure funding to continue to develop a public legal education programme in financial capability.

BLACKFRIARS SETTLEMENT

Looking forward the Settlement expects to be able to achieve the following, as part of the Settlement's Strategic Plan 2018-22:

- To maintain and develop the range of activities currently offered to the local community by the Settlement - primarily for the elderly and for people experiencing mental health issues
- To partner Mary Ward Adult Education Centre in hosting adult education classes at the Rushworth Street premises
- To partner Mary Ward Legal Centre in hosting Legal Advice clinics and drop-in services at the Rushworth Street premises

GOING CONCERN

As part of our redevelopment project and in the development of our strategy for our move to Stratford we have developed detailed financial projections which include modelling the potential impact of Covid-19 on our original plans for growth. This work has supported the Board's ability to consider the financial impact of the challenges and uncertainties created by the Covid-19 pandemic, and as such it considers that the Settlement has adequate resources to continue in operational existence for the foreseeable future and until at least March 2022. For this reason, will continue to adopt the going concern basis for the preparation of its Financial Statements.

RESOURCES

The Settlement has a variety of resources that it can deploy in pursuit of its strategic objectives.

Tangible resources include the freehold of Queensway House on Stratford High Street in the London Borough of Newham, the long term leasehold (995 years) of 1 Rushworth Street, and the remaining term of the lease of 42 Queen Square, the Settlement's main site for adult education.

MARY WARD SETTLEMENT

REPORT OF THE BOARD OF TRUSTEES

FOR THE YEAR ENDED 31 JULY 2020

Financial

The Settlement has £9,454,000 of net assets (2018-19: £10,653,000), having taken in to account the FRS102 pension liability of £2,658,000 (2018-19: £1,674,000). The balance owing to the Social Investment Business was £781,000 as at 31st July 2020 (2018-19: £862,000).

People

Until 31st March 2020 the Senior Management Team comprised six members of staff, including the temporary role of Assistant Chief Executive, to enable sufficient senior management time and resource for the planning of the redevelopment of Queensway House and the subsequent relocation of the majority of the activities of the Settlement to these new premises. From 1st April 2020, following the retirement of Assistant Chief Executive, the Senior Management Team now consists of five members of staff and is expected to remain at this level. The staff teams of the Adult Education Centre, the Legal Centre and Blackfriars are settled, with a low turnover. The Adult Education Centre employs a wide range of sessional tutors, many of whom have taught at Mary Ward for many years.

Reputation

The Settlement has a very well established reputation and draws students and clients from across London and beyond. The Adult Education Centre is known as 'the friendly place to learn'. It is also well known for its ability to support students with both physical and learning difficulties. The Legal Centre is well regarded in the legal community, shown by the continuing support of a number of major law firms. Blackfriars runs a wide variety of well-established clubs, activities and services for older people and for people with mental health issues and continues to be well regarded in its local community in the London Borough of Southwark.

PRINCIPAL RISKS AND UNCERTAINTIES

The Settlement has undertaken further work during the year to develop and embed the system of internal control, including financial, operational and risk management which is designed to protect the Settlement's assets and reputation.

Based on the Strategic Plan, the Senior Management Team regularly undertakes a comprehensive review of the risks to which the Settlement is exposed. They identify systems and procedures, including specific preventable actions which should mitigate any potential impact on the Settlement. The internal controls are then implemented and the subsequent year's appraisal will review their effectiveness and progress against risk mitigation actions. In addition to the annual review, the Senior Management Team will also consider any risks which may arise as a result of a new area of work being undertaken by the Settlement.

A risk register is maintained at the Settlement level which is reviewed regularly by the Audit and Risk Committee. The risk register identifies the key risks, the likelihood of those risks occurring, their potential impact on the Settlement and its subsidiaries and the actions being taken to reduce and mitigate the risks. Risks are prioritised using a consistent scoring system. The risk register includes a separate section for each business stream and, as needed, for major projects.

Outlined below is a description of the principal risk factors that have the potential to have a significant impact on the Settlement. Not all the factors are within the Settlement's control:

- A reduction in student numbers and / or falling average class sizes as a result of the ongoing impact of Covid-19
- Increasing mismatch between work demands and the capacity of staff to deliver
- Risks in connection with the implementation of the Property Strategy
- Ability of the IT and communications infrastructure to respond to the demands placed on it

**MARY WARD SETTLEMENT
REPORT OF THE BOARD OF TRUSTEES
FOR THE YEAR ENDED 31 JULY 2020**

STAKEHOLDER RELATIONSHIPS

The Settlement has many stakeholders including:

- students;
- clients;
- funding bodies;
- staff;
- local employers (with specific links);
- our local authority;
- the Mayor of London's office;
- local community and voluntary organisations; and
- other colleges, in particular other AECs.

The Settlement recognises the importance of these relationships and is active in their maintenance and development.

EQUAL OPPORTUNITIES AND EMPLOYMENT OF DISABLED PERSONS

The Settlement is committed to ensuring equality of opportunity for all who learn and work there. It respects and values positively differences in race, gender, sexual orientation, ability, class and age. It strives vigorously to remove conditions which place people at a disadvantage and it will actively combat bigotry. This policy will be resourced, implemented and monitored on a planned basis.

A Single Equality Policy is in place and is published on the Settlement's website. The Settlement also publishes an Annual Equality Report, which includes its equality objectives. This ensures compliance with all of the relevant legislation, including the Equality Act 2010. The Settlement also undertakes equality impact assessments on policies and procedures as appropriate.

The Settlement considers all applications from disabled persons, bearing in mind the aptitudes of the individuals concerned. Where an existing employee becomes disabled, every effort is made to ensure that employment with the Settlement continues. The Settlement's policy is to provide training, career development and opportunities for promotion, which are, as far as possible, identical to those for other employees.

DISABILITY STATEMENT

The Settlement seeks to achieve the objectives set down in the Disability Discrimination Act 1995 as amended by the Special Educational Needs and Disability Acts 2001 and 2005 and the Equality Act of 2010 by:

- having a management structure bringing together the support for learners with disabilities and learning difficulties and the provision of additional learning support;
- the use of 10 Great Turnstile to provide 100% level access to all areas and a wheelchair lift at the front entrance;
- the supply of specialist equipment for use by students with disabilities;
- the continuing investment in resources to support students with learning difficulties and/or disabilities; and
- the continuing programme of staff development to ensure the provision of a high level of appropriate support for students who have learning difficulties and/or disabilities.

In 2019-20 21% (2018-19: 21%) of the student body declared a disability or learning difficulty. This remains high in comparison with adult and further education colleges in general which is between 14% and 15%.

**MARY WARD SETTLEMENT
REPORT OF THE BOARD OF TRUSTEES
FOR THE YEAR ENDED 31 JULY 2020**

FUNDRAISING

The Settlement aims to achieve best practice in the way in which it communicates with donors and other supporters. It takes care with both the tone of its communications and the accuracy of its data to minimise the pressures on supporters. It applies best practice to protect supporters' data and never sells or shares data, and ensures that communication preferences can be changed at any time. The Settlement manages its own fundraising activities and, during the period under review, has employed the services of a professional fundraising organisation who have made one of their employees available to provide hands-on expertise and operational input. The Settlement undertakes to react to and investigate any complaints regarding its fundraising activities and to learn from them and improve its service.

During 2019-20, the Settlement received no complaints about its fundraising activities.

TRADE UNION FACILITY TIME

There were no employees who were relevant union officials during the period, so there was no time or percentage of the pay bill spent on facility time. There were no paid trade union activities during the year.

DISCLOSURE OF INFORMATION TO AUDITORS

The members of the Board who held office at the date of approval of this report confirm that, so far as they are each aware, there is no relevant audit information of which the Settlement's auditors are unaware; and each member has taken all the steps that he or she ought to have taken to be aware of any relevant audit information and to establish that the Settlement's auditors are aware of that information.

Approved by order of the members of the Board on 16 March 2021 and signed on their behalf by:

Frances Bates

Frances Bates
Chair

MARY WARD SETTLEMENT

STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL

FOR THE YEAR ENDED 31 JULY 2020

STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL

The following statement is provided to enable readers of the Annual Report and Financial Statements of the Settlement to obtain a better understanding of its governance and legal structure. The statement covers the period from 1st August 2019 to 31st July 2020 and up to the date of the approval of the Annual Report and Financial Statements.

The Settlement endeavours to conduct its business:

- in accordance with the seven principles identified by the Committee on Standards in Public Life (selflessness, integrity, objectivity, accountability, openness, honesty and leadership);
- in full accordance with the guidance to colleges from the Association of Colleges in The Code of Good Governance for English Colleges; and
- having due regard to the UK Corporate Governance Code (“the Code”) insofar as it is applicable to its operational activities.

The Settlement is committed to exhibiting best practice in all aspects of corporate governance and, in particular, the Board has adopted and complied with the Code of Good Governance. The Board has not adopted, and therefore does not apply, the UK Corporate Governance Code. However, we have reported on our Corporate Governance arrangements by drawing upon best practice available, including those aspects of the UK Corporate Governance Code we consider to be relevant to the further education sector and best practice.

In the opinion of the Board, the Settlement complies with all the provisions of the Code of Good Governance, and it has complied throughout the year ended 31st July 2020. The Board recognises that, as a body entrusted with both public and private funds, it has a particular duty to observe the highest standards of corporate governance at all times.

