



MARY WARD SETTLEMENT
(A COMPANY LIMITED BY GUARANTEE)
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2023

**MARY WARD SETTLEMENT
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2023**

CONTENTS

	Page number
Report from the Chair	1-3
Reference and Administrative Details	4
Report of the Board of Trustees	5 - 20
Statement of Corporate Governance and Internal Control	21 - 27
Statement of Responsibilities of the Board of Trustees	28
Independent Auditor's Report to the Members	29 - 32
Consolidated Statement of Comprehensive Income	33 - 34
Consolidated Statement of Changes in Reserves	35
Consolidated and Centre Balance Sheets as at 31 July	36
Consolidated Statement of Cash Flows	37
Notes to the Financial Statements	38 - 60
Summary of Results	61

MARY WARD SETTLEMENT
REPORT FROM THE CHAIR
FOR THE YEAR ENDED 31 JULY 2023

Mary Ward Settlement (“the Settlement”) had, for several years, expected 2022-23 to be the first year in its new home in Stratford, East London, following the completion of its Property Strategy and relocation from Queen Square in Central London on expiry of its 40 year lease, to the newly developed Queensway House. However, delays to the redevelopment of Queensway House, arising from several external factors, primarily planning and funding decisions, meant that key decisions essential to progressing the project in a timely and effective manner were pushed back. This impacted the critical path culminating in a delay to the project completion date and increased costs. Subsequently, the opening date of the building, planned to be well before 31st July 2022, was postponed and a one-year extension to the Queen Square lease was negotiated, enabling the Settlement to continue provision at its existing site as well as at its Rushworth Street site. The expectation was that the re-development of Queensway House would then be complete in April 2023, leaving 3-4 months over the summer for an orderly relocation before the start of 2023-24.

In the event, the construction work did not meet the revised timetable, with the lack of timeliness around planning decisions causing further delays and impacting other aspects of the build, including the provision of utilities and building commissioning. The completion date was pushed back beyond July 2023 and the Settlement eventually took occupation in September, with some elements of the final build stages continuing around us as we got ready for the start of the 2023-24 academic year.

The Settlement continued to face a challenging time in its normal operations in 2022-23. While the longer-term impact of the pandemic is believed to be largely behind us, the late decision to remain at Queen Square had consequences, with some of the Adult Education Centre’s students having already made other plans. Nevertheless, the majority of classes that ran at Queen Square were full, and provision at Blackfriars was also well-attended - particularly those classes offering fully funded learning options such as ESOL, Literacy and Maths and Work Skills. Provision for these learners was also supported by the Multiply initiative, for which funding was granted at a more generous rate than the usual AEB funding, for 3 years from 2022-23. The proportion of fully funded learners (those who pay a NIL fee) in 2022-23 rose overall from 46% (953) in 2021-22 to 47% in 2022-23 whilst the number of concession fee payers fell by the same percentage due to more flexibility to fund some learners at Level 3. Encouragingly the percentage of students paying a full fee remained the same as the previous year at 40%.

As part of the preparations to move to Stratford the Community Outreach team continued to deliver in the community, building on the relationships established in 2021-22. The vast majority of the work of the Community Outreach team took place in Newham and East London, working directly with community partners, including Newham Chinese Association in Beckton, Deafroots in Stratford, Bangladeshi communities with Jubilee Street GP Practice CIC in Shadwell and older communities in Mile End and Wapping. Again this year, the team were also at the ‘Great Get Together’ at the Olympic Park in Stratford, delivering craft workshops and giving information and advice about the Settlement to around 300 participants as well as raising awareness about our move.

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

Despite the challenges, we were able to support 2,355 learners on 5,367 course places with their learning throughout the year using a range of face-to-face, distance and online methods. Students on all accredited courses were supported to work towards their assessments and gain their qualifications. As a result of the late decision to remain at Queen Square, there was a reduction in the number of Essential Skills qualifications (ESOL, English, Maths and ICT) at Queen Square. However, ESOL continues to be the largest proportion of exams taken across the curriculum. The vast majority of courses took place face-to-face. All Visual and Performing Arts, IT, and Literacy and Maths classes are now face-to-face. Some ESOL courses have continued with a blended approach to support development of digital skills as part of their course. We offered a small number of online courses with subjects including Philosophy, Creative Writing, Literature, Keep Fit, Hindi and Italian.

The Mary Ward Legal Centre (“the Legal Centre”) helped nearly 2,000 people with their legal issues during 2022-23, continuing to provide specialist advice casework and representation in the areas of debt, housing and welfare benefits, and a pro bono service offering advice on employment, housing, consumer, general civil litigation, and family law.

MARY WARD SETTLEMENT
REPORT FROM THE CHAIR
FOR THE YEAR ENDED 31 JULY 2023

Demand for the Legal Centre's services is at an unprecedented level due to the impact of the cost of living crisis. To address this increased demand we were able to secure some additional funding to provide housing and welfare benefits advice to residents in Camden, Newham and Enfield.

The need for help with Welfare Benefits appeals continues to grow and, as a result, we secured additional funding from the Access to Justice Foundation to provide specialist welfare benefits advice and representation to people in need across London.

The Legal Centre is seeing more and more people in need of help with dealing with their debts. Many clients feel utterly desperate as they struggle financially to meet their everyday needs. Funding from the Money and Pensions Service through the Debt Free Advice partnership enabled us to provide much-needed debt advice to Londoners struggling with their debts, including successful applications for Debt Relief Orders, writing off the debts and removing huge pressures on people.

Through a partnership with other advice providers and food banks in Newham we are offering specialist advice to Newham food bank users with funding from the GLA.

The Legal Centre is pleased to be training three trainee solicitors, which will increase its capacity to help more people whilst enabling a much-needed growth in future social welfare lawyers. We would like to thank the Justice First Fellowship scheme and Linklaters for their funding which has enabled us to provide this opportunity.

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

At Blackfriars Settlement ("Blackfriars") we increased the number of staff during the year to accommodate the higher levels of need being experienced by local people. This has been recognised by City Bridge Trust which funded us for an additional Befriending Officer in the Positive Ageing service, and the Lottery in funding an additional Cost of Living Project Officer, in the Mental Health & Wellbeing service. Both these posts were desperately needed in order to manage greater levels of need and more complex support.

Over the winter Blackfriars provided a 'Warm Space', working with the Borough and local funders to provide space for local people to come and be warm. We provided 50+ healthy soups each week to take away for a quick and cheap re-heat at home. These were much appreciated by local people. We expect that this need for warmth and cost of living support will continue and we are planning that our support will also continue. Positive Ageing continues to work with our COPSINS partners to deliver the Ageing Well contract. It is going well, attracting more older people into the Settlement and enabling coordinated support from the partners. We were delighted that this contract has now been extended by one year, and we can continue partnership working to deliver these services.

Once again Blackfriars worked with a huge number of fantastic volunteers. As well as our committed core group of volunteers who work with us each week to deliver activities in the Settlement and as befrienders in the community, we increased the number of corporate partners we are working with. Over 400 volunteers have been with us for a 'kitchen takeover' in the Positive Ageing service, cooking for the older people, getting to know them, and arranging afternoon entertainment. We are very thankful for the continued support of all our volunteers and corporate partners, who together have provided 6,444 hours of volunteering, helping us meet need and deliver services way above and beyond those we could pay for.

Other developments this year have included Create Space, our graphic design service, which has expanded its team and taken on additional work from internal and external clients, including redeveloping the Blackfriars website. With support from The Plant (theplant.co.uk), the team ran a Crowdfunder to raise funds need to further develop the service.

This year has seen us hosting the SE1 Stories exhibition: social action and photography at Blackfriars in the 1970's; and we were delighted to welcome back the University College of Osteopathy, which resumed free weekly clinics for local older people: which booked up straight away.

MARY WARD SETTLEMENT
REPORT FROM THE CHAIR
FOR THE YEAR ENDED 31 JULY 2023

We are grateful to all our funders who have enabled us to continue our work in changing lives, many of whom we have worked with over a number of years, and in particular those that have helped with our core costs. Without this continued support we could not reach the many people that we do.

