



**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

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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  
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(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.

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REPORT FROM THE CHAIR  
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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](http://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**

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**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

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#### 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 31<sup>st</sup> 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

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### 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

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#### 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

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#### 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%

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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.

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REPORT OF THE BOARD OF TRUSTEES  
FOR THE YEAR ENDED 31 JULY 2022**

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**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.

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**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
<b>MHWB</b>				
No of members supported	93	108	140	72
No of referrals	41	46		
No of new members	20	13	23	
<b>PA</b>				
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
<b>Adult Education</b>				
No of students	703	189	617	716
No of enrolments	1,360	451	1,040	
<b>Orb</b>				
No of attendances	63	54	356	75
<b>Legal Clinic</b>				
Client appointments	78	124	186	288
<b>Volunteering Hours</b>				
MHWB	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**  
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**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**

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**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**

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## **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**

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**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 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 1<sup>st</sup> 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 1<sup>st</sup> August 2021 to 31<sup>st</sup> 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**

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### **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**

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### **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 31<sup>st</sup> 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**

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### **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**

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### **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**

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**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 5<sup>th</sup> 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 1<sup>st</sup> August 2021 to 31<sup>st</sup> 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 31<sup>st</sup> 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* <sup>(1)</sup>	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* <sup>(2)</sup>	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

<sup>(1)</sup> 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

<sup>(2)</sup> 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 31<sup>st</sup> 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**

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**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**

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**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 31<sup>st</sup> 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**

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**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 31<sup>st</sup> 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 31<sup>st</sup> 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**

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**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 31<sup>st</sup> 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**

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**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 5<sup>th</sup> 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**

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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 5<sup>th</sup> 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.

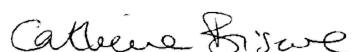
There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance 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](http://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
<b>Total income</b>		<b>4,230</b>	<b>1,020</b>	<b>5,250</b>	<b>4,172</b>	<b>1,141</b>	<b>5,313</b>
<b>EXPENDITURE</b>							
<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
<b>Total expenditure</b>	9/10	<b>3,644</b>	<b>1,734</b>	<b>5,378</b>	<b>3,452</b>	<b>1,865</b>	<b>5,317</b>
<b>Surplus / (deficit) before other gains/losses</b>		<b>586</b>	<b>(714)</b>	<b>(128)</b>	<b>720</b>	<b>(724)</b>	<b>(4)</b>
Gain on investments		-	-	-	4	-	4
<b>Surplus / (Deficit) before tax</b>		<b>586</b>	<b>(714)</b>	<b>(128)</b>	<b>724</b>	<b>(724)</b>	<b>-</b>
Taxation		-	-	-	-	-	-
<b>Surplus / (Deficit) for the year</b>		<b>586</b>	<b>(714)</b>	<b>(128)</b>	<b>724</b>	<b>(724)</b>	<b>-</b>
Actuarial gain / (loss) in respect of pension schemes	26	2,220	-	2,220	257	-	257
Transfers between funds		(714)	714	-	(724)	724	-
<b>Total Comprehensive Income for the year</b>		<b>2,092</b>	<b>-</b>	<b>2,092</b>	<b>257</b>	<b>-</b>	<b>257</b>

**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
<b>INCOME</b>					
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
<b>Total income</b>		<b>5,250</b>	<b>3,666</b>	<b>5,313</b>	<b>3,416</b>
<b>EXPENDITURE</b>					
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
<b>Total expenditure</b>		<b>5,378</b>	<b>3,719</b>	<b>5,317</b>	<b>3,495</b>
<b>(Deficit) before other gains and losses</b>		<b>(128)</b>	<b>(54)</b>	<b>(4)</b>	<b>(79)</b>
Gain on investments		-	-	4	-
<b>(Deficit) before tax</b>		<b>(128)</b>	<b>(54)</b>	<b>-</b>	<b>(79)</b>
Taxation		-	-	-	-
<b>(Deficit) for the year</b>		<b>(128)</b>	<b>(54)</b>	<b>-</b>	<b>(79)</b>
Actuarial gain /(loss) in respect of pension schemes	26	2,220	2,220	257	257
<b>Total Comprehensive Income for the year</b>		<b>2,092</b>	<b>2,166</b>	<b>257</b>	<b>178</b>
Represented by:					
Restricted comprehensive income		-	-	-	-
Unrestricted comprehensive income		2,092	2,166	257	178
		<b>2,092</b>	<b>2,166</b>	<b>257</b>	<b>178</b>