The Settlement is a registered charity. The trustees confirm that they have had due regard for the Charity Commission's guidance on public benefit and that the required statements appear elsewhere in these Financial Statements.

THE BOARD

The members of the Board, or on the Boards of its subsidiaries, who served during the year and up to the date of signature of this report are as listed in the following table:

Member	Date of appointment	Term of office	Date of leaving	Elected trustees	Position and Committees served
Ms F Bates	March 2015 Reappointed June 2019	4 years			Chair of Trustees; Governance and Nominations; Remuneration (Chair)
Ms R Brain***	October 2019	4 years			
Ms N Cartner	June 2017	4 years			Governance and Nominations; Quality Improvement Group (Chair)
Mr B Chandler	May 2018	4 years	November 2019		Finance
Mr G Collins	May 2018	4 years			Audit & Risk
Mr G Darby**	May 2018	3 years		Tutor	Quality Improvement Group
Ms K Duong	May 2018	4 years			Treasurer; Audit & Risk; Finance; Remuneration
Mr J Edwards*	July 2013 Reappointed May 2018	4 years			Finance (Chair); Governance and Nominations; Remuneration
Ms H Heathfield***	May 2018	4 years	April 2020		Quality Improvement Group

MARY WARD SETTLEMENT
STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL
FOR THE YEAR ENDED 31 JULY 2020

THE BOARD (continued)

Member	Date of appointment	Term of office	Date of leaving	Elected trustees	Committees served
Mr A Hill**	March 2015 Reappointed May 2018	3 years		Staff	Quality Improvement Group
Ms A Horsup	March 2014 Reappointed May 2017	4 years	April 2020		
Ms B Montoya	June 2017	4 years			
Mr P Nichols**	April 2020	Co-opted			
Ms P Nicholson**	November 2019	3 years		Student	Finance
Mr R Nadarajan*	July 2013 Reappointed May 2018	4 years			
Mr A Peck	March 2014 Reappointed May 2018	4 years			Audit and Risk (Chair); Governance and Nominations; Remuneration
Ms P Snow**	June 2019	3 years		Student	
Ms K Watters**	March 2015 Reappointed May 2018	4 years	April 2020		Quality Improvement Group
Baroness M Wheeler	May 2018	4 years	December 2020		Vice Chair
Ms A Williams**	February 2011 reappointed March 2014	4 years extended to October 2020			Vice Chair Governance and Nominations Quality Improvement Group
Ms E Wyatt	Oct 2016	4 years			Finance
Ms B Campbell acts as Clerk to the Board					

* Trustees of MWLC only

** Trustees of MWS only

*** Trustees of Blackfriars Settlement only

Ms K Duong was on maternity leave until October 2019.

Ms A Williams' appointment was extended to October 2020 to cover Vice Chair role during coronavirus period.

In addition to the Board, other people who served on committees during the year and up to the date of signature of this report were as listed in the following table:

Member	Date of Appointment	Date of resignation	Status of appointment	Committees served
Ms F Stormer	February 2019		External representative	Audit & Risk

It is the Board's responsibility to bring independent judgement to bear on issues of strategy, performance, resources and standards of conduct.

MARY WARD SETTLEMENT
STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL
FOR THE YEAR ENDED 31 JULY 2020

THE BOARD (CONTINUED)

The Board is provided with regular and timely information on the overall financial performance of the Settlement together with other information such as performance against funding targets, proposed capital expenditure, quality matters and personnel related matters such as health and safety and environmental issues.

The Board conducts some of its business through a number of committees. Each committee has terms of reference which have been approved by the Board. These committees are Governance and Nominations, Remuneration, Finance and Audit and Risk.

Full minutes of all meetings except those deemed to be confidential are available from the Clerk at the address below.

ATTENDANCE

The table below summarises the attendance at Board and sub-committee meetings for the year to 31st July 2020. For trustees of subsidiary company boards, the number of meetings refers only to those meetings of the subsidiary represent.

Member	Board	Strategy days	Governance and Nominations	Finance	Audit and Risk	Quality Improvement Group
Ms F Bates	4 of 4	1 of 1	1 of 1	1 of 2	0 of 2	
Ms R Brain	3 of 3	1 of 1				
Ms N Cartner	4 of 4	1 of 1	1 of 1			2 of 2
Mr G Collins	4 of 4	1 of 1			2 of 2	
Mr G Darby	3 of 4	1 of 1				0 of 2
Ms K Duong	3 of 4	1 of 1		1 of 2	2 of 2	
Mr J Edwards	4 of 4	1 of 1	1 of 1	1 of 2		
Ms H Heathfield	2 of 2	0 of 1				1 of 2
Mr A Hill	4 of 4	1 of 1				0 of 2
Ms A Horsup	1 of 2	1 of 1				
Ms B Montoya	4 of 4	1 of 1				
Mr R Nadarajan	2 of 4	0 of 1				
Mr P Nichols	1 of 1					
Ms P Nicholson	3 of 3	1 of 1		1 of 1		
Mr A Peck	4 of 4	1 of 1	1 of 1		2 of 2	
Ms P Snow	3 of 4	1 of 1				
Ms K Watters	1 of 2	1 of 1				2 of 2
Baroness M Wheeler	0 of 4	0 of 1				
Ms A Williams	2 of 4	1 of 1	1 of 1			2 of 2
Ms E Wyatt	1 of 4	0 of 1		1 of 2		

The Remuneration Committee did not meet formally during 2019-20.

In addition to the committees shown above, a Property Working Group operated during the year, overseeing the sale of 10 Great Turnstile and the purchase of Queensway House. The Property Working Group was not operated as a formal committee with registers of attendance, nor was it formally clerked. However all significant discussions were reported back to the full Board, and a record of any decisions taken by the Board was formally noted as part of the full board minutes.

MARY WARD SETTLEMENT
STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL
FOR THE YEAR ENDED 31 JULY 2020

ATTENDANCE (CONTINUED)

The Clerk maintains a register of financial and personal interests of the members of the Board. The register is available from the Clerk at the address below:

Mary Ward Settlement
42 Queen Square
London
WC1H 3AQ

All members of the Board are able to take independent professional advice in furtherance of their duties at the Settlement's expense and have access to the Clerk to the Board, who is responsible to the Board for ensuring that all applicable procedures and regulations are complied with. The appointment and removal of the Clerk are matters for the Board as a whole.

Formal agendas, papers and reports are supplied to members in a timely manner, prior to board meetings. Briefings are also provided on an ad-hoc basis.

The Board has a strong and independent non-executive element and no individual or group dominates its decision-making process. The Board considers that each of its non-executive members is independent of management and free from any business or other relationship which could materially interfere with the exercise of their independent judgement.

There is a clear division of responsibility in that the roles of the Chair and the Warden, the Accounting Officer, are separate.

APPOINTMENTS TO THE BOARD

With the exception of ex-officio appointments, members of the Board hold office for a period of four years (increased from three years by special resolution at the AGM in March 2016). Elected trustees currently on the Board will serve the term to which they were elected. Appointed members may be re-appointed for a second term of four years on the recommendation of the Governance and Nominations Committee. Third and further terms of four years may exceptionally be approved by the board on recommendation of the Governance and Nominations Committee if it is considered that this would produce a better balance of knowledge, skills, commitment and experience amongst the members.

Student and staff members of the Board are eligible to stand for re-election at the end of their term. Staff members are not eligible to serve as members if they cease to be a member of staff of the Settlement. Student members may continue to the end of their elected term of office even if they cease to be students of the Adult Education Centre during their term.

The Board is responsible for ensuring that appropriate training is provided as required.

BOARD PERFORMANCE

A review of the performance of individual trustees, including the Chair, took place during the year. Individual performance appraisals are also scheduled for 2020-21 and it is proposed that an overall self-assessment of the Board's performance should be derived from these.

REMUNERATION COMMITTEE

The membership of the Remuneration Committee is entirely ex-officio and comprises five members made up of the Chair, the Treasurer, and the chairs of the other committees. The Committee's responsibilities are to make recommendations to the Board on the remuneration and benefits of the Warden and other senior post-holders, and to oversee staff terms and conditions including annual cost of living increases.

Details of remuneration for the year ended 31st July 2020 are set out in note 11 to the Financial Statements.

MARY WARD SETTLEMENT
STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL
FOR THE YEAR ENDED 31 JULY 2020

THE GOVERNANCE AND NOMINATIONS COMMITTEE

The Governance and Nominations Committee comprises four members. The Committee is responsible for advising the Board on the composition, balance and appointment of the Board and its committees. It also ensures that members undergo a regular skills audit and that an annual assessment of training needs takes place.

AUDIT AND RISK COMMITTEE

The Audit and Risk Committee comprises up to five members. No member of staff is permitted to serve on the Audit and Risk Committee. The Committee operates in accordance with written terms of reference approved by the Board.

The Audit and Risk Committee provides a forum for reporting by the Settlement's internal and financial statements auditors, who have access to the committee for independent discussion, without the presence of Settlement management.

The Settlement's internal auditors review the systems of internal control, risk management controls and governance process in accordance with an agreed plan of input and report their findings to management and the Audit and Risk Committee.

Management is responsible for the implementation of agreed audit recommendations and internal audit undertake periodic follow up reviews to ensure such recommendations have been implemented.

The Audit and Risk Committee also advises the Board on the appointment of internal, regularity and financial statements auditors and their remuneration for both audit and non-audit work, as well as reporting annually to the Board.