Frances Bates
Chair

MARY WARD SETTLEMENT
REPORT OF THE BOARD OF TRUSTEES
FOR THE YEAR ENDED 31 JULY 2023

REFERENCE DETAILS

Charity number: 223066
Company number: 46188
Address and Registered Office: 42 Queen Square, London WC1N 3AQ

KEY MANAGEMENT PERSONNEL

Key management personnel are defined as members of the Settlement's Senior Management Team and were represented by the following in 2022-23:

Warden, CEO; Accounting Officer	Suzanna Jackson (until 20 th March 2023) Therese Reinheimer-Jones (from 20 th March 2023)
Director of Adult and Community Education	Sue Craggs
Director of Finance and Resources	Juliet Woodford
Director of the Mary Ward Legal Centre	Paula Twigg
Director of Blackfriars Settlement	Liz Ranger

BOARD OF TRUSTEES

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

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

PROFESSIONAL ADVISERS

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

INTERNAL AUDITOR	Validera 30 Camp Road Farnborough Hants GU14 6EW
-------------------------	--

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

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

MARY WARD SETTLEMENT
REPORT OF THE BOARD OF TRUSTEES
FOR THE YEAR ENDED 31 JULY 2023

NATURE, OBJECTIVES AND STRATEGIES

The Board of Trustees (“the Board”) is pleased to present its Annual Report, together with the Financial Statements of Mary Ward Settlement (“the Settlement”) for the year ended 31st July 2023. This report is also prepared to meet the requirements for a Directors’ Report and Financial Statements for Companies Act purposes.

LEGAL STATUS

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

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

OBJECTS AND MISSION

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

PUBLIC BENEFIT

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

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

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

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

IMPLEMENTATION OF THE STRATEGIC PLAN

The Settlement worked towards the objectives of the 2018-2024 Strategic Plan, of which a key element includes the implementation of the Property Strategy which will play a major part in achieving long term sustainability with a wider reach of adult education and community support and advisory services across London.

Having purchased a new freehold site in the London Borough of Newham in July 2018, plans for the redevelopment of this site, set in motion during 2018-19, to become a new, modern set of premises for the provision of the activities of the Settlement from 2022 onwards, were significantly impacted by the Covid-19 pandemic. Delays over the planning process, inflation in the construction sector and consequential uncertainty over funding the project to completion led, jointly, to a delay in signing the construction contract and to work starting on site, inevitably leading to the completion date being pushed back. Instead of completion in time for a relocation during the summer of 2022, opening to students and other users on site for the start of the 2022-23 academic year, construction was not substantially complete until

MARY WARD SETTLEMENT
REPORT OF THE BOARD OF TRUSTEES
FOR THE YEAR ENDED 31 JULY 2023

IMPLEMENTATION OF THE STRATEGIC PLAN (CONTINUED)

September 2023. The Settlement began its relocation from that date, opening its doors just a few weeks later in the autumn of 2023 for the start of the 2023-24 academic year.

As a result of the delay to the completion of the Property Strategy the trustees agreed to roll forward the original Strategic Plan, covering the period 2018-2022, to the end of the 2023-24 academic year, ensuring that the important elements of the existing Strategic Plan, inextricably linked with the redevelopment of the new premises, were complete before moving on to the next phase of the Settlement's future.

The key focus points of the 2018-24 Strategic Plan include:

- To grow existing services and to extend our range of services to enhance the delivery of our Mission, in ways that are relevant now and which look to the future;
- To deliver excellent services, that prioritise outcomes and impact for our users;
- To add our expertise, encouragement and support to the efforts and achievements of people in the communities and neighbourhoods in which we are located and create opportunities for them to reach their educational, social and economic potential;
- To further develop an organisational structure and culture which realises the Settlement's Mission and Core Values;
- To maintain good financial health in order to ensure the sustainable delivery of our Mission;
- To redevelop our new premises to support a sustainable future, enhance the quality of our provision and enable us to reach new audiences;
- To develop partnerships and alliances with other organisations that will improve and extend our ability to deliver our Mission and Strategic Objectives;
- To improve our public profile and develop an effective communications, PR and marketing strategy that supports the development of the Settlement's work, our move east and contributes to our plans for growth.

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

The most significant, longer term, impact arising from Covid-19 was on the Settlement's Property Strategy. The project could not be completed in time for the original opening date of September 2022, and during 2022-23, in an environment of greater uncertainty, rising costs and reduced grant funding, the Settlement's Senior Management Team prioritised actions aiming to ensure that where possible, construction continued as planned, and in time for the start of the 2023-24 academic year. While it was disappointing that we were unable to move as planned for 2022-23, the Settlement was nevertheless able to negotiate an affordable, new 1 year lease at its existing premises in Queen Square planned a programme of provision for 2022-23, across its premises at Queen Square and Rushworth Street, and which prioritised accredited courses, basic skills and those other courses which directly meet our funding requirements ensuring that the Adult Education Centre received 100% of its allocation from the GLA and ESFA.

Due to the late notice of this extended lease, enrolment was challenging and did not perform to the levels expected had the move not been delayed. Overall, there was a reduction in enrolments, from 4,587 to 3,820 and in students, from 2,613 to 2,355. This reduction impacted on income from fees which was lower than the previous year from £624,000 to £529,000. However, this reduction was isolated to the performance at Queen Square. At Blackfriars, provision continued to recover to pre Covid levels and better. Enrolments increased here from 1,324 to 1,522, fees from £46,000 to £66,000 and student numbers from 684 to 714.

However, as with recent years, by maintaining close control of direct costs the Settlement has been able to mitigate the financial impact, despite lower enrolments and tuition fees.

CORE VALUES AND OBJECTIVES

The Settlement is guided by the Core Values and Strategic Aims. At a Strategy Day in June 2023, the Board met to consider the Strategic Plan for the period 2023-28, and subsequently, the following Core Values and Strategic Aims have been jointly agreed across the Mary Ward Settlement group.

MARY WARD SETTLEMENT
REPORT OF THE BOARD OF TRUSTEES
FOR THE YEAR ENDED 31 JULY 2023

CORE VALUES AND OBJECTIVES (CONTINUED)

Core Values

PEOPLE: we ensure the needs of students and service users are at the heart of everything we do

COMMUNITY: we value and contribute positively to the communities we serve

LEARNING: we provide access to learning that enriches people's lives, increases opportunities, and diminishes disadvantage.

JUSTICE: we are committed to social justice and provide access to secure legal rights

RESPECT: we value and support staff, teams and volunteers, and develop their talents

EQUALITY: we foster equality, seek to eliminate discrimination and improve inclusion

INTEGRITY: we are honest, fair, accountable and financially responsible

SUSTAINABILITY: we actively seek sustainable practices

EXCELLENCE: we strive for excellence as individuals, teams and as an institution

Strategic Objectives

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

The Settlements's annual development and improvement plan, arising from its annual Self-Assessment Report, provided focus for targeted actions that assisted in making progress towards meeting the relevant Strategic Objectives.

The Settlement's Financial Objectives are:

- To achieve a minimum annual operating surplus of 1% of income, excluding any pension costs arising from the impact of the Local Government Pension Scheme ("LGPS") costs;
- To provide sufficient courses to ensure that we earn all of the available funding from the Education and Skills Funding Agency ("ESFA");
- To diversify our funding streams, consistent with our Mission and Core Values, in order to maximise our income generating potential;
- To effectively manage costs, keeping any increase in non-pay costs below the prevailing inflation rate.

The realisation of the Property Strategy continued to have a significant impact on the Settlement's operational results in 2022-23, however the Settlement was able to meet its objective in relation to the minimum 1% operating surplus and all other financial objectives were met.

A series of performance indicators have been agreed to monitor the successful implementation of the policies.