**MARY WARD SETTLEMENT**  
**CONSOLIDATED STATEMENT OF CHANGES IN RESERVES**  
**FOR THE YEAR ENDED 31 JULY 2022**

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	Group Income and expenditure account £'000	Centre Income and expenditure account £'000
<b>Balance as at 1<sup>st</sup> August 2020</b>	<b>9,451</b>	<b>6,483</b>
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>
 <b>Balance as at 31<sup>st</sup> July 2021</b>	 <b>9,708</b>	 <b>6,661</b>
(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>
 <b>Balance as at 31<sup>st</sup> July 2022</b>	 <b><u>11,800</u></b>	 <b><u>8,827</u></b>

**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
<b>Non current assets</b>					
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>
<b>Current assets</b>					
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)
<b>Net current assets</b>		<u>957</u>	<u>790</u>	<u>1,896</u>	<u>1,704</u>
<b>Total assets less current liabilities</b>		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)
<b>Provisions</b>					
Defined benefit obligations	20/26	(576)	(576)	(2,591)	(2,591)
<b>Total net assets</b>		<u>11,800</u>	<u>8,827</u>	<u>9,708</u>	<u>6,661</u>
<b>Restricted reserves</b>					
Income and expenditure account					
Other Restricted Reserves		9	9	9	9
<b>Unrestricted reserves</b>					
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>
<b>Total reserves</b>		<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 5<sup>th</sup> 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
<b>Cash flow from operating activities</b>			
(Deficit) for the year		(128)	-
<b>Adjustment for non-cash items</b>			
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
<b>Adjustment for investing activities</b>			
Investment income	6	(3)	(5)
Interest payable	13	28	38
(Gains) on investments		-	(4)
<b>Net cash flow from operating activities</b>		<u>4,027</u>	<u>2,484</u>
<b>Cash flows from investing activities</b>			
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>
<b>Cash flows from financing activities</b>			
Interest paid		(28)	(38)
Repayments of amounts borrowed		<u>(130)</u>	<u>(116)</u>
		<u>(158)</u>	<u>(154)</u>
<b>Increase / (Decrease) in cash and cash equivalents in the year</b>		<u>(1,849)</u>	<u>773</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**

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**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**

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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**  
**FOR THE YEAR ENDED 31 JULY 2022**

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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 6<sup>th</sup> April 1951 and women born on or before 6<sup>th</sup> 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**

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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**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 JULY 2022**

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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**  
**FOR THE YEAR ENDED 31 JULY 2022**

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**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 31<sup>st</sup> March 2016, has been used by the actuary in valuing the pension liability at 31<sup>st</sup> 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**

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**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
<b>Total</b>	<b>540</b>	<b>202</b>	<b>427</b>	<b>104</b>

**3 ACTIVITIES FOR GENERATING FUNDS**

	2022 Group	2022 Centre	2021 Group	2021 Centre
	£'000	£'000	£'000	£'000
Rent received	375	217	367	208
<b>Total</b>	<b>375</b>	<b>217</b>	<b>367</b>	<b>208</b>

**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	-
<b>Total</b>	<b>3,274</b>	<b>3,246</b>	<b>3,064</b>	<b>3,040</b>

**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
<b>Total</b>	<b>2,623</b>	<b>2,497</b>

**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	-
<b>Total</b>	<b>651</b>	<b>623</b>	<b>567</b>	<b>543</b>

**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	-
<b>Total</b>	<b>1,035</b>	<b>-</b>	<b>1,320</b>	<b>-</b>

**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	-
<b>Total</b>	<b>3</b>	<b>1</b>	<b>5</b>	<b>2</b>

**7 OTHER INCOME**

Other income is comprised of receipts from the government's Coronavirus Job Retention Scheme.