THE FINANCE COMMITTEE

The Finance Committee comprises up to five members. The Committee is responsible for advising the Board on all strategic finance related matters.

INTERNAL CONTROL

SCOPE OF RESPONSIBILITY OF INTERNAL CONTROL

The Board is ultimately responsible for the Settlement's system of internal control and for reviewing its effectiveness. However, such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against material misstatement or loss.

The Board has delegated the day to day responsibility to the Warden, as Accounting Officer, for maintaining a sound system of internal control that supports the achievement of the Settlement's policies, aims and objectives, whilst safeguarding the public funds and assets for which she is personally responsible, in accordance with the responsibilities assigned to her in the Financial Memorandum between the Adult Education Centre and the Education and Skills Funding Agency. She is also responsible for reporting to the Board any material weaknesses or breakdowns in internal control.

MARY WARD SETTLEMENT
STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL
FOR THE YEAR ENDED 31 JULY 2020

THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Settlement policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place at the Settlement for the year ended 31st July 2020 and up to the date of approval of the Annual Report and Financial Statements.

CAPACITY TO HANDLE RISK

The Board has reviewed the key risks to which the Settlement is exposed, together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board is of the view that there is a formal ongoing process for identifying, evaluating and managing the Settlement's significant risks that has been in place for the year ended 31st July 2020 and up to the date of approval of the Annual Report and Financial Statements. This process is regularly reviewed by the Board.

THE RISK AND CONTROL FRAMEWORK

The system of internal financial control is based on a framework of regular management information, administrative procedures including the segregation of duties, and a system of delegation and accountability. In particular, it includes:

- comprehensive budgeting systems with an annual budget which is reviewed and agreed by the governing body;
- regular reviews by the governing body of periodic and annual financial reports which indicate financial performance against forecasts;
- setting targets to measure financial and other performance;
- clearly defined capital investment control guidelines; and
- the adoption of formal project management disciplines where appropriate.

The Settlement has an internal audit service, which operates in accordance with the requirements of the ESFA's *Post 16 Audit Code of Practice*. The work of the internal audit service is informed by an analysis of the risks to which the Settlement is exposed, and annual internal audit plans are based on this analysis. The analysis of risks and the internal audit plans are endorsed by the Settlement's governing body on the recommendation of the Audit and Risk Committee. At least annually, the internal audit service provides the governing body with a report on internal audit activity in the Settlement. The report includes the internal audit service's independent opinion on the adequacy and effectiveness of the Settlement's system of risk management, controls and governance processes.

THE REVIEW OF EFFECTIVENESS

As Accounting Officer, the Warden has responsibility for reviewing the effectiveness of the system of internal control. Her review of the effectiveness of the system of internal control is informed by:

- the work of the internal auditors;
- the work of the executive managers within the Settlement who have the responsibility for the development and maintenance of the internal control framework; and
- comments made by the Settlement's Financial Statements auditors and the Regularity auditors in their management letters and other reports.

The Warden has been advised on the implications of the result of her review of the effectiveness of the system of internal control by the Audit and Risk Committee which oversees the work of the internal auditor and other sources of assurance, and a plan to address weaknesses and ensure continuous improvement of the system is in place.

MARY WARD SETTLEMENT
STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL
FOR THE YEAR ENDED 31 JULY 2020

THE REVIEW OF EFFECTIVENESS (CONTINUED)

The Senior Management Team receives reports setting out key performance and risk indicators and considers possible control issues brought to their attention by early warning mechanisms, which are embedded within the departments and reinforced by risk awareness training. The Senior Management Team and the Audit and Risk Committee also receive regular reports from the internal auditor and other sources of assurance, which include recommendations for improvement. The Audit and Risk Committee's role in this area is confined to a high-level review of the arrangements for internal control. The Committee's agenda includes a regular item for consideration of risk and control and it receives reports thereon from the Senior Management Team. The emphasis is on obtaining the relevant degree of assurance and not merely reporting by exception. At its meeting on 17th November 2020 the Audit and Risk Committee carried out the annual assessment for the year ended 31st July 2020 by considering documentation from the Senior Management Team and internal audit service, as well as reviewing events since the year end.

Based on the advice of the Audit and Risk Committee and the Warden, the Board is of the opinion that the Settlement has an adequate and effective framework for governance, risk management and control, and has fulfilled its statutory responsibility for *"the effective and efficient use of resources, the solvency of the institution and the body and the safeguarding of their assets"*.

GOING CONCERN

After making appropriate enquiries, the Board considers that the Settlement has adequate resources to continue in operational existence for the foreseeable future and until at least 31 March 2022. For this reason, it continues to adopt the going concern basis in preparing the financial statements.

Approved by order of the members of the Board on 16 March 2021 and signed on their behalf by

Frances Bates

Frances Bates
Chair

S Jackson

Suzanna Jackson
Accounting Officer

MARY WARD SETTLEMENT
STATEMENT OF RESPONSIBILITIES OF THE BOARD OF TRUSTEES
FOR THE YEAR ENDED 31 JULY 2020

The trustees (who are also directors of the Settlement for the purposes of company law) are responsible for preparing the trustees' report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Settlement and of the income and expenditure of the Settlement for that period.

In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Settlement will continue in operation.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Settlement 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 Settlement and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Each of the trustees confirms that:

- so far as the trustee is aware, there is no relevant audit information of which the Settlement's auditor is unaware; and
- the trustee has taken all the steps that he/she ought to have taken as a trustee in order to make himself/herself aware of any relevant audit information and to establish that the Settlement's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

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

Approved by order of the members of the Board on 16 March 2021.

Frances Bates

Frances Bates
Chair

Opinion

We have audited the Financial Statements of Mary Ward Settlement and its subsidiaries (the 'group') for the year ended 31 July 2020 which comprise the group statement of comprehensive income, the group Statement of Changes in Reserves, the group and company Balance Sheets, the group Statement of Cash Flows, the principal accounting policies, and the Notes to the Financial Statements. 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 settlement and the group's affairs as at 31 July 2020 and of the group's 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 group in accordance with the ethical requirements that are relevant to our audit of the Financial Statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the Financial Statements is not appropriate; or
- the trustees have not disclosed in the Financial Statements any identified material uncertainties that may cast significant doubt about the group's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the Financial Statements are authorised for issue.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report other than the Financial Statements and our auditor's report thereon. Our opinion on the Financial Statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

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 including the strategic report for the financial year for which the Financial Statements are prepared is consistent with the Financial Statements; and
- the trustees' report including the strategic report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report including the strategic 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, or returns adequate for our audit have not been received from branches not visited by us; or
- the group's 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.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the trustees are responsible for the preparation of the Financial Statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees 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 group'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 group 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.

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 group'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 group'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 group's members as a body, for our audit work, for this report, or for the opinions we have formed.

Buzzacott LLP

Catherine Biscoe (Senior Statutory Auditor)
For and on behalf of Buzzacott LLP, Statutory Auditor
130 Wood Street
London
EC2V 6DL

Date: 25 March 2021

MARY WARD SETTLEMENT
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 JULY 2020

		Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
	Notes	Funds	Funds	2020	Funds	Funds	2019
INCOME		£'000	£'000	£'000	£'000	£'000	£'000
Donations and fundraising	2	396	67	463	431	39	470
Income for generating funds	3	300	-	300	303	-	303
<i>Income from charitable activities:</i>							
Adult education	4	3,282	63	3,345	3,518	30	3,548
Community services	5	-	228	228	-	221	221
Legal services	5	15	811	826	28	880	908
Investment income	6	11	-	11	13	-	13
Other Income - CJRS grant	7	260	-	260	-	-	-
Total income		4,264	1,169	5,433	4,293	1,170	5,463
EXPENDITURE							
<i>Cost of raising funds:</i>							
Generating donations and grants	8	58	-	58	78	-	78
<i>Expenditure on charitable activities:</i>							
Adult education		3,839	24	3,863	3,846	62	3,908
Community services		-	702	702	78	620	698
Legal services		-	1,175	1,175	-	1,262	1,262
Total expenditure	9/10	3,897	1,901	5,798	4,002	1,944	5,946
Surplus / (deficit) before other gains/losses		367	(732)	(365)	291	(774)	(483)
Gain / (loss) on investments		2	-	2	(7)	-	(7)
Surplus / (Deficit) before tax		369	(732)	(363)	284	(774)	(490)
Taxation		-	-	-	-	-	-
Surplus / (Deficit) for the year		369	(732)	(363)	284	(774)	(490)
Actuarial (loss) in respect of pension schemes	26	-	(839)	(839)	-	(85)	(85)
Transfers between funds		(1,492)	1,492	-	(858)	858	-
Total Comprehensive Income for the year		(1,123)	(79)	(1,202)	(574)	(1)	(575)

MARY WARD SETTLEMENT
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 JULY 2020

	Unrestricted funds £'000	Restricted funds £'000	Total 2020 £'000	Unrestricted funds £'000	Restricted funds £'000	Total 2019 £'000
Represented by:						
Restricted comprehensive income	-	(79)	(79)	-	(1)	(1)
Unrestricted comprehensive income	(1,123)	-	(1,123)	(574)	-	(574)
	<u>(1,123)</u>	<u>(79)</u>	<u>(1,202)</u>	<u>(574)</u>	<u>(1)</u>	<u>(575)</u>

In 2019-20, £822,000 of income and £1,175,000 expenditure from legal services was restricted; all other income and expenditure was unrestricted (2018-19: £880,000 of income and £1,262,000 expenditure was restricted). In 2019-20 £55,000 (2017-18: £30,000) adult education income, £67,000 (2018-19: £39,000) donations and fundraising income and £236,000 (2018-19: £221,000) community services income was restricted. £24,000 (2018-19: £62,000) adult education expenditure and £702,000 (2018-19: £620,000) community services expenditure, before other gains and losses, was restricted. All other income and expenditure was unrestricted.