MARY WARD SETTLEMENT
REPORT OF THE BOARD OF TRUSTEES
FOR THE YEAR ENDED 31 JULY 2023

STRATEGIC REPORT

ACHIEVEMENTS AND PERFORMANCE

PERFORMANCE INDICATORS

ADULT EDUCATION CENTRE

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

Key Performance Indicator	Target 2022-23	Achieved 2022-23	Target 2021-22	Achieved 2021-22
Maximise the number of people who access adult education given Covid-19 restrictions	2,500	2,355	3,339	2,613
Maximise the number of course enrolments given Covid-19 restrictions	5,500	5,372	6,443	5,690
Maximise the average number of students per course given Covid-19 restrictions	10	9.5	10	9
Maintain high average level of student retention; AND Maintain high retention across ALL courses	90% +	95%	90% +	94%
Maintain high level of student satisfaction	95%+	94%	95%+	93%
Maintain high level of average achievement on non-accredited courses; AND Maintain high level of achievement on ALL non-accredited courses	96% across all levels and lengths	95%	96% across all levels and lengths	96%
Improved average success rates for students taking accredited courses	90%+	86%	90%+	90% 8/40 course quals were below 80%
Improved success rates on ALL non -accredited qualifications	95%	93%	95%	94%
The % of students reporting additional benefits is increasing	n/a	All students who returned a questionnaire reported at least one additional benefit to learning	n/a	All students who return a questionnaire report at least one additional benefit to learning

The Adult Education Centre is committed to monitoring a range of key sector indicators and is required to complete the Annual Finance Record for the ESFA. The Adult Education Centre's financial health grading is assessed by the ESFA as "Requires Improvement" (2021-22: "Good"). This 'Requires Improvement' financial health grade arises directly as a result of the execution of the Property Strategy, primarily the drawdown of a commercial mortgage to fund the redevelopment of Queensway House, and the challenges of a period of high inflation and economic instability seen over the past 12 months which have increased costs and reduced cash balances in the short term.

MARY WARD LEGAL CENTRE

The Legal Centre's specific achievements for 2022-23 are outlined below:

- Continuing to prevent homelessness, improve people's housing conditions, combat poverty, help people reduce their debt and maximise their income through providing free specialist casework and representation in housing, debt and welfare benefits;
- Securing additional grant funding and donations to deal with the impact of the cost of living crisis;
- Helping 2,000 people with their legal issues;

MARY WARD SETTLEMENT
REPORT OF THE BOARD OF TRUSTEES
FOR THE YEAR ENDED 31 JULY 2023

ACHIEVEMENTS AND PERFORMANCE (CONTINUED)

- Delivering against contractual funding outputs and outcomes;
- Delivering a pro bono advice service to help more people who cannot access help from legal aid to resolve their legal issues;
- Securing funding from the Access to Justice Foundation to increase our capacity to provide specialist welfare benefits advice pan-London;
- Securing funding from the London Borough of Camden for a generalist adviser to provide holistic support and increase our outreach in the borough;
- Continuing to deliver housing advice in Newham and securing additional funding to increase access to specialist housing advice in Newham and Enfield;
- Supporting two members of staff to train as an apprentice solicitor;
- Clients receiving help with their welfare benefits appeals achieved an average increase of £87 a week in benefits;
- Playing an active role in the development of the new Camden Advice Network;
- Working in partnership with other community organisations and food banks in Newham to provide specialist advice in food bank users.

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

Key Performance Indicator	Target 2022-23	Achieved 2022-23	Target 2021-22	Achieved 2021-22
Meet annual target for matter starts	1,480	1,887	1,295	1,431
Maintain the number of people who get advice through pro bono clinics	175	174	175	163
Maintain a high level of client satisfaction	95%	99%	95%	99%
Maintain the high % of cases that have a positive outcome	92%	95%	92%	94%
A high % of clients who respond to our survey report an improvement in health and well-being	88%	94%	88%	95%

BLACKFRIARS SETTLEMENT

Positive Ageing

Positive Ageing has received a steady flow of new referrals over the year, from a wide range of services and people walking in the Settlement. This year we have supported 670 people, an increase of 15% on 2021-22.

Needs have continued to become more complex, with the team dealing with safeguarding issues, many referrals which do not meet the existing threshold for social care intervention, and an increasing number of members and referrals with early dementia.

The Ageing Well Southwark contract serving older people across the borough, has continued this year, and in June was rolled over for an additional year. The delivery aims are to ensure that the 'front door' to services are coordinated and, that by whatever means a resident contacts older people's services, they will be afforded the same access. The Positive Ageing service continues to work closely with the other members of the COPSINS Consortium and the Borough to ensure the service for older people has continued to develop and evolve.

MARY WARD SETTLEMENT
REPORT OF THE BOARD OF TRUSTEES
FOR THE YEAR ENDED 31 JULY 2023

ACHIEVEMENTS AND PERFORMANCE (CONTINUED)

BLACKFRIARS SETTLEMENT (CONTINUED)

The Befriending service has been very busy this year, but with more staff time being taken up recruiting volunteers. This remains a challenge: part of the national picture of declining volunteering. This year it meant we had to put new referrals on hold for three months. Although we are very aware of the increasing need in this area, it has been challenging to respond. We have done so through the increasing use of telephone volunteers, but our aim remains to increase visiting volunteers in line with the need.

Adult Education

We are pleased to provide learning and development classes on behalf of Southwark Adult Education as well as via Mary Ward Centre. This year saw a range of classes and courses delivered, including through the Positive Ageing and Mental Health & Wellbeing services.

The offer from Mary Ward Centre also increased and the building was busy with a 4% increase in enrolments on 2021-22.

Mental Health and Wellbeing

This year the service has continued to grow. The number of people supported was 112, an increase of 20% on 2022-23. Of these 35 of these people were new to the service, 75% more than 2022-23, partly due to new referrals joining a Healthy cooking on a budget group which ran through the autumn and spring.

The service continues to take referrals from a wide variety of sources, and this year has worked specifically with the Social Prescribers in the borough.

The needs of our members are complex. Most have severe and enduring mental health challenges, and many have a dual diagnosis. The graph on below shows that almost exclusively they are drawn from the areas of the borough with the highest levels of deprivation.

This year the service has seen a rising number of referrals from a wide variety of agencies and services. We have continued induction courses for newly referred people, enabling them to get to know the service and feel at home, and for the team to make sure they are accessing the sessions most useful for them. This leads to a higher level of retention of referred people.

This year the Lottery funded Thinking Ahead Project has gathered momentum. It focuses on building skills and confidence amongst members, enabling access to educational opportunities, promoting and enabling volunteering and enabling members to contribute to their community.

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

- In partnership with professional design studio, the Plant, our Social Enterprise Design Studio Create Space, has continued to provide high quality design to internal services and external clients and is promoting the service offer to attract more external clients.
- The service is hosting Art Therapy students on placement with us from the University of Roehampton, which has boosted our capacity by working directly with members and using the art therapy model to create a safe and contained space for people to explore issues and challenges in group and one to one settings.
- We have successfully run 2 courses for our education funders: Music Appreciation and Basic Skills for Learning using IT.

MARY WARD SETTLEMENT
REPORT OF THE BOARD OF TRUSTEES
FOR THE YEAR ENDED 31 JULY 2023

ACHIEVEMENTS AND PERFORMANCE (CONTINUED)

BLACKFRIARS SETTLEMENT (CONTINUED)

- The 'Switched On' digital inclusion project continued weekly and has provided sessions to build and develop tech skills in smart phone, online, tablets, and peer support, sharing skills and building confidence.
- Day trips and events including visits to the Tower of London, Kew Gardens and Southend-on-Sea, shared cooking and film and music events to celebrate Mental health awareness week music event and Black history month. Local visits included to the Africa centre and Tate modern.
- A healthy eating on a budget programme funded by Southwark Council. Four programmes, each of 6 weekly sessions, helped people plan, shop, cook and eat together. They gained cooking skills and knowledge of resources and food pantry's/co-ops to help with cost-of-living crisis and food insecurity. The programme also built friendships, reduced isolation and helped maintaining improved mental health.
- A partnership with Mary Ward Community access to run women only hat making and aromatherapy and a regular woman only relaxation and gentle exercise group.
- Online and telephone support continues for people still unable to attend the centre with a weekly zoom Start the week group and gentle exercise group.
- We received an uplift from our Funder the big lottery to employ a Cost-of-Living Project worker to start on August 23.
- Peer groups and opportunities for members to step up have increased with a weekly peer led creative writing group and members into volunteering roles supporting Gardening, cooking, and IT tech support.

The Orb Space

The Orb Space was slightly scaled down this year. However we offered a range of courses, events and a large International Women's Day event. We restarted our Death Café's which we had originally run prior to covid. This was popular and there were a number of requested to make this a regular event. We ran a Creative Week in July, with a number of different creative sessions which proved extremely popular and all had a waiting list.

Warm Spaces

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

Legal Clinic

During Covid our free legal advice clinic, run in partnership with City Law School moved online. This was a successful move, making the service more efficient and accessible. From the beginning of the 2022-23 year this move was made permanent, ending our role physically hosting the clinic.