**MARY WARD SETTLEMENT**  
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**8 COST OF RAISING FUNDS**

	<b>2022</b>	<b>2021</b>
	<b>Group</b>	<b>Group</b>
	<b>£'000</b>	<b>£'000</b>
Adult education – staff costs	31	29
Legal services – staff costs	12	12
Other – staff costs	13	13
<b>Total</b>	<b>56</b>	<b>54</b>

**9 TOTAL EXPENDITURE**

	<b>Grant</b>	<b>Direct</b>	<b>Support</b>	<b>Total</b>
	<b>funding</b>	<b>costs</b>	<b>Costs</b>	<b>2022</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>Group</b>
				<b>£'000</b>
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>

	<b>Grant</b>	<b>Direct</b>	<b>Support</b>	<b>Total</b>
	<b>funding</b>	<b>costs</b>	<b>costs</b>	<b>2021</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>Group</b>
				<b>£'000</b>
<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>

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**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**  
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**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**  
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**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 No.	2022 Centre No.	2021 Group No.	2021 Centre 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 £'000	2022 Centre £'000	2021 Group £'000	2021 Centre £'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**  
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**12 STAFF COSTS (continued)**

Key management personal emoluments are made up as follow:

	2022 Group	2022 Centre	2021 Group	2021 Centre
	£'000	£'000	£'000	£'000
Salaries	352	231	343	222
Employers National Insurance	44	29	41	27
Pension contributions	59	50	55	46
<b>Total key management emoluments</b>	<b><u>455</u></b>	<b><u>310</u></b>	<b><u>439</u></b>	<b><u>295</u></b>

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
	<b><u>90</u></b>	<b><u>85</u></b>
Pension contributions	<b><u>21</u></b>	<b><u>11</u></b>

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	<b><u>2.5</u></b>	<b><u>2.9</u></b>

No trustees received any payment from the Settlement, making no claims for travel and subsistence or any other expenses (2021 – none).

**MARY WARD SETTLEMENT**  
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**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
<b>Total</b>	<b>69</b>	<b>64</b>	<b>74</b>	<b>66</b>

**14 TANGIBLE FIXED ASSETS - THE SETTLEMENT**

	Land and buildings		Equipment	Total
	Freehold £'000	Leasehold £'000	£'000	£'000
<b>Cost</b>				
As at 1 <sup>st</sup> August 2021	10,268	5,517	599	16,384
Additions	5,688	-	33	5,721
<b>As at 31<sup>st</sup> July 2022</b>	<b>15,956</b>	<b>5,517</b>	<b>632</b>	<b>22,105</b>
<b>Depreciation</b>				
At 1 <sup>st</sup> August 2021	-	2,506	506	3,012
Charge for the year	-	200	22	222
<b>At 31<sup>st</sup> July 2022</b>	<b>-</b>	<b>2,706</b>	<b>528</b>	<b>3,234</b>
<b>Net book value as at 31<sup>st</sup> July 2022</b>	<b>15,956</b>	<b>2,811</b>	<b>104</b>	<b>18,871</b>
<i>Net book value as at 31<sup>st</sup> July 2021</i>	<i>10,268</i>	<i>3,011</i>	<i>93</i>	<i>13,372</i>

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**14 TANGIBLE FIXED ASSETS - ADULT EDUCATION CENTRE**

	Land and buildings		Equipment	Total
	Freehold	Leasehold		
	£'000	£'000	£'000	£'000
<b>Cost</b>				
As at 1 <sup>st</sup> August 2021	10,268	2,143	472	12,883
Additions	5,688	-	31	5,719
<b>As at 31<sup>st</sup> July 2022</b>	<b>15,956</b>	<b>2,143</b>	<b>503</b>	<b>18,602</b>
<b>Depreciation</b>				
At 1 <sup>st</sup> August 2021	-	2,009	422	2,431
Charge for the year		134	11	145
<b>At 31<sup>st</sup> July 2022</b>	<b>-</b>	<b>2,143</b>	<b>433</b>	<b>2,576</b>
<b>Net book value as at 31<sup>st</sup> July 2022</b>	<b>15,956</b>	<b>-</b>	<b>70</b>	<b>16,026</b>
<i>Net book value as at 31<sup>st</sup> 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 <sup>st</sup> August 2021	31	-	27	-
Net unrealised investment gains	-	-	4	-
<b>Total value of portfolio as at 31<sup>st</sup> July 2022</b>	<b>31</b>	<b>-</b>	<b>31</b>	<b>-</b>
Cost of listed investments at 31 <sup>st</sup> July 2021	3	-	3	-