MARY WARD SETTLEMENT
CONSOLIDATED AND CENTRE STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 JULY 2020

	Notes	2020 Group £'000	2020 Centre £'000	2019 Group £'000	2019 Centre £'000
INCOME					
Funding body grants	4	2,431	2,431	2,289	2,289
Tuition fees and education contracts	4	914	906	1,259	1,230
Other income from charitable activities	5	1,054	-	1,129	-
Other income - rent receivable	3	300	120	303	114
Investment income	6	11	10	13	4
Donations and fundraising	2	463	113	470	104
Other income - CJRS grant		260	191	-	-
Total income		5,433	3,771	5,463	3,741
EXPENDITURE					
Staff costs	12	4,170	2,817	4,098	2,759
Other operating expenses	11	1,334	1,068	1,550	1,055
Depreciation	14	220	141	218	141
Interest and other finance costs	13	74	66	80	73
Total expenditure		5,798	4,092	5,946	4,028
(Deficit) before other gains and losses		(365)	(321)	(483)	(287)
Gain (loss) on investments		2	-	(7)	-
Deficit before tax		(363)	(321)	(490)	(287)
Taxation		-	-	-	-
Deficit for the year		(363)	(321)	(490)	(287)
Actuarial loss in respect of pension schemes	26	(839)	(839)	(85)	(85)
Total Comprehensive Income for the year		(1,202)	(1,160)	(575)	(372)
Represented by:					
Restricted comprehensive income		(79)	5	(1)	(1)
Unrestricted comprehensive income		(1,123)	(1,165)	(574)	(371)
		(1,202)	(1,160)	(575)	(372)

MARY WARD SETTLEMENT
CONSOLIDATED STATEMENT OF CHANGES IN RESERVES
FOR THE YEAR ENDED 31 JULY 2020

	Group Income and expenditure account £'000	Centre Income and expenditure account £'000
Balance as at 1st August 2018, as originally stated		
Opening funds adjustment		
Balance as at 1st August 2018, as restated	11,228	8,015
Deficit from the income and expenditure account	(490)	(287)
Other comprehensive income	(85)	(85)
Total comprehensive income for the year	<u>(575)</u>	<u>(372)</u>
 Balance as at 31st July 2019	 10,653	 7,643
Deficit from the income and expenditure account	(363)	(321)
Other comprehensive income	(839)	(839)
Total comprehensive income for the year	<u>(1,202)</u>	<u>(1,160)</u>
 Balance as at 31st July 2020	 <u>9,451</u>	 <u>6,483</u>

MARY WARD SETTLEMENT
CONSOLIDATED AND CENTRE BALANCE SHEET
AS AT 31 JULY 2020

	Notes	2020 Group £'000	2020 Centre £'000	2019 Group £'000	2019 Centre £'000
Non current assets					
Tangible fixed assets	14	12,029	9,031	11,227	8,164
Investments	15	27	-	25	-
Long term loan to group undertaking		-	-	-	124
		<u>12,056</u>	<u>9,031</u>	<u>11,252</u>	<u>8,288</u>
Current assets					
Work in Progress		122	-	108	-
Trade and other receivables	16	1,112	1,073	557	478
Cash and cash equivalents	21	<u>1,723</u>	<u>1,468</u>	<u>2,958</u>	<u>2,675</u>
		<u>2,957</u>	<u>2,541</u>	<u>3,623</u>	<u>3,153</u>
Less: Creditors - amounts falling due within one year	17	(1,285)	(931)	(1,208)	(921)
Net current assets		<u>1,672</u>	<u>1,610</u>	<u>2,415</u>	<u>2,232</u>
Total assets less current liabilities		13,728	10,641	13,667	10,520
Creditors - amounts falling due after more than one year	18	(1,619)	(1,500)	(1,340)	(1,203)
Provisions					
Defined benefit obligations	20/26	(2,658)	(2,658)	(1,674)	(1,674)
Total net assets		<u>9,451</u>	<u>6,483</u>	<u>10,653</u>	<u>7,643</u>
Restricted reserves					
Income and expenditure account					
Other Restricted Reserves		11	9	14	12
Unrestricted reserves					
Income and expenditure account		2,387	3,237	3,508	3,289
Other Unrestricted Reserves		4,068	3,237	4,068	4,342
Designated Reserves:					
Fixed Asset Reserve		<u>2,985</u>	<u>-</u>	<u>3,063</u>	<u>-</u>
Total reserves		<u>9,451</u>	<u>6,483</u>	<u>10,653</u>	<u>7,643</u>

The Financial Statements on pages 33 to 66 were approved and authorised for issue by the Board on 16 March 2021 and signed on its behalf on that date by:

Frances Bates

Frances Bates
Chair

S Jackson

Suzanna Jackson
Accounting Officer

MARY WARD SETTLEMENT
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 JULY 2020

		2020	2019
	Notes	£'000	£'000
Cash flow from operating activities			
Deficit for the year		(363)	(483)
Adjustment for non cash items			
Depreciation	14	220	218
Provision of deferred income		353	59
Release of deferred gain		(272)	(278)
(Increase) in work in progress		(14)	(50)
(Increase) in debtors	16	(555)	(46)
Increase / (decrease) in creditors due within one year	17	77	(37)
Increase / (decrease) in creditors due after one year	18	279	-
Pension costs less contributions payable (including administration cost)	26	145	163
Adjustment for investing activities			
Investment income	6	(11)	(13)
Interest payable	13	40	80
(Gains) losses on investments		(2)	7
Net cash flow from operating activities		<u>(103)</u>	<u>(380)</u>
Cash flows from investing activities			
Disposal of non-current asset investments	15	-	95
Investment income	6	11	13
Payments made to acquire fixed assets	14	(1,022)	(510)
		<u>(1,011)</u>	<u>(402)</u>
Cash flows from financing activities			
Interest paid		(40)	(80)
Repayments of amounts borrowed		(81)	(114)
		<u>(121)</u>	<u>(194)</u>
(Decrease) in cash and cash equivalents in the year		<u><u>(1,235)</u></u>	<u><u>(976)</u></u>
Cash and cash equivalents at the beginning of the year		2,958	3,934
Cash and cash equivalents at the end of the year		1,723	2,958

MARY WARD SETTLEMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020

1 ACCOUNTING POLICIES

Statement of accounting policies and estimation techniques

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Financial Statements.

Basis of preparation

These Financial Statements have been prepared in accordance with the *Statement of Recommended Practice: Accounting for Further and Higher Education 2015* (the 2015 FE HE SORP), the *College Accounts Direction for 2018/19* and in accordance with Financial Reporting Standard 102 - “*The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS102)*”. The Settlement is a public benefit entity and has therefore applied the relevant public benefit requirements of FRS102.

The preparation of financial statements in compliance with FRS102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Settlement’s accounting policies.

The Financial Statements are presented in sterling and are rounded to the nearest thousand.

Basis of accounting

The Financial Statements are prepared in accordance with the historical cost convention as modified by the use of previous valuations as deemed cost at transition for certain non-current assets.

Basis of consolidation

The consolidated Financial Statements include the Adult Education Centre and its subsidiaries, the Legal Centre, and Blackfriars, both controlled by the Settlement. Control is achieved where the Settlement has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

Going concern

The activities of the Settlement, together with the factors likely to affect its future development and performance are set out in the Report of the Board of Trustees. The financial position of the Settlement, its cash flow, liquidity and borrowings are described in the Financial Statements and accompanying Notes.

As part of our redevelopment project and in the development of our strategy for our move to Stratford we have developed detailed financial projections which include modelling the potential impact of COVID 19 on our original plans for growth. This work has supported the Board’s ability to consider the financial impact of the challenges and uncertainties created by the Covid-19 pandemic, and as such it considers that the Centre has adequate resources to continue in operational existence for the foreseeable future and until at least 31 March 2022. For this reason, it continues to adopt the going concern basis in preparing the financial statements.

Recognition of income

Income is recognised in the period in which the Settlement has entitlement to the income and the amount can be measured reliably and it is probable that the income will be received. Income is deferred only when the Settlement has to fulfil conditions before becoming entitled to it or where the donor or funder has specified that the income is to be expended in a future accounting period.

MARY WARD SETTLEMENT
NOTES TO THE FINANCIAL STATEMENTS
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Revenue funding

Government revenue grants, including funding body recurrent grants and other grants, are accounted for under the accrual model as permitted by FRS102. Funding body recurrent grants are measured in line with best estimates for the period of what is receivable and depend on the particular income stream involved. Any under or over achievement for the Adult Skills Budget is adjusted for and reflected in the level of recurrent grant recognised in the income and expenditure account. The final grant income is normally determined with the conclusion of the year end reconciliation process with the funding body at the end of November following the year end, and the results of any funding audits.