MARY WARD SETTLEMENT
REPORT OF THE BOARD OF TRUSTEES
FOR THE YEAR ENDED 31 JULY 2023

ACHIEVEMENTS AND PERFORMANCE (CONTINUED)

BLACKFRIARS SETTLEMENT (CONTINUED)

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

Key Performance Indicator	2022-23	2021-22	2020-21	2019-20
MHWB				
No of members supported	112	93	108	140
No of referrals	51	41	46	
No of new members	35	20	13	23
PA				
No of members supported	670	584	529	413
No of new members	72	184	103	
No of people attending sessions	280	289	219	272
No of attendances	9,462	8,805	5,460	6,551
No befriended members	112	124	180	142
No befriending referrals	52	98	64	61
Adult Education				
No of students	714	703	189	617
No of enrolments	1,415	1,360	451	1,040
Orb				
No of attendances	108	63	54	356
Legal Clinic				
Client appointments	0	78	124	186
Volunteering Hours				
MHWB	2,554	1,023	872	2,179
PA	8,650	6,931	4,894	8,475
Orb	35	0	0	10
Total	11,239	7,954	5,766	10,664

FINANCIAL REVIEW

The Settlement had an operating surplus of £100,000 in the year (2021-22: surplus of £77,000). This was before the inclusion of a £70,000 (2021-22: £159,000) Local Government Pension Scheme (“LGPS”) service cost; £18,000 (2021-22: £41,000) LGPS finance cost; and £2,000 (2021-22: £5,000) LGPS administration cost. The surplus for the year after inclusion of those costs was £1,000 (2021-22: deficit of £128,000). Additionally, an actuarial gain of £666,000 was made by the LGPS (2021-22: gain of £2,220,000). Overall, total comprehensive income for the year was £667,000 (2021-22: total comprehensive income £2,092,000).

The Settlement’s accumulated reserves rose to £12,467,000 (2021-22: £11,800,000). The two most significant factors in the movement in funds were the actuarial gain of £666,000 in the LGPS (2021-22: gain of £2,220,000), and the operational surplus of the Adult Education Centre of £109,000 (2021-22: £151,000). The Settlement’s target is to increase reserves, by a minimum of 1% of income, before taking into account the impact of LGPS costs.

The written down value of fixed assets increased to £26,631,000 (2021-22: £18,871,000). Capital expenditure in the year totalled £7,853,000 (2021-22: £5,721,000), all but £12,000 of which related to the development of the freehold property, Queensway House, in Stratford, East London which forms a key part of the

MARY WARD SETTLEMENT
REPORT OF THE BOARD OF TRUSTEES
FOR THE YEAR ENDED 31 JULY 2023

FINANCIAL REVIEW (CONTINUED)

Settlement's Property Strategy to secure a location for its activities after expiry of the lease on 42 Queen Square. The depreciation charge for the year totalled £93,000 (2021-22: £222,000). The value of the investment funds held by the Settlement remained at £31,000 (2021-22: £31,000).

The Settlement's operational income fell by £185,000 to £5,065,000 (2021-22: £5,250,000), reflecting falls of £154,000 in rental income following the expiry of the Settlements lease on 10 Great Turnstile from 1st August 2022, part of which was sub-let to tenants, and a fall in tuition fees of £94,000 which reflected the challenges associated with the delays to the Property Strategy noted above. Other, smaller rises in various income streams across the group partially offset these falls.

Costs of the Settlement fell by £314,000 to £5,064,000 (2021-22: £5,378,000). This decrease reflects a fall of £237,000 in operational costs, arising primarily from the expiry of the lease on 10 Great Turnstile from 1st August 2022, along with a fall in staffing costs of £81,000, reflecting the lower activity levels of the Adult Education Centre.

The Adult Education Centre's income fell by £311,000 to £3,355,000 (2021-22: £3,666,000) and reflects the fall in rental income and tuition fees, noted above.

Costs at the Adult Education Centre fell by £353,000 to £3,336,000 (2021-22: £3,719,000) reflecting lower operational costs as a result of the expiry of the 10 Great Turnstile lease, and lower staffing costs as noted above.

The Legal Centre's income increased by £67,000 to £1,077,000 (2021-22: £1,010,000), of which £878,000 (2021-22: £813,000) came from operational grants and funding for legal advisory services and £199,000 (2021-22: £192,000) from donations and other fundraising, including value in kind of £75,000 (2021-22: £78,000) from pro bono advice and the provision of legal trainees.

Legal Centre costs rose by £44,000 to £1,120,000 (2021-22: £1,076,000). This primarily reflects an increase in staff costs of £28,000, supported by new streams of grant funding for specific activities.

At Blackfriars, operational income was £732,000 for the period (2021-22: £674,000). The rise in income reflects, primarily, the continued return to a fuller level of face to face activity during 2022-23 and continued strong support from funders. Operational expenditure rose by £24,000 to £706,000 (2021-22: £682,000), reflecting, primarily, the higher level of overall activity during the period.

The 2022-23 Financial Statements and associated Notes are set out on pages 33 to 60.

TREASURY MANAGEMENT

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

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

MARY WARD SETTLEMENT
REPORT OF THE BOARD OF TRUSTEES
FOR THE YEAR ENDED 31 JULY 2023

TREASURY MANAGEMENT (CONTINUED)

There was a net increase in the cash held by the Settlement of £778,000 to £1,425,000 (2021-22: decrease of £1,849,000 to £647,000). Expenditure of £7,841,000 in relation to the development of Queensway House, continued to be the most significant outflow, offset by capital grant receipts of £4,086,000 and a commercial loan of £3,300,000 during the period.

RESERVES POLICY

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

As at the balance sheet date the Settlement's unrestricted reserves were £12,467,000 (2021-22: £11,791,000) of which £2,771,000 were unrestricted fixed asset reserves (2021-22: £2,847,000) and £9,687,000 were other unrestricted reserves (2021-22: £8,944,000). Restricted reserves totalled £9,000 (2021-22: £9,000).

Of these reserves £351,000 (2021-22: £946,000) are immediately available, or at short notice and can be drawn upon to meet the working capital needs of the Settlement.

The increase in reserves, at the Balance Sheet date, reflects the underlying operational surpluses associated with the activities of the Adult Education Centre and the Legal Centre, and an actuarial surplus in the LGPS, which more than offset the costs of the scheme during the period. As anticipated, the costs of implementing the Property Strategy have resulted in the Settlement's free reserves falling below target during 2022-23. It is the Board's intention to restore the Settlement's reserves, excluding any impact from the LGPS, to at least the minimum target level as soon as practical.

It is anticipated that the 2023-24 financial year will be difficult, following the delay in Practical Completion of Queensway House and the impact of this on autumn term enrolments in particular. Nevertheless the Settlement is expected to approximately break-even over the year 2023-24

CURRENT AND FUTURE DEVELOPMENTS AND PERFORMANCE

FINANCIAL HEALTH

In 2022-23 the Settlement achieved a "Requires Improvement" ESFA financial health grading (2021-22: "Good"). This financial health rating was achieved against the backdrop of the strategic activity taken by the Settlement to secure its future through implementation of the Property Strategy over the past 5-6 financial years, which has seen the cash balance and free reserves fluctuating, but ultimately falling over the whole of this extended period, as well as the drawdown of a commercial mortgage, needed to fund the development work at Queensway House.

The Property Strategy was agreed by the Board because the Settlement's main building at 42 Queen Square was approaching the end of a long lease in July 2022, and had been on beneficial terms for many years. The landlord indicated that if it were to offer a new lease it would be at a considerably higher rent. After careful consideration of the risks and opportunities, the Board adopted a strategy that, once implemented, will help provide for a financially sustainable future for the Settlement.

As part of this strategy the Board took the decision to sell the freehold property at 10 Great Turnstile and to lease it back for a period to coincide with the termination of the lease on 42 Queen Square. This sale was completed during 2017-18, and the proceeds of the sale were put towards the purchase of a new building, Queensway House in the London Borough of Newham, which completed in July 2018. A fundraising programme

MARY WARD SETTLEMENT
REPORT OF THE BOARD OF TRUSTEES
FOR THE YEAR ENDED 31 JULY 2023

CURRENT AND FUTURE DEVELOPMENTS AND PERFORMANCE (CONTINUED)

FINANCIAL HEALTH (CONTINUED)

was commenced which, together with a portion of the existing reserves and a commercial mortgage from The Charity Bank Ltd, has enabled the redevelopment and refurbishment of this building. Following the consequences of the Covid-19 pandemic, the original expectation that most of the Settlement's service offering would operate from Queensway House from the financial year 2022-23 was not realised. As a result, the redevelopment programme experienced delays and was not completed until the start of the 2023-24 academic year. Consequently the Board revised its plans for 2022-23, including negotiating a new, 1 year lease at Queen Square on favourable terms, and re-planning the curriculum for 2022-23, at a relatively late point in time, taking this significant change into account.