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**15 INVESTMENTS (continued)**

Listed investments held at 31<sup>st</sup> July 2022 comprised the following:

	<b>2022</b>	<b>2021</b>
	<b>Group only</b>	<b>Group only</b>
	<b>£'000</b>	<b>£'000</b>
UK fixed interest		
UK equities	30	30
Unlisted investments	1	1
<b>Total</b>	<u>31</u>	<u>31</u>

At 31<sup>st</sup> 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**

	<b>2022</b>	<b>2022</b>	<b>2021</b>	<b>2021</b>
	<b>Group</b>	<b>Centre</b>	<b>Group</b>	<b>Centre</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
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**

	<b>2022</b>	<b>2022</b>	<b>2021</b>	<b>2021</b>
	<b>Group</b>	<b>Centre</b>	<b>Group</b>	<b>Centre</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
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
<b>Total</b>	<u>2,366</u>	<u>2,017</u>	<u>1,456</u>	<u>1,169</u>

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<b>18 CREDITORS: AMOUNTS FALLING DUE AFTER ONE YEAR</b>				
	<b>2022 Group £'000</b>	<b>2022 Centre £'000</b>	<b>2021 Group £'000</b>	<b>2021 Centre £'000</b>
Bank loans	398	328	533	437
Deferred income - government capital grants	7,085	7,085	2,467	2,467
<b>Total</b>	<b>7,483</b>	<b>7,413</b>	<b>3,000</b>	<b>2,904</b>

**19 MATURITY OF DEBT**

Bank loans and overdrafts are repayable as follows:

	<b>2022 Group £'000</b>	<b>2022 Centre £'000</b>	<b>2021 Group £'000</b>	<b>2021 Centre £'000</b>
In one year or less	133	108	128	103
Between two and five years	398	328	533	437
<b>Total</b>	<b>531</b>	<b>436</b>	<b>661</b>	<b>540</b>

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 24<sup>th</sup> 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**

	<b>Defined benefit obligations £'000</b>	<b>Group and Centre</b>	
		<b>Other £'000</b>	<b>Total £'000</b>
At 1 <sup>st</sup> August 2021	2,591	-	2,591
Gain in the period	(2,015)	-	(2,015)
<b>As at 31<sup>st</sup> July 2022</b>	<b>576</b>	<b>-</b>	<b>576</b>

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**  
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**21 CASH AND CASH EQUIVALENTS**

	Group		
	At 1 August 2021 £'000	Cash flows £'000	Other changes £'000
			At 31 July 2022 £'000
Cash and cash equivalents	2,496	(1,849)	-
	<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 <sup>st</sup> July	<u>4,480</u>	<u>-</u>

**23 LEASE OBLIGATIONS**

At 31<sup>st</sup> 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
<b>Land and buildings</b>				
Not later than one year	<u>-</u>	<u>-</u>	<u>336</u>	<u>269</u>
	<u>-</u>	<u>-</u>	<u>336</u>	<u>269</u>
	2022 Group £'000	2022 Centre £'000	2021 Group £'000	2021 Centre £'000
<b>Equipment</b>				
Not later than one year	<u>-</u>	<u>-</u>	<u>3</u>	<u>-</u>
	<u>-</u>	<u>-</u>	<u>3</u>	<u>-</u>

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**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 19<sup>th</sup> January 2022, a Deed of Variation was negotiated and signed on 17<sup>th</sup> 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.

<b>Total pension cost for the year</b>	<b>2022</b>	<b>2021</b>
	<b>£'000</b>	<b>£'000</b>
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
<b>Total Pension Cost for Year within staff costs</b>		

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 1<sup>st</sup> 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 1<sup>st</sup> 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 1<sup>st</sup> April 2015 will be fully protected.