Donations and grants are recognised when the Settlement has confirmation of both the amount and settlement date. In the event of donations and grants pledged but not received, the amount is accrued for where the receipt is considered probable. In the event that a donation or grant is subject to conditions that require a level of performance before the Settlement is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the Settlement and it is probable that those conditions will be fulfilled in the reporting period.

Fee and contractual income represent the amounts receivable for the services provided to clients, excluding value added tax, under contractual obligations which are performed gradually over time. Incomplete contracts at the balance sheet date are accounted for by reference to the fair value of the work performed and amounts due but not received at the balance sheet date are described in the Financial Statements as contractual income debtors.

Capital grant funding

Government capital grants are capitalised, held as deferred income and recognised in income over the expected useful life of the asset, under the accrual method permitted by FRS102. Other non-governmental, capital grants are recognised in income when the Settlement is entitled to the funds, subject to any performance related conditions being met.

Fee income

Income from tuition fees is stated gross of any expenditure which is not a discount and is recognised in the period for which it is received and includes all fees payable by students or their sponsors, for example the National Health Service.

Investment income

All income from short term deposits is credited to the income and expenditure account in the period in which it is earned on a receivable basis.

Rental income is stated gross of any expenditure and is recognised in the period for which it is payable.

Other income

Other sundry income is recognised to the extent that it is probable that the economic benefits will flow to the Settlement and the revenue can be measured reliably. It is measured at fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

MARY WARD SETTLEMENT
NOTES TO THE FINANCIAL STATEMENTS
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Agency arrangements

The Settlement acts as an agent in the collection and payment of various discretionary support funds. Related payments received from funding bodies and subsequent disbursements to students are excluded from the income and expenditure of the Settlement, where the Settlement is exposed to minimal risks or enjoys minimal economic benefit related to the transactions.

Accounting for post-employment benefits

Post-employment benefits to employees of the Settlement are provided by the Teachers' Pension Scheme (TPS) and the Local Government Pension Scheme (LGPS). These are defined benefit schemes, which are contracted out of the State Second Pension (for men born on or before 6th April 1951 and women born on or before 6th April 1953).

Teachers' Pension Scheme

The TPS is an unfunded scheme. Contributions to the TPS are calculated so as to spread the cost of pensions over employees' working lives with the Settlement in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by qualified actuaries on the basis of valuations using a prospective benefit method.

The TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as an expense in the income statement in the periods during which services are rendered by employees.

The London Pension Fund Authority

The LGPS is a funded scheme. The assets of the LGPS are measured using closing fair values. LGPS liabilities are measured using the projected unit credit method and discounted at the current rate of return on a high quality corporate bond of equivalent term and currency to the liability. The actuarial valuations are obtained at least triennially and are updated at each Balance Sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred.

Net interest on the net defined benefit liability/asset is also recognised in the Statement of Comprehensive Income and comprises the interest cost on the defined obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in interest and other finance costs.

Actuarial gains and losses are recognised immediately in the Statement of Comprehensive Income.

Short term Employment benefits

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

MARY WARD SETTLEMENT
NOTES TO THE FINANCIAL STATEMENTS
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Non-current assets - Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses.

Land and buildings

Freehold buildings are depreciated on a straight line basis over their expected useful economic life of 40 years.

Freehold land is not depreciated as it is considered to have an infinite useful life.

The Settlement has a policy of depreciating major adaptations to freehold buildings over the period of their useful economic life of 40 years. Leasehold buildings are amortised over the term of the lease as are major adaptations to leasehold buildings.

Where land and buildings are acquired with the aid of specific grants, they are capitalised and depreciated as above. The related government grants are credited to a deferred income account within creditors, and are released to the income and expenditure account over the expected useful economic life of the related asset on a systematic basis consistent with the depreciation policy. The deferred income is allocated between creditors due within one year and those due after more than one year. Non-government grants are recognised in the Statement of Comprehensive Income when the Settlement becomes entitled to them.

A review of impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying amount of any fixed asset may not be recoverable.

On adoption of FRS102, the Settlement followed the transitional provision to retain the book value of land and buildings, which were revalued in 1996, as deemed cost but not to adopt a policy of revaluation of these properties in the future.

Subsequent expenditure on existing fixed assets

Where significant expenditure is incurred on tangible fixed assets after initial purchase, it is charged to income in the period it is incurred, unless it increases the future benefits to the Settlement, in which case it is capitalised and depreciated on the relevant basis.

Equipment

Equipment costing less than £1,000 per individual item is recognised as expenditure in the period of acquisition. All other equipment is capitalised at cost.

All equipment, including fixtures and fittings, is depreciated over 5 years on a straight line basis.

Borrowing costs

Borrowing costs are recognised as expenditure in the period in which they are incurred.

Leased assets

Costs in respect of operating leases are charged on a straight-line basis over the lease term.

The Settlement has 2 years remaining on an operating lease, until July 2022, with Meraki Holdings on the property occupied by the Legal Centre at 10 Great Turnstile. The amount payable by the Settlement under the lease (exclusive of rates and service charge) is £425,000 per annum.

MARY WARD SETTLEMENT
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Investments

Listed investments held as non-current assets and current asset investments, which may include listed investments, are stated at fair value, with movements recognised in the Statement of Comprehensive Income. Investments comprising unquoted equity instruments are measured at fair value, estimated using a valuation technique.

Cash and cash equivalents

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

Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash with insignificant risk of change in value. An investment qualifies as a cash equivalent when it has a maturity of 3 months or less from the date of acquisition.

Financial liabilities and equities

Financial liabilities and equity are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form.

All loans, investments and short term deposits held by the Settlement are classified as basic financial instruments in accordance with FRS102. These instruments are initially recorded at the transaction price less any transaction costs (historical cost). FRS102 requires that basic financial instruments are subsequently measured at amortised cost, however the Settlement has calculated that the difference between historical cost and amortised cost basis is not material and so these financial instruments are stated on the Balance Sheet at historical cost. Loans and investments that are payable or receivable within one year are not discounted.

Taxation

The Settlement is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Settlement is potentially exempt from taxation in respect of income and capital gains received within categories covered by sections 478-488 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

The Settlement is partially exempt in respect of Value Added Tax, so that it can only recover a minor element of VAT charged on its inputs. Irrecoverable VAT on inputs is included in the costs of such inputs and added to the cost of tangible fixed assets as appropriate, where the inputs themselves are tangible fixed assets by nature.

Provisions and contingent liabilities

Provisions are recognised when the Settlement, or one of its subsidiaries, has a present legal or constructive obligation as a result of a past event, it is probable that a transfer of economic benefit will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Where the effect of time value of money is material, the amount expected to be required to settle the obligation is recognised at present value using a pre-tax discount rate. The unwinding of the discount is recognised as a finance cost in the Statement of Comprehensive Income in the period that it arises.

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

Contingent liabilities are not recognised in the Balance Sheet but are disclosed in the Notes to the Financial Statements.

Judgements in applying accounting policies and key sources of estimation of uncertainty

In preparing these Financial Statements, management have made the following judgements:

- To determine whether leases entered into by the Settlement, either as a lessor or a lessee are operating or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis.
- To determine whether there are indicators of impairment of the Settlement's tangible assets. Factors taken in to consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and, where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit.

Judgements in applying accounting policies and key sources of estimation of uncertainty (continued)

Other key sources of estimation uncertainty

- Tangible fixed assets

Tangible fixed assets, other than investment properties, are depreciated over their useful lives, taking into account residual values where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and the projected disposal values.

- Local Government Pension Scheme

The present value of the LGPS defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 25, will impact the carrying amount of the pension liability. Furthermore, a roll forward approach which projects results from the latest full actuarial valuation performed at 31st March 2016, has been used by the actuary in valuing the pension liability at 31st July 2020. Any difference between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

MARY WARD SETTLEMENT
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- Sale and Leaseback

The Settlement sold a property in 2017-18 under a sale and leaseback agreement. The sale price was above fair value and so the excess over fair value has been treated as a gain deferred over the life of the lease. Fair value has been determined by the trustees, taking into account an independent professional valuation report from its property advisers, Gryphon Property Partners, and adjusting the value shown in the report based on current market rental values and the future use of the property.

The amortisation of the deferred gain over the life of the lease is being charged on a straight line basis to rental expenditure. No legal right to set off exists, as would normally be required for this treatment under FRS102, but the trustees believe that one of the purposes of the agreement is to give rise to a gain that partly represents the rent to be paid over the term of the lease. It is therefore considered true and fair to set off the gain against the rent.

- Gifts in Kind

Donated professional services are recognised as income when the Settlement has control over them, any conditions associated with the donated service having been met, the receipt of economic benefit from the use by the Settlement of the item is probable and that the economic benefit can be measured reliably. In accordance with the FE/HE SORP (FRS102), the time of general volunteers is not recognised.

On receipt, donated professional services are recognised on the basis of the value of the gift to the Settlement which is the amount that the Settlement would have been willing to pay to obtain those services on the open market; a corresponding amount is then recognised in expenditure in the same period as the receipt.