The premises at 1 Rushworth Street will be retained, enabling the Settlement to operate from two permanent sites in two London boroughs.

In the medium to long term, the completion of the Property Strategy should ultimately see a return to much stronger operational results and financial sustainability. However it is anticipated that in the short term, the Settlement's relocation to a new area of London will require investment in the curriculum, marketing and resources. We expect this to put pressure on operating surpluses and cash balances and, in turn, on the ESFA financial health grade. Furthermore, the grading is heavily disadvantaged by the ESFA's measurement of debt, which considers all debt as a proportion of annual income. Following the Settlement's drawdown of a commercial loan needed to complete the Queensway House redevelopment, a maximum of two thirds of the financial health points are available. Consequently, the "Requires Improvement" outcome reported for the period is seen as a positive result, and a return to a "Good", or better, financial health grading is unlikely for several years.

STUDENT NUMBERS

The Adult Education Centre is funded according to the levels of activity that it generates. In 2022-23, the Adult Education Centre generated a funding value of £2,446,000 (2021-22: £2,384,000). The total number of students enrolled onto courses was 2,355, compared with 2,616 for 2021-22. Student retention was 95% for 2022-23 compared with 94% for 2021-22.

STUDENT ACHIEVEMENTS

In 2022-23 there were 356 examination entries of which 207 were successful (2021-22: 453 and 407 respectively). Overall success is 95% (2021-22: 96%). Student achievement in non-accredited courses is 93% (2021-22: 94%), which is assessed using the Recognising and Rewarding Progress and Achievement (RARPA) strategy.

CURRICULUM DEVELOPMENTS

Curriculum planning combines a needs analysis of local communities with a broader perspective of its contribution to adult education across London. The Adult Education Centre has been effective in reviewing and realigning its curriculum to meet changing priorities and funding constraints, whilst retaining the distinctive characteristics of the curriculum and patterns of learning. In 2022-23 the Adult Education Centre continued to offer courses within the curriculum financed entirely from student fees and successfully ran such courses across the curriculum. In response to the Covid-19 pandemic, the Adult Education Centre's strategy was to change the mix and balance of the curriculum, maximising both the amount of fully funded and paid-for provision that could be delivered within the constraints of space and cost of resourcing.

MARY WARD SETTLEMENT
REPORT OF THE BOARD OF TRUSTEES
FOR THE YEAR ENDED 31 JULY 2023

CURRICULUM DEVELOPMENTS (CONTINUED)

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

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

In 2022-23 the Adult Education Centre received Multiply Funding from the GLA to support the improvement of maths skills across London. This funding is for 3 years and got underway in January 2023. To date the Adult Education Centre has met its targets associated with this project and received the funding allocated. Courses have included First Steps into Maths, Maths for ESOL as well as a range of creative programmes where maths skills are embedded such as Hat Making, Aromatherapy, Healthy Eating and Nutrition and Gardening.

PAYMENT PERFORMANCE

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

The target set by the Treasury for payment to suppliers within 30 days is 95%. During the accounting period 1st August 2022 to 31st July 2023, the Centre paid 95% of its invoices within 30 days. The Centre incurred no interest charges in respect of late payment for this period.

EVENTS AFTER THE END OF THE REPORTING PERIOD

Significant post-balance sheet events are set out in Note 25.

FUTURE DEVELOPMENTS

At a Strategy Day in June 2023, the Board met to consider the Strategic Plan for the period 2023-28, and subsequently, the following Strategic Aims have been agreed across the Mary Ward Settlement group.

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

MARY WARD SETTLEMENT
REPORT OF THE BOARD OF TRUSTEES
FOR THE YEAR ENDED 31 JULY 2023

FUTURE DEVELOPMENTS FUTURE DEVELOPMENTS (CONTINUED)

- Ensure current and future stability
We will ensure current and future organisational stability and sustainability through financial health, leadership, governance and a skilled work force.

ADULT EDUCATION CENTRE

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

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

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

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

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

MARY WARD LEGAL CENTRE

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

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

BLACKFRIARS SETTLEMENT

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

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

MARY WARD SETTLEMENT
REPORT OF THE BOARD OF TRUSTEES
FOR THE YEAR ENDED 31 JULY 2023

GOING CONCERN

As part of the Settlement's move to Stratford the Settlement has developed detailed financial projections which include modelling the impact of the move on its plans for growth, and the impact of risks and uncertainties associated with the relocation project. This work has supported the Board's ability to consider the financial impact of the challenges and uncertainties created by the redevelopment project and its plans for the future. As such it considers that the Settlement has adequate resources to continue in operational existence for the foreseeable future and until at least April 2025. For this reason it continues to adopt the going concern basis in preparing the financial statements.

RESOURCES

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

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

Financial

The Settlement has £12,476,000 of net assets (2021-22: £11,800,000), having taken in to account the FRS102 pension liability of £nil (2021-22: £576,000). The balance owing to the Charity Bank Limited was £3,300,000 and to the Social Investment Business was £418,000 as at 31st July 2023 (2021-22: £505,000).

People

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

Reputation

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

PRINCIPAL RISKS AND UNCERTAINTIES

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

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

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

MARY WARD SETTLEMENT
REPORT OF THE BOARD OF TRUSTEES
FOR THE YEAR ENDED 31 JULY 2023

PRINCIPAL RISKS AND UNCERTAINTIES (CONTINUED)

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

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

STAKEHOLDER RELATIONSHIPS

The Settlement has many stakeholders including:

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

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

EQUAL OPPORTUNITIES AND EMPLOYMENT OF DISABLED PERSONS

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

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

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

DISABILITY STATEMENT

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

- having a management structure bringing together the support for learners with disabilities and learning difficulties and the provision of additional learning support;
- the use of 10 Great Turnstile to provide 100% level access to all areas and a wheelchair lift at the front entrance;
- the supply of specialist equipment for use by students with disabilities;
- the continuing investment in resources to support students with learning difficulties and/or disabilities; and

MARY WARD SETTLEMENT
REPORT OF THE BOARD OF TRUSTEES
FOR THE YEAR ENDED 31 JULY 2023

DISABILITY STATEMENT (CONTINUED)

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

In 2022-23 23% (2021-22: 22%) of the student body declared a disability or learning difficulty. This remains high in comparison with adult and further education colleges in general which is between 14% and 15%.

FUNDRAISING

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

During 2022-23, the Settlement received no complaints about its fundraising activities.

TRADE UNION FACILITY TIME

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

DISCLOSURE OF INFORMATION TO AUDITORS

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

Approved by order of the members of the Board on 26th March 2024 and signed on their behalf by:

Frances Bates

10/04/2024

Frances Bates
Chair

MARY WARD SETTLEMENT

STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL

FOR THE YEAR ENDED 31 JULY 2023

STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL

The following statement is provided to enable readers of the Annual Report and Financial Statements of the Settlement to obtain a better understanding of its governance and legal structure. The statement covers the period from 1st August 2022 to 31st July 2023 and up to the date of the approval of the Annual Report and Financial Statements.

The Settlement endeavours to conduct its business:

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

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

In the opinion of the Board, the Settlement complies with all the provisions of the Code of Good Governance, and it has complied throughout the year ended 31st July 2023. The Board recognises that, as a body entrusted with both public and private funds, it has a particular duty to observe the highest standards of corporate governance at all times.