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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 1<sup>st</sup> 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 1<sup>st</sup> April 2014 and the reformed scheme commenced on 1<sup>st</sup> 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 31<sup>st</sup> 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 31<sup>st</sup> March 2016 updated to 31<sup>st</sup> July 2022 by a qualified independent actuary

	<b>At 31<sup>st</sup> July 2022</b>	<b>At 31<sup>st</sup> July 2021</b>
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:

	<b>At 31<sup>st</sup> July 2022</b>	<b>At 31<sup>st</sup> July 2021</b>
<b>Retiring today</b>		
Males	20.7	20.6
Females	24.5	24.5
<b>Retiring in 20 years</b>		
Males	23.0	22.9
Females	25.6	25.5

**Sensitivity analysis**

<b>Present value of defined benefit obligation</b>	<b>At 31<sup>st</sup> July 2022 £'000</b>	<b>At 31<sup>st</sup> July 2021 £'000</b>
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:

	<b>Value as at 31<sup>st</sup> July 2022 £'000</b>	<b>Value as at 31<sup>st</sup> July 2021 £'000</b>
Equities	2,513	2,307
Target Return Portfolio	961	888
Infrastructure	466	360
Property	435	343
Cash	53	213
<b>Total fair value of plan assets</b>	<b>4,428</b>	<b>4,111</b>
<b>Weighted average expected long term rate of return</b>	<b>5.0%</b>	<b>5.0%</b>

**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:

	<b>2022</b>	<b>2021</b>
	<b>£'000</b>	<b>£'000</b>
Fair value of plan assets	4,428	4,111
Present value of plan liabilities	(5,004)	(6,702)
<b>Net pensions liability (Note 20)</b>	<b>(576)</b>	<b>(2,591)</b>

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

	<b>2022</b>	<b>2021</b>
	<b>£'000</b>	<b>£'000</b>
<b>Amounts included in staff costs</b>		
Employer service cost (net of employee contributions)	238	228
Past service cost	-	-
<b>Total operating charge</b>	<b>238</b>	<b>228</b>

**Amounts included in interest and other finance costs**

Expected return on pension scheme assets	-	-
Interest on pension liabilities	41	36
Administrative charge	5	5
<b>Pension finance costs</b>	<b>46</b>	<b>41</b>

	<b>2022</b>	<b>2021</b>
	<b>£'000</b>	<b>£'000</b>

**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)
<b>Amounts recognised in Other Comprehensive Income</b>	<b>2,220</b>	<b>257</b>

**Movement in net defined liability during the year**

	<b>2022</b>	<b>2021</b>
	<b>£'000</b>	<b>£'000</b>
Deficit in scheme at 1 <sup>st</sup> 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
<b>Deficit in scheme at 31<sup>st</sup> July</b>	<b>(576)</b>	<b>(2,591)</b>

**MARY WARD SETTLEMENT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 JULY 2022**

**26 DEFINED BENEFIT OBLIGATIONS (continued)**

<b>Asset and Liability reconciliation</b>	<b>2022</b>	<b>2021</b>
	<b>£'000</b>	<b>£'000</b>
<b>Changes in the present value of defined benefit obligations</b>		
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)
<b>Defined benefit obligations at end of period</b>	<b>5,004</b>	<b>6,702</b>
<b>Changes in the fair value of plan assets</b>		
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)
<b>Fair value of plan assets at end of period</b>	<b>4,428</b>	<b>4,111</b>

**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 1<sup>st</sup> 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 1<sup>st</sup> April 2020.

**MARY WARD SETTLEMENT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 JULY 2022**

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**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**

	<b>Group and Centre</b>	
	<b>2022</b>	<b>2021</b>
	<b>£'000</b>	<b>£'000</b>
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 <sup>st</sup> 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**

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This page does not form part of the audited Financial Statements

	<b>Unrestricted funds £'000</b>	<b>Restricted funds £'000</b>	<b>Total 2021 £'000</b>	<b><i>Unrestricted funds £'000</i></b>	<b><i>Restricted funds £'000</i></b>	<b><i>Total 2020 £'000</i></b>
Adult Education Centre	<b>2,166</b>	-	<b>2,166</b>	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)	<b>2,092</b>	-	<b>2,092</b>	<b>257</b>	-	<b>257</b>