MARY WARD SETTLEMENT
NOTES TO THE FINANCIAL STATEMENTS
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2 DONATIONS AND FUNDRAISING

	2020 Group	2020 Centre	2019 Group	2019 Centre
	£'000	£'000	£'000	£'000
Income from general fundraising and donations	274	68	216	41
Income from fund raising and donations for bursary fund	18	18	11	11
Value in kind donations	171	27	243	52
Total	463	113	470	104

3 ACTIVITIES FOR GENERATING FUNDS

	2020 Group	2020 Centre	2019 Group	2019 Centre
	£'000	£'000	£'000	£'000
Rent from group company	-	-	-	2
Rent received	300	120	303	112
Total	300	120	303	114

4A ADULT EDUCATION

	2020 Group	2020 Centre	2019 Group	2019 Centre
	£'000	£'000	£'000	£'000
Grants receivable	2,431	2,431	2,289	2,289
Tuition fees	906	906	1,228	1,228
Education contracts	8	-	31	2
Total	3,345	3,337	3,548	3,519

4B FUNDING BODY GRANTS

	Group and Centre 2020 £'000	Group and Centre 2019 £'000
ESFA recurrent grant	2,243	2,182
ESFA non recurrent grants	156	75
Releases of deferred capital grants	32	32
Total	2,431	2,289

MARY WARD SETTLEMENT
NOTES TO THE FINANCIAL STATEMENTS
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4c TUITION FEES AND EDUCATION CONTRACTS

	2020 Group £'000	2020 Centre £'000	2019 Group £'000	2019 Centre £'000
Adult education fees	764	764	1,065	1,065
Fees for FE loan supported courses	142	142	163	163
Education contracts	8	-	31	2
Total	914	906	1,259	1,230

5 OTHER INCOME FROM CHARITABLE ACTIVITIES

	2020 Group £'000	2020 Centre £'000	2019 Group £'000	2019 Centre £'000
Legal fees and disbursements	361	-	494	-
Grants receivable - Legal Centre	464	-	414	-
Total - Legal Services	826	-	908	-
Other Grants receivable	228	-	221	-
Total	1,054	-	1,129	-

6 INVESTMENT INCOME

	2020 Group £'000	2020 Centre £'000	2019 Group £'000	2019 Centre £'000
Bank interest received	10	10	8	4
Other investment income	1	-	5	-
Total	11	10	13	4

7 OTHER INCOME

Other income is comprised of receipts from the government's Coronavirus Job Retention Scheme.

MARY WARD SETTLEMENT
NOTES TO THE FINANCIAL STATEMENTS
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8 COST OF RAISING FUNDS

	2020	2019
	Group	Group
	£'000	£'000
Adult education – staff costs	28	28
Adult education – support costs	-	15
Legal services – staff costs	12	11
Legal services – support costs	11	17
Other – staff costs	7	7
Total	58	78

9 TOTAL EXPENDITURE

	Grant funding £'000	Direct costs £'000	Support Costs £'000	Total 2020 Group £'000
Adult education	28	1,947	1,916	3,891
Legal services	23	768	407	1,198
Other	7	226	476	709
	58	2,941	2,799	5,798

	Grant funding £'000	Direct costs £'000	Support costs £'000	Total 2019 Group £'000
<i>Adult education</i>	42	1,913	1,995	3,950
<i>Legal services</i>	28	798	464	1,290
<i>Other</i>	8	389	309	706
	78	3,100	2,768	5,946

MARY WARD SETTLEMENT
NOTES TO THE FINANCIAL STATEMENTS
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10 SUPPORT COSTS

	Other	Adult education	Legal services	Total 2020 Group
	£'000	£'000	£'000	£'000
Staff costs	252	1,202	230	1,684
Travel and subsistence	5	1	1	7
Publicity	-	36	1	37
Premises costs	89	104	110	303
Administration	23	201	42	266
Audit fee	4	34	11	49
Legal and professional fees	16	128	11	155
Bank charges	-	3	1	4
Interest payable	8	66	-	74
Amortisation and depreciation	79	141	-	220
	<u>476</u>	<u>1,916</u>	<u>407</u>	<u>2,799</u>

	Other	Adult education	Legal services	Total 2019 Group
	£'000	£'000	£'000	£'000
Staff costs	196	1,249	269	1,714
Travel and subsistence	-	2	1	3
Publicity	-	37	-	37
Premises costs	-	152	112	264
Administration	102	200	57	359
Audit fee	12	39	10	61
Legal and professional fees	-	98	14	112
Bank charges	-	3	1	4
Interest payable	-	73	-	73
Amortisation and depreciation	-	141	-	141
	<u>310</u>	<u>1,994</u>	<u>464</u>	<u>2,768</u>

Support costs include:

	2020 Group	2020 Centre	2019 Group	2019 Centre
	£'000	£'000	£'000	£'000
Auditor's remuneration:				
Financial Statements audit	38	21	37	19
Regularity audit	2	2	2	2
Internal audit	9	9	12	12
Other services	-	-	-	-

MARY WARD SETTLEMENT
NOTES TO THE FINANCIAL STATEMENTS
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11 OTHER OPERATING EXPENSES

	2020 Group £'000	2020 Centre £'000	2019 Group £'000	2019 Centre £'000
Teaching costs	103	103	151	151
Non-teaching costs	723	555	762	392
Premises costs	508	410	637	512
Total	<u>1,334</u>	<u>1,068</u>	<u>1,550</u>	<u>1,055</u>

12 STAFF COSTS

The average number of persons (including key management personnel) employed by the Settlement during the year, described as both individuals and full-time equivalents was:

	2020		2019	
	No.	fte	No.	fte
Adult Education Centre staff	164	61	174	71
Legal Centre staff	24	18	24	20
Blackfriars staff	15	10	12	7
	<u>203</u>	<u>89</u>	<u>210</u>	<u>98</u>

The difference between the number of teaching staff and the full-time equivalent is the large number of part-time tutors employed by the Mary Ward Adult Education Centre.

	2020		2019	
<i>Adult Education Centre:</i>	No.	fte	No.	fte
Teaching staff	124	30	136	38
Non-teaching staff	40	31	38	33
	<u>164</u>	<u>61</u>	<u>174</u>	<u>71</u>

Staff costs for the above persons

	2020 £'000	2019 £'000
Adult Education Centre staff	2,817	2,759
Legal Centre staff	916	990
Blackfriars staff	437	349
	<u>4,170</u>	<u>4,098</u>

MARY WARD SETTLEMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020

12 STAFF COSTS (continued)

	2020 Group	2020 Centre	2019 Group	2019 Centre
	£'000	£'000	£'000	£'000
Wages and salaries	3,302	2,118	3,301	2,122
Social security costs	272	170	267	170
Other pension costs (including LGPS adjustments of £123,000; 2018-19 £123,000)	596	529	530	467
	<u>4,170</u>	<u>2,817</u>	<u>4,098</u>	<u>2,759</u>

Key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Settlement and are represented by the Senior Management Team, which comprised the Warden (who is also the Accounting Officer), the Assistant Chief Executive Officer (until his retirement on 31st March 2020), the Director of Community and Adult Education, the Director of Mary Ward Legal Centre, the Director of Blackfriars Settlement and the Director of Finance and Resources.

	2020 Group	2020 Centre	2019 Group	2019 Centre
	No.	No.	No.	No.
The number of key management personnel	<u>6</u>	<u>4</u>	<u>6</u>	<u>4</u>

The number of key management personnel and other staff who received annual emoluments, excluding pension contributions but including benefits in kind, in the following ranges was:

	2020 Group	2020 Centre	2019 Group	2019 Centre
	£'000	£'000	£'000	£'000
£30,001 to £35,000 p.a.	-	-	1	-
£45,001 to £50,000 p.a.	2	1	1	-
£55,001 to £60,000 p.a.	1	-	-	-
£60,001 to £65,000 p.a.	-	-	1	1
£70,001 to £75,000 p.a.	1	1	1	1
£75,001 to £80,000 p.a.	1	1	1	1
£80,0001 to £90,000 p.a.	1	1	1	1
	<u>6</u>	<u>4</u>	<u>6</u>	<u>4</u>

MARY WARD SETTLEMENT
NOTES TO THE FINANCIAL STATEMENTS
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12 STAFF COSTS (continued)

Key management personal emoluments are made up as follow:

	2020 Group £'000	2020 Centre £'000	2019 Group £'000	2019 Centre £'000
Salaries	389	268	380	281
Employers National Insurance	47	33	46	34
Pension contributions	58	49	47	39
Total key management emoluments	494	350	473	354

The above emoluments include amounts payable to the Accounting Officer (who is also the highest paid officer) of:

	2020 Group and Centre £'000	2019 Group and Centre £'000
Salaries	85	89
	85	89
Pension contributions	16	15

Relationship of Accounting Officer pay and remuneration expressed as a multiple

	2020	2019
Accounting Officer's basic salary as a multiple of the median of all staff	2.5	2.9
Accounting Officer's total remuneration as a multiple of the median of all staff	2.6	2.9

No trustees received any payment from the Settlement, making no claims for travel and subsistence or any other expenses (2019 – none).