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

THE BOARD

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

Member	Date of appointment	Term of office	Date of leaving	Elected trustees	Position and Committees served
Ms F Bates	March 2024	6 months ⁽¹⁾			Chair
Ms R Brain***	October 2019	4 years			Audit & Risk
Ms N Cartner	Reappointed June 2022	4 years			Governance & Nominations, Remuneration, Marketing & Communications Quality Improvement Group (Chair)
Mr G Collins	May 2018	4 years			Vice Chair, Audit & Risk (Chair), Remuneration, Governance & Nominations
Mr J Collins	December 2020	4 years			Quality Improvement Group
Ms C Cryne	May 2021	4 years	February 2024		Chair of Trustees, Governance & Nominations (Chair), Marketing & Communications, Remuneration (Chair)

MARY WARD SETTLEMENT
STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL
FOR THE YEAR ENDED 31 JULY 2023

THE BOARD (CONTINUED)

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

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

* Trustees of MWLC only

*** Trustees of MWS only

**** Trustees of Blackfriars Settlement only

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

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

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

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

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

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

MARY WARD SETTLEMENT
STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL
FOR THE YEAR ENDED 31 JULY 2023

THE BOARD (CONTINUED)

ATTENDANCE

The table below summarises the attendance at Board and sub-committee meetings for the year to 31st July 2023. For trustees of subsidiary company boards, the number of meetings refers only to those meetings of the subsidiary they represent.

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

The Governance & Nominations Committee and the Remuneration Committee did not meet formally during 2022-23.

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

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

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

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

Mary Ward Settlement
42 Queen Square
London
WC1H 3AQ

MARY WARD SETTLEMENT
STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL
FOR THE YEAR ENDED 31 JULY 2023

THE BOARD (CONTINUED)

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

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

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

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

APPOINTMENTS TO THE BOARD

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

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

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

TRUSTEE INDUCTION AND TRAINING

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

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

BOARD PERFORMANCE

As part of its annual self assessment process for the year ended 31st July 2023, the Centre carried out a review of its own performance in Leadership and Management and graded itself as "Good" on the Ofsted scale. The Board is committed to development and in addition to 2 strategy days during the year, the Chair has held one-on-one reviews with individual trustees as well as induction sessions with new trustees. The Board has considered DfE guidance on board reviews and has following a benchmarking audit of governance across other IALs it has plans to carry out its own external audit of governance during the autumn-winter of the 2023-24 academic year which will result in an agreed plan of action to develop its governance priorities. It did not carry out an external review in 2022-23.

MARY WARD SETTLEMENT
STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL
FOR THE YEAR ENDED 31 JULY 2023

REMUNERATION COMMITTEE

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

Details of remuneration for the year ended 31st July 2023 are set out in note 12 to the Financial Statements.

THE GOVERNANCE AND NOMINATIONS COMMITTEE

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

AUDIT AND RISK COMMITTEE

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

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

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

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

THE FINANCE COMMITTEE

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

THE MARKETING AND COMMUNICATIONS COMMITTEE

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

THE QUALITY AND IMPROVEMENT COMMITTEE

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

MARY WARD SETTLEMENT
STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL
FOR THE YEAR ENDED 31 JULY 2023

INTERNAL CONTROL

SCOPE OF RESPONSIBILITY OF INTERNAL CONTROL

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

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

THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Settlement policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place at the Settlement for the year ended 31st July 2023 and up to the date of approval of the Annual Report and Financial Statements.

CAPACITY TO HANDLE RISK

The Board has reviewed the key risks to which the Settlement is exposed, together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board is of the view that there is a formal ongoing process for identifying, evaluating and managing the Settlement's significant risks that has been in place for the year ended 31st July 2023 and up to the date of approval of the Annual Report and Financial Statements. This process is regularly reviewed by the Board.

THE RISK AND CONTROL FRAMEWORK

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

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

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

MARY WARD SETTLEMENT
STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL
FOR THE YEAR ENDED 31 JULY 2023

THE RISK AND CONTROL FRAMEWORK (CONTINUED)

audit service's independent opinion on the adequacy and effectiveness of the Settlement's system of risk management, controls and governance processes.

THE REVIEW OF EFFECTIVENESS

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

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

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

The Senior Management Team receives reports setting out key performance and risk indicators and considers possible control issues brought to their attention by early warning mechanisms, which are embedded within the departments and reinforced by risk awareness training. The Senior Management Team and the Audit and Risk Committee also receive regular reports from the internal auditor and other sources of assurance, which include recommendations for improvement. The Audit and Risk Committee's role in this area is confined to a high-level review of the arrangements for internal control. The Committee's agenda includes a regular item for consideration of risk and control and it receives reports thereon from the Senior Management Team. The emphasis is on obtaining the relevant degree of assurance and not merely reporting by exception. At its November 2023 meeting the Audit and Risk Committee carried out the annual assessment for the year ended 31st July 2023 by considering documentation from the Senior Management Team and internal audit service, as well as reviewing events since the year end.

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

GOING CONCERN

As part of the Settlement's move to Stratford the Settlement has developed detailed financial projections which include modelling the impact of the move on its plans for growth, and the impact of risks and uncertainties associated with the relocation project. This work has supported the Board's ability to consider the financial impact of the challenges and uncertainties created by the redevelopment project and its plans for the future. As such it considers that the Settlement has adequate resources to continue in operational existence for the foreseeable future and until at least April 2025. For this reason it continues to adopt the going concern basis in preparing the financial statements.

Approved by order of the members of the Board on 26th March 2024 and signed on their behalf by

Frances Bates

Frances Bates
Chair

10/04/2024

T.R-Jones

Therese Reinheimer-Jones
Accounting Officer

10/04/2024

MARY WARD SETTLEMENT
STATEMENT OF RESPONSIBILITIES OF THE BOARD OF TRUSTEES
FOR THE YEAR ENDED 31 JULY 2023

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

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

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

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

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Settlement and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Settlement and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Each of the trustees confirms that:

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

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

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

Approved by order of the members of the Board on 26th March 2024.

Frances Bates

10/04/2024

Frances Bates
Chair

MARY WARD SETTLEMENT

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MARY WARD SETTLEMENT FOR THE YEAR ENDED 31 JULY 2023

Opinion

We have audited the financial statements of Mary Ward Settlement ('the charitable company') and its subsidiaries (the 'group') for the year ended 31 July 2023 which comprise the group Statement of Comprehensive Income, the group Statement of Changes in Reserves, the group and charitable company Balance Sheets, the group Statement of Cash Flows, the principal accounting policies, and the Notes to the Financial Statements. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- ◆ give a true and fair view of the state of the charitable company's and the group's affairs as at 31 July 2023 and of the group's income and expenditure for the year then ended;
- ◆ have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- ◆ have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

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

MARY WARD SETTLEMENT
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MARY WARD SETTLEMENT
FOR THE YEAR ENDED 31 JULY 2023

Other information (continued)

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

- ◆ adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us;
- ◆ the group's financial statements are not in agreement with the accounting records or returns;
- ◆ certain disclosures of trustees' remuneration specified by law are not made; or
- ◆ we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or to cease operations, or have no realistic alternative but to do so.

MARY WARD SETTLEMENT
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MARY WARD SETTLEMENT
FOR THE YEAR ENDED 31 JULY 2023

Auditor's responsibilities for the audit of financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

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

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

- ◆ the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- ◆ we obtained an understanding of the legal and regulatory frameworks that are applicable to the group and determined that the most significant frameworks which are directly relevant to specific assertions in the financial statements are those that relate to the reporting framework: Statement of Recommended Practice: Accounting for Further and Higher Education 2019 (the 2019 FE HE SORP), the College Accounts Direction for 2022 to 2023, The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS102), the Companies Act 2006 and the Charities Act 2011), those that relate to data protection (General Data Protection Regulation), safeguarding, employment and health and safety; and
- ◆ identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

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

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

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

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

MARY WARD SETTLEMENT
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MARY WARD SETTLEMENT
FOR THE YEAR ENDED 31 JULY 2023

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

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

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

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

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of this report

This report is made solely to the charity's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charity's members those matters that we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's members as a body, for our audit work, or the opinions we have formed.



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

Date: 11 April 2024

MARY WARD SETTLEMENT
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 JULY 2023

	Notes	Un- restricted Funds £'000	Restricted Funds £'000	Total 2023 £'000	Un- restricted Funds £'000	Restricted Funds £'000	Total 2022 £'000
INCOME							
Donations and fundraising	2	485	53	538	533	25	558
Income for generating funds	3	199	-	199	375	-	375
<i>Income from charitable activities:</i>							
Adult education	4	3,189	19	3,208	3,246	28	3,274
Community services	5	28	213	241	7	215	222
Legal services	5	120	758	878	61	752	813
Investment income	6	1	-	1	3	-	3
Other Income - CJRS grant	7	-	-	-	5	-	5
Total income		4,022	1,043	5,065	4,230	1,020	5,250
EXPENDITURE							
<i>Cost of raising funds:</i>							
Generating donations and grants	8	62	-	62	56	-	56
<i>Expenditure on charitable activities:</i>							
Adult education		3,199	-	3,199	3,588	-	3,588
Community services		77	616	693	-	670	670
Legal services		-	1,110	1,110	-	1,064	1,064
Total expenditure	9/10	3,338	1,726	5,064	3,644	1,734	5,378
Surplus / (Deficit) before tax		684	(683)	1	586	(714)	(128)
Taxation		-	-	-	-	-	-
Surplus / (Deficit) for the year		684	(683)	1	586	(714)	(128)
Actuarial gain in respect of pension schemes	26	666	-	666	2,220	-	2,220
Transfers between funds	24	(683)	683	-	(714)	714	-
Total Comprehensive Income for the year		667	-	667	2,092	-	2,092
Represented by:							
Restricted comprehensive income				-	-	-	-
Unrestricted comprehensive income		667	-	667	2,092	-	2,092
		667	-	667	2,092	-	2,092

MARY WARD SETTLEMENT
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 JULY 2023

	Notes	2023 Group £'000	2023 Centre £'000	2022 Group £'000	2022 Centre £'000
INCOME					
Funding body grants	4	2,660	2,660	2,623	2,623
Tuition fees and education contracts	4	548	529	651	623
Other income from charitable activities	5	1,119	-	1,035	-
Other income - rent receivable	3	199	8	375	217
Investment income	6	1	-	3	1
Donations and fundraising	2	538	158	558	202
Other income - CJRS grant		-	-	5	-
Total income		5,065	3,355	5,250	3,666
EXPENDITURE					
Staff costs	12	3,287	2,022	3,359	2,119
Other operating expenses	11	1,491	1,108	1,728	1,391
Depreciation	14	93	17	222	145
Interest and other finance costs	13	193	189	69	64
Total expenditure		5,064	3,336	5,378	3,719
Surplus / (Deficit) before tax		1	19	(128)	(54)
Taxation		-	-	-	-
Surplus / (Deficit) for the year		1	19	(128)	(54)
Actuarial gain in respect of pension schemes	26	666	666	2,220	2,220
Total Comprehensive Income for the year		667	685	2,092	2,166
Represented by:					
Restricted comprehensive income		-	-	-	-
Unrestricted comprehensive income		667	685	2,092	2,166
		667	685	2,092	2,166

MARY WARD SETTLEMENT
CONSOLIDATED STATEMENT OF CHANGES IN RESERVES
FOR THE YEAR ENDED 31 JULY 2023

	Group Income and expenditure account £'000	Centre Income and expenditure account £'000
Balance as at 31st July 2021	9,708	6,661
Deficit from the income and expenditure account	(128)	(54)
Other comprehensive income	2,220	2,220
Total comprehensive income for the year	<u>2,092</u>	<u>2,166</u>
Balance as at 31st July 2022	11,800	8,827
Surplus from the income and expenditure account	1	19
Other comprehensive income	666	666
Total comprehensive income for the year	<u>667</u>	<u>685</u>
Balance as at 31st July 2023	<u>12,467</u>	<u>9,512</u>

MARY WARD SETTLEMENT
CONSOLIDATED AND CENTRE BALANCE SHEET
FOR THE YEAR ENDED 31 JULY 2023

	Notes	2023 Group £'000	2023 Centre £'000	2022 Group £'000	2022 Centre £'000
Non current assets					
Tangible fixed assets	14	26,631	23,850	18,871	16,026
Investments	15	31	-	31	-
		<u>26,662</u>	<u>23,850</u>	<u>18,902</u>	<u>16,026</u>
Current assets					
Work in Progress		254	-	200	-
Trade and other receivables	16	938	729	2,476	2,342
Cash and cash equivalents	21	<u>1,425</u>	<u>1,139</u>	<u>647</u>	<u>465</u>
		<u>2,617</u>	<u>1,868</u>	<u>3,323</u>	<u>2,807</u>
Less: Creditors - amounts falling due within one year	17	(2,306)	(1,735)	(2,366)	(2,017)
Net current assets		<u>311</u>	<u>133</u>	<u>957</u>	<u>790</u>
Total assets less current liabilities		26,973	23,983	19,859	16,816
Creditors - amounts falling due after more than one year	18	(14,506)	(14,471)	(7,483)	(7,413)
Provisions					
Defined benefit obligations	20/26	-	-	(576)	(576)
Total net assets		<u>12,467</u>	<u>9,512</u>	<u>11,800</u>	<u>8,827</u>
Restricted reserves					
Income and expenditure account					
Other Restricted Reserves		9	9	9	9
Unrestricted reserves					
Income and expenditure account		3,904	3,721	3,722	3,596
Other Unrestricted Reserves		5,783	5,782	5,222	5,222
Designated Reserves:					
Fixed Asset Reserve		<u>2,771</u>	<u>-</u>	<u>2,847</u>	<u>-</u>
Total reserves		<u>12,467</u>	<u>9,512</u>	<u>11,800</u>	<u>8,827</u>

The Financial Statements on pages 33 to 60 were approved and authorised for issue by the Board on 26th March 2024 and signed on its behalf by:

Frances Bates

Frances Bates
Chair
10/04/2024

T.R-Jones

Therese Reinheimer Jones
Accounting Officer
10/04/2024

MARY WARD SETTLEMENT
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 JULY 2023

		2023	2022
	Notes	£'000	£'000
Cash flow from operating activities			
Surplus / (Deficit) for the year		1	(128)
Adjustment for non-cash items			
Depreciation	14	93	222
Provision of deferred income		3,871	4,618
Release of deferred gain		-	(265)
(Increase) in work in progress		(54)	(22)
Decrease / (increase) in debtors	16	1,538	(1,798)
Increase in creditors due within one year	17	(60)	1,170
Pension costs less contributions payable (including administration cost)	26	90	205
Adjustment for investing activities			
Investment income	6	(1)	(3)
Interest payable	13	175	28
Net cash flow from operating activities		<u>5,653</u>	<u>4,027</u>
Cash flows from investing activities			
Investment income	6	1	3
Payments made to acquire fixed assets	14	<u>(7,853)</u>	<u>(5,721)</u>
		<u>(7,852)</u>	<u>(5,718)</u>
Cash flows from financing activities			
Interest paid		(175)	(28)
Net new borrowings		3,290	-
Repayments of amounts borrowed		<u>(138)</u>	<u>(130)</u>
		<u>2,977</u>	<u>(158)</u>
Increase / (Decrease) in cash and cash equivalents in the year		<u>778</u>	<u>(1,849)</u>
Cash and cash equivalents at the beginning of the year		647	2,496
Cash and cash equivalents at the end of the year		1425	647

MARY WARD SETTLEMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2023

1 ACCOUNTING POLICIES

Statement of accounting policies and estimation techniques

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

Basis of preparation

These Financial Statements have been prepared in accordance with the *Statement of Recommended Practice: Accounting for Further and Higher Education 2019 (the 2019 FE HE SORP)*, the *College Accounts Direction for 2022 to 2023* and in accordance with Financial Reporting Standard 102 - “*The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS102)*” and the *Companies Act 2006*. The Settlement is a public benefit entity and has therefore applied the relevant public benefit requirements of FRS102.

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

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

Basis of accounting

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

Basis of consolidation

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

Going concern

The activities of the Settlement, together with the factors likely to affect its future development and performance are set out in the Report of the Board of Trustees. The financial position of the Settlement, its cash flow, liquidity and borrowings are described in the Financial Statements and accompanying Notes.

As part of the Settlement’s move to Stratford the Settlement has developed detailed financial projections which include modelling the impact of the move on its plans for growth, and the impact of risks and uncertainties associated with the relocation project. This work has supported the Board’s ability to consider the financial impact of the challenges and uncertainties created by the redevelopment project and its plans for the future. As such it considers that the Settlement has adequate resources to continue in operational existence for the foreseeable future and until at least March 2025. For this reason it continues to adopt the going concern basis in preparing the financial statements.

Recognition of income

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

MARY WARD SETTLEMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2023

Revenue funding

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

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

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

Capital grant funding

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

Fee income

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

Investment income

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

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

Other income

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

MARY WARD SETTLEMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2023

Agency arrangements

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

Accounting for post-employment benefits

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

Teachers' Pension Scheme

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

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

The London Pension Fund Authority

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

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

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

Short term Employment benefits

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

MARY WARD SETTLEMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2023

Non-current assets - Tangible fixed assets

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

Land and buildings

Freehold buildings are depreciated on a straight line basis over their expected useful economic life of 40 years.