MARY WARD SETTLEMENT
NOTES TO THE FINANCIAL STATEMENTS
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13 INTEREST AND OTHER FINANCE COSTS

	2020 Group	2020 Centre	2019 Group	2019 Centre
	£'000	£'000	£'000	£'000
On bank and government agency loans	40	32	44	37
			44	37
Pension finance costs (note 25)	34	34	36	36
Total	74	66	80	73

14 TANGIBLE FIXED ASSETS - THE SETTLEMENT

	Land and buildings		Equipment	Total
	Freehold	Leasehold		
	£'000	£'000	£'000	£'000
Cost				
As at 1 st August 2019	7,750	5,517	533	13,800
Additions	1,008	-	14	1,022
As at 31st July 2020	8,758	5,517	547	14,822
Depreciation				
At 1 st August 2019	-	2,105	468	2,573
Charge for the year		201	19	220
At 31st July 2020	-	2,306	487	2,793
Net book value as at 31st July 2020	8,758	3,211	60	12,029
<i>Net book value as at 31st July 2019</i>	<i>7,750</i>	<i>3,412</i>	<i>65</i>	<i>11,227</i>

MARY WARD SETTLEMENT
NOTES TO THE FINANCIAL STATEMENTS
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14 TANGIBLE FIXED ASSETS - ADULT EDUCATION CENTRE

	Land and buildings		Equipment	Total
	Freehold	Leasehold		
	£'000	£'000	£'000	£'000
Cost				
As at 1 st August 2019	7,750	2,143	420	10,313
Additions	1,008	-	-	1,008
As at 31st July 2020	8,758	2,143	420	11,321
Depreciation				
At 1 st August 2019	-	1,745	404	2,149
Charge for the year	-	132	9	141
At 31st July 2020	-	1,877	413	2,290
Net book value as at 31st July 2020	8,758	266	7	9,031
<i>Net book value as at 31st July 2019</i>	<i>7,750</i>	<i>398</i>	<i>16</i>	<i>8,164</i>

In 2017-18 the Settlement sold a property for sale proceeds of £9,460,000, under a sale and leaseback agreement. As stated in the accounting policies, the sale price was above fair value and so the excess over fair value has been deferred over the life of the lease. Fair value has been determined by the trustees, taking into account an independent professional valuation report from Gryphon property partners, and adjusting this based on the current market rental values and the future use of the property. The total gain on the sale was £5,319,000. Of this, £4,068,000 was recognised as a gain on disposal in 2017-18, and the remaining gain of £1,081,000 was recognised as deferred income, to be released in equal amounts over the life of the lease. The amortisation of the gain credited to rental expenditure in 2019-20 was £272,000 (2018-19: £272,000).

15 INVESTMENTS

	2020 Group £'000	2020 Centre £'000	2019 Group £'000	2019 Centre £'000
Listed investments				
Market value as at 1 st August 2019	25	-	127	-
Disposals	-	-	(95)	-
Loss on disposal	-	-	(7)	-
Introduced on acquisition	-	-	-	-
Net unrealised investment gains	2	-	-	-
Total value of portfolio as at 31st July 2020	27	-	25	-
Cost of listed investments at 31 st July 2019	3	-	3	-

MARY WARD SETTLEMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020

15 INVESTMENTS (continued)

Listed investments held at 31st July 2020 comprised the following:

	2020	2019
	Group only	Group and
	£'000	Centre
		£'000
UK fixed interest		-
UK equities	26	24
Unlisted investments	1	1
Total	<u>27</u>	<u>25</u>

At 31st July 2020 the Settlement held no individual holdings that were material relative to the market value of the total listed investments portfolio held at that date.

16 DEBTORS

	2020	2020	2019	2019
	Group	Centre	Group	Centre
	£'000	£'000	£'000	£'000
Amounts falling due within one year:				
Trade receivables	122	41	200	9
Other debtors	12	10	4	2
Amounts owed by group undertakings	-	179	-	193
VAT recoverable	14	6	17	12
Prepayments and accrued income	951	837	336	262
	<u>1,112</u>	<u>1,073</u>	<u>557</u>	<u>478</u>

17 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020	2020	2019	2019
	Group	Centre	Group	Centre
	£'000	£'000	£'000	£'000
Bank loans and overdrafts	132	107	119	94
Trade payables	107	102	2	-
Other taxation and social security	72	45	107	66
Accrual for untaken annual leave	94	80	88	66
Other accruals and deferred income	576	245	490	293
Deferred income - government capital grants	32	32	130	
Deferred income - profit on disposal of property (note 13)	272	272	272	
Total	<u>1,285</u>	<u>931</u>	<u>1,208</u>	<u>921</u>

MARY WARD SETTLEMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020

18 CREDITORS: AMOUNTS FALLING DUE AFTER ONE YEAR

	2020 Group £'000	2020 Centre £'000	2019 Group £'000	2019 Centre £'000
Bank loans	659	530	743	743
Deferred income - government capital grants	705	705	64	64
Deferred income - profit on disposal of property	265	265	533	533
Total	<u>1,619</u>	<u>1,500</u>	<u>1,340</u>	<u>1,203</u>

19 MATURITY OF DEBT

Bank loans and overdrafts are repayable as follows:

	2020 Group £'000	2020 Centre £'000	2019 Group £'000	2019 Centre £'000
In one year or less	124	99	117	94
Between two and five years	571	452	540	429
Over five years	86	86	205	177
Total	<u>781</u>	<u>637</u>	<u>862</u>	<u>700</u>

A loan to the Adult Education Centre, at 5%, repayable by instalments, falling due December 2025, is secured by a fixed charge on the freehold property.

A loan to Blackfriars at 5%, repayable by instalments, falling due December 2024, is secured by a fixed charge on the leasehold property.

20 PROVISIONS

	Defined benefit obligations £'000	Group and Centre Other £'000	Total £'000
At 1 st August 2019	1,674	-	1,674
Expenditure in the period	984	-	984
As at 31st July 2020	<u>2,658</u>	<u>-</u>	<u>2,658</u>

Defined Benefit Obligations relate to the liabilities under the Settlement's membership of the Local Government Pension Scheme. Further details are given in note 25.

MARY WARD SETTLEMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020

21 CASH AND CASH EQUIVALENTS

	At 1 August 2019 £'000	Group Cash flows £'000	Other changes £'000	At 31 July 2020 £'000
Cash and cash equivalents	2,958	1,235	-	1,723
	<u>2,958</u>	<u>1,235</u>	<u>-</u>	<u>1,723</u>

22 CAPITAL AND OTHER COMMITMENTS

	Group and Centre	
	2020 £'000	2019 £'000
Commitments contracted for at 31 st July	-	-

23 LEASE OBLIGATIONS

At 31st July the Settlement had minimum lease payments under non-cancellable operating leases as follows:

	2020 Group £'000	2020 Centre £'000	2019 Group £'000	2019 Centre £'000
Land and buildings				
Not later than one year	426	359	425	359
Later than one year and not later than five years	214	148	599	507
Later than five years	-	-	-	-
	<u>640</u>	<u>507</u>	<u>1,024</u>	<u>866</u>

	2020 Group £'000	2020 Centre £'000	2019 Group £'000	2019 Centre £'000
Equipment				
Not later than one year	3	-	3	-
Later than one year and not later than five years	3	-	6	-
Later than five years	-	-	-	-
	<u>6</u>	<u>-</u>	<u>9</u>	<u>-</u>

MARY WARD SETTLEMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020

24 CONTINGENT LIABILITIES

There are no contingent liabilities.

25 EVENTS AFTER THE REPORTING PERIOD

There are no events after the reporting period that would have a material impact on these Financial Statements.

26 DEFINED BENEFIT OBLIGATIONS

The Settlement's employees belong to two principal post-employment defined benefit plans: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by the London Pensions Fund Authority. Both are multi-employer defined-benefit schemes.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest formal actuarial valuation of the TPS was 31 March 2016 and of the LGPS 31 March 2016.

Total pension cost for the year	2020	2019
	£'000	£'000
Teachers' Pension Scheme: contributions paid	328	187
Local Government Pension Scheme:		
Contributions paid	88	129
FRS102 (s28) charge	107	123
Charge to the Statement of Comprehensive Income	195	252
Enhanced pension charge to Statement of Comprehensive Income	24	37
	547	476
Total Pension Cost for Year within staff costs		

There were no outstanding or prepaid contributions at either the beginning or the end of the financial year. All contributions due for the year had been paid.

The employees of the Legal Centre and Blackfriars belong to defined contribution pension schemes operated by the National Employers Savings Trust (NEST) and Aviva, respectively. The costs are therefore not included above.

Teachers' Pension Scheme

The Teachers' Pension Scheme ("TPS") is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations 2010, and, from 1st April 2014, by the Teachers' Pension Scheme Regulations 2014. These regulations apply to teachers in schools and other educational establishments, including academies, in England and Wales that are maintained by local authorities. In addition, teachers in many independent and voluntary-aided schools, and teachers and lecturers in establishments of further and higher education, may be eligible for membership. Membership is automatic for full-time teachers and lecturers and from 1st January 2007 automatic too for teachers and lecturers in part-time employment following appointment or a change of contract. Teachers and lecturers are able to opt out of the TPS.

MARY WARD SETTLEMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020

26 DEFINED BENEFIT OBLIGATIONS (continued)

The Teachers' Pension Budgeting and Valuation Account

Although members may be employed by various bodies, their retirement and other pension benefits are set out in the regulations made under the Superannuation Act 1972 and are paid by public funds provided by Parliament. The TPS is an unfunded scheme and members contribute on a 'pay-as-you-go' basis - these contributions, along with those made by employers, are credited to the Exchequer under arrangements governed by the above Act. Retirement and other pension benefits are paid by public funds provided by Parliament.

The Teachers' Pensions Regulations 2010 require an annual account, the Teachers' Pension Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pension increases).

From 1st April 2001, the Account has been credited with a real rate of return, which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return.

Valuation of the Teachers' Pension Scheme

The latest actuarial review of the TPS was carried out as at 31 March 2016. The valuation report was published by the Department for Education (DfE) in April 2019. The valuation reported total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218 billion, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196 billion, giving a notional past service deficit of £22 billion.

As a result of the valuation, new employer contribution rates were set at 23.68% of pensionable pay from September 2019 onwards (compared to 16.48% during 2018/19). The Department for Education has agreed to pay a teacher pension employer contribution grant to cover the additional costs during the 2019/20 academic year.

A full copy of the valuation report and supporting documentation can be found on the Teachers' Pension Scheme website.

Scheme changes

Following the Hutton report in March 2011, and the subsequent consultations with trade unions and other representative bodies on reform of the TPS, the Department published a Proposed Final Agreement, setting out the design for a reformed TPS which was implemented from 1st April 2015.

The key provisions of the reformed scheme include: a pension based on career average earnings, an accrual rate of 1/57th; and a Normal Pension Age equal to State Pension Age, but with options to enable members to retire earlier or later than their Normal Pension Age. Importantly, pension benefits built up before 1st April 2015 will be fully protected.

MARY WARD SETTLEMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020

26 DEFINED BENEFIT OBLIGATIONS (continued)

Scheme changes (continued)

In addition, the Proposed Final Agreement includes a Government commitment that those within 10 years of Normal Pension Age on 1st April 2012 will see no change to the age at which they can retire, and no decrease in the amount of pension they receive when they retire. There will also be further transitional protection, tapered over a three and a half year period, for people who would fall up to three and a half years outside of the 10 year protection.

Regulations giving effect to a reformed Teachers' Pension Scheme came into force on 1st April 2014 and the reformed scheme commenced on 1st April 2015.

The employer's pension costs paid to TPS in the period amounted to £328,000 (2018-19: £187,000).

FRS102 (Section 28)

Under the definitions set out in FRS102 (28.11), the TPS is a multi-employer pension plan. The Settlement is unable to identify its share of the underlying assets and liabilities of the scheme.

Accordingly, the Settlement has taken advantage of the exemption in FRS102 and has accounted for its contributions to the scheme as if it were a defined-contribution scheme. The Settlement has set out above the information available on the scheme and the implications for the Settlement in terms of the anticipated contribution rates.

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate funds administered by the London Pension Fund Authority. The total contribution made for the year ended 31st July 2020 was £150,000 (2018-19: £174,000), of which employer's contributions totalled £112,000 (2018-19: £129,000) and employees' contributions totalled £38,000 (2018-19: £45,000). The agreed contribution rates for future years are 14.30% for employers and range from 5.5% to 12.5% for employees, depending on salary. In addition there is an agreed, annual, contribution designed to eliminate the actual deficit.

Principal Actuarial Assumptions

The following information is based upon a full actuarial valuation of the fund at 31st March 2016 updated to 31st July 2020 by a qualified independent actuary

	At 31st July 2020	At 31st July 2019
Rate of increase in salaries	3.25%	3.9%
Rate of increase for pensions in payment / inflation	2.25%	2.4%
Discount rate for scheme liabilities	1.35%	2.1%
Inflation assumption (CPI)	2.25%	2.4%
Commutation of pensions to lump sums	50%	50%

MARY WARD SETTLEMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020

26 DEFINED BENEFIT OBLIGATIONS (continued)

Principal Actuarial Assumptions (continued)

The current mortality assumptions include sufficient allowance for future improvements in mortality rates. The assumed life expectations on retirement age 65 are:

	At 31st July 2020	At 31st July 2019
Retiring today		
Males	21.3	19.9
Females	23.9	23.3
Retiring in 20 years		
Males	22.7	21.7
Females	25.4	25.2

Sensitivity analysis

Present value of defined benefit obligation	At 31st July 2020 £'000	At 31st July 2019 £'000
Discount rate +0.1%	6,076	4,970
Discount rate -0.1%	6,331	5,166
Mortality assumption - 1 year increase	6,410	5,248
Mortality assumption - 1 year decrease	6,001	4,893

The Settlement's share of the assets and liabilities in the plan at the Balance Sheet date and the expected rates of return were:

	Value as at 31st July 2020 £'000	Value as at 31st July 2019 £'000
Equities	1,946	1,849
Target Return Portfolio	806	862
Infrastructure	245	194
Property	329	309
Cash	218	179
Total fair value of plan assets	<u>3,544</u>	<u>3,393</u>
Weighted average expected long term rate of return	5.0%	10.0%

MARY WARD SETTLEMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020

26 DEFINED BENEFIT OBLIGATIONS (continued)

The amount included in the Balance Sheet in respect of the defined benefit pension plan is as follows:

	2020	2019
	£'000	£'000
Fair value of plan assets	3,544	3,393
Present value of plan liabilities	(6,202)	(5,067)
Net pensions liability (Note 19)	(2,658)	(1,674)

Amounts recognised in the Statement of Comprehensive Income in respect of the plan are:

	2020	2019
	£'000	£'000
Amounts included in staff costs		
Employer service cost (net of employee contributions)	219	217
Past service cost	-	35
Total operating charge	219	252

Amounts included in interest and other finance costs

Expected return on pension scheme assets	-	153
Interest on pension liabilities	34	(117)
Administrative charge	4	4
Pension finance costs	38	40

	2020	2019
	£'000	£'000

Amounts recognised in Other Comprehensive Income

Return on assets	(111)	(220)
Experience gain arising on defined benefit obligations	41	-
Changes in assumptions	909	305
Amounts recognised in Other Comprehensive Income	839	525

Movement in net defined liability during the year

	2020	2019
	£'000	£'000
Deficit in scheme at 1 st August	(1,674)	(1,426)
Movement in year:		
Employer service cost (net of employee contributions)	(219)	(252)
Employer contributions	112	129
Net interest on liabilities	(34)	(36)
Administration charge	(4)	(4)
Actuarial gain	(839)	(85)
Deficit in scheme at 31st July	(2,658)	(1,674)

MARY WARD SETTLEMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020

26 DEFINED BENEFIT OBLIGATIONS (continued)

Asset and Liability reconciliation	2020	2019
	£'000	£'000
Changes in the present value of defined benefit obligations		
Defined benefit obligations at start of period	5,067	4,418
Current service cost	219	217
Interest cost	106	117
Contributions by Scheme participants	38	45
Change in financial assumptions	41	558
Change to demographic assumptions	668	(253)
Estimated benefits paid	117	(70)
Curtailments and settlements	(54)	35
Defined benefit obligations at end of period	6,202	5,067
Changes in the fair value of plan assets		
Fair value of plan assets at start of period	3,393	2,992
Interest on plan assets	72	81
Return on plan assets	111	220
Other actuarial gains	124	-
Administration cost	(4)	(4)
Employer contributions	112	129
Contributions by Scheme participants	38	45
Benefits paid	(54)	(70)
Fair value of plan assets at end of period	3,792	3,393

Other information

Under the LPFA's credit scoring system a charge against assets enables the Settlement to be classified in the lowest risk category with the lowest contribution rates. Following the 2019 triennial valuation, the agreed employer's contribution rate was increased to 16.6% with effect from 1st April 2020 (previously 14.3% plus an annual lump sum payment of £35,692). The requirement for an annual lump sum payment was removed with effect from 1st April 2020.

MARY WARD SETTLEMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020

27 RELATED PARTY TRANSACTIONS

Owing to the nature of the Settlement's operations and the composition of the board being drawn from local public and private sector organisations, it is inevitable that transactions will take place with organisations in which a member of the board may have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Settlement's financial regulations and normal procurement procedures.

Other than those disclosed in note 11, there were no expenses paid to or on behalf of the trustees during the year (2018-19: £nil).

No trustee has received any remuneration or waived any payments from the Settlement, except in their capacity as a member of staff (2018-19: £nil).

28 AMOUNTS DISBURSED AS AGENT

	Group and Centre	
	2020	2019
	£'000	£'000
Funding body grants - hardship support	33	36
Funding body grants - childcare	4	10
Funding body grants - 24+ advanced learning loans	105	26
	<u>142</u>	<u>72</u>
Disbursed to students	(93)	(71)
Administration costs	(1)	(1)
Balance unspent as at 31 st July, included in creditors	<u>48</u>	<u>-</u>

Funding body grants are available solely for students. In the majority of instances, the Settlement only acts as a paying agent. In these circumstances, the grants and related disbursements are therefore excluded from the Statement of Comprehensive Income.

**MARY WARD SETTLEMENT
SUMMARY OF RESULTS
FOR THE YEAR ENDED 31 JULY 2020**

This page does not form part of the audited Financial Statements

	Unrestricted funds £'000	Restricted funds £'000	Total 2020 £'000	<i>Unrestricted funds £'000</i>	<i>Restricted funds £'000</i>	<i>Total 2019 £'000</i>
Adult Education Centre	(1,165)	5	(1,160)	<i>(371)</i>	<i>(1)</i>	<i>(372)</i>
Holding Company Surplus/(Deficit)	(1,165)	5	(1,160)	<i>(287)</i>	<i>(1)</i>	<i>(372)</i>
Legal Centre	34	-	34	<i>(159)</i>	<i>-</i>	<i>(159)</i>
Blackfriars	(76)	-	(76)	<i>(44)</i>	<i>-</i>	<i>(44)</i>
Group Surplus/(Deficit)	(1,207)	5	(1,202)	<i>(574)</i>	<i>(1)</i>	<i>(575)</i>