Freehold land is not depreciated as it is considered to have an infinite useful life.

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

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

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

On adoption of FRS102, the Settlement followed the transitional provision to retain the book value of land and buildings, which were revalued in 1996, as deemed cost but not to adopt a policy of revaluation of these properties in the future.

Subsequent expenditure on existing fixed assets

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

Equipment

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

All equipment, including fixtures and fittings, is depreciated over 5 years on a straight line basis.

Borrowing costs

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

Leased assets

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

The Settlement has 2 years remaining on an operating lease, until July 2022, with Meraki Holdings on the property occupied by the Legal Centre at 10 Great Turnstile. The amount payable by the Settlement under the lease (exclusive of rates and service charge) is £425,000 per annum.

MARY WARD SETTLEMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2023

Investments

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

Cash and cash equivalents

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

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

Financial liabilities and equities

Financial liabilities and equity are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form.

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

Taxation

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

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

Provisions and contingent liabilities

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

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

MARY WARD SETTLEMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2023

Provisions and contingent liabilities (continued)

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

Contingent liabilities are not recognised in the Balance Sheet but are disclosed in the Notes to the Financial Statements.

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

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

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

Other key sources of estimation uncertainty

- **Tangible fixed assets**

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

- **Local Government Pension Scheme**

The present value of the LGPS defined benefit asset or liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 26, will impact the carrying amount of the pension asset or liability. Furthermore, a roll forward approach which projects results from the latest full actuarial valuation performed at 31st March 2022, has been used by the actuary in valuing the pension asset at 31st July 2023. Any difference between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension asset or liability.

- **Donated Services**

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

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

MARY WARD SETTLEMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2023

2 DONATIONS AND FUNDRAISING

	2023 Group	2023 Centre	2022 Group	2022 Centre
	£'000	£'000	£'000	£'000
Income from general fundraising and donations	323	18	278	116
Income from capital fundraising	75	75	-	-
Income from fund raising and donations for bursary fund	11	11	98	-
Value in kind donations	129	54	164	86
Total	538	158	540	202

3 ACTIVITIES FOR GENERATING FUNDS

	2023 Group	2023 Centre	2022 Group	2022 Centre
	£'000	£'000	£'000	£'000
Rent received	199	8	375	217
Total	199	8	375	217

4A ADULT EDUCATION

	2023 Group	2023 Centre	2022 Group	2022 Centre
	£'000	£'000	£'000	£'000
Grants receivable	2,660	2,660	2,623	2,623
Tuition fees	529	529	623	623
Education contracts	19	-	28	-
Total	3,208	3,189	3,274	3,246

4B FUNDING BODY GRANTS

	Group and Centre	Group and Centre
	2023 £'000	2022 £'000
ESFA recurrent grant	2,591	2,367
ESFA non recurrent grants	69	224
Releases of deferred capital grants	-	32
Total	2,660	2,623

MARY WARD SETTLEMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2023

4c TUITION FEES AND EDUCATION CONTRACTS

	2023 Group £'000	2023 Centre £'000	2022 Group £'000	2022 Centre £'000
Adult education fees	475	475	507	507
Fees for FE loan supported courses	54	54	116	116
Education contracts	19	-	28	-
Total	548	529	651	623

5 OTHER INCOME FROM CHARITABLE ACTIVITIES

	2023 Group £'000	2023 Centre £'000	2022 Group £'000	2022 Centre £'000
Grants receivable - Legal Centre	305	-	199	-
Legal fees and disbursements	573	-	614	-
Total - Legal Services	878	-	813	-
Other Grants receivable	241	-	222	-
Total	1,119	-	1,035	-

6 INVESTMENT INCOME

	2023 Group £'000	2023 Centre £'000	2022 Group £'000	2022 Centre £'000
Bank interest received	-	-	1	1
Other investment income	1	-	2	-
Total	1	-	3	1

7 OTHER INCOME

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

MARY WARD SETTLEMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2023

8 COST OF RAISING FUNDS

	2023	2022
	Group	Group
	£'000	£'000
Adult education – staff costs	37	31
Legal services – staff costs	12	12
Other – staff costs	13	13
Total	62	56

9 TOTAL EXPENDITURE

	Grant	Direct	Support	Total
	funding	costs	Costs	2023
	£'000	£'000	£'000	Group
				£'000
Adult education	37	1,605	1,594	3,236
Legal services	12	697	413	1,122
Other	13	252	441	706
	<u>62</u>	<u>2,554</u>	<u>2,448</u>	<u>5,064</u>

	Grant	Direct	Support	Total
	funding	costs	Costs	2022
	£'000	£'000	£'000	Group
				£'000
<i>Adult education</i>	31	1,768	1,820	3,619
<i>Legal services</i>	12	679	385	1,076
<i>Other</i>	13	352	318	683
	<u>56</u>	<u>2,799</u>	<u>2,523</u>	<u>5,378</u>

MARY WARD SETTLEMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2023

10 SUPPORT COSTS

	Other	Adult	Legal	Total
	£'000	education	services	2023
	£'000	£'000	£'000	Group
				£'000
Staff costs	181	834	226	1,241
Travel and subsistence	1	2	-	3
Publicity	-	54	2	56
Premises costs	148	188	123	459
Administration	21	130	41	192
Audit fee	10	74	21	105
Legal and professional fees	-	102	-	102
Bank charges	-	5	-	5
Interest payable	4	188	-	192
Amortisation and depreciation	76	17	-	93
	<u>441</u>	<u>1,594</u>	<u>413</u>	<u>2,448</u>

	Other	Adult	Legal	Total
	£'000	education	services	2022
	£'000	£'000	£'000	Group
				£'000
<i>Staff costs</i>	<i>192</i>	<i>861</i>	<i>228</i>	<i>1,281</i>
<i>Travel and subsistence</i>	<i>-</i>	<i>3</i>	<i>-</i>	<i>3</i>
<i>Publicity</i>	<i>-</i>	<i>28</i>	<i>2</i>	<i>30</i>
<i>Premises costs</i>	<i>104</i>	<i>269</i>	<i>109</i>	<i>482</i>
<i>Administration</i>	<i>31</i>	<i>280</i>	<i>32</i>	<i>343</i>
<i>Audit fee</i>	<i>7</i>	<i>37</i>	<i>14</i>	<i>58</i>
<i>Legal and professional fees</i>	<i>-</i>	<i>130</i>	<i>-</i>	<i>130</i>
<i>Bank charges</i>	<i>-</i>	<i>3</i>	<i>-</i>	<i>3</i>
<i>Interest payable</i>	<i>5</i>	<i>64</i>	<i>-</i>	<i>69</i>
<i>Amortisation and depreciation</i>	<i>77</i>	<i>145</i>	<i>-</i>	<i>222</i>
	<u>416</u>	<u>1,820</u>	<u>385</u>	<u>2,621</u>

Support costs include:

	2023	2023	2022	2022
	Group	Centre	Group	Centre
	£'000	£'000	£'000	£'000
Auditor's remuneration:				
Financial Statements audit	65	35	39	26
Regularity audit	3	3	2	2
Internal audit	5	5	9	9
TPS Audit	2	2	2	2

MARY WARD SETTLEMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2023

11 OTHER OPERATING EXPENSES

	2023 Group £'000	2023 Centre £'000	2022 Group £'000	2022 Centre £'000
Teaching costs	127	127	141	141
Non-teaching costs	630	404	736	512
Premises costs	734	577	851	738
Total	<u>1,491</u>	<u>1,108</u>	<u>1,728</u>	<u>1,391</u>

12 STAFF COSTS

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

	2023		2022	
	No.	fte	No.	fte
Adult Education Centre staff	108	42	150	47
Legal Centre staff	24	21	22	19
Blackfriars staff	16	10	17	10
	<u>148</u>	<u>73</u>	<u>189</u>	<u>76</u>

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

	2023		2022	
	No.	Fte	No.	fte
Adult Education Centre:				
Teaching staff	74	20	120	23
Non-teaching staff	34	23	30	24
	<u>108</u>	<u>43</u>	<u>150</u>	<u>47</u>

Staff costs for the above persons

	2023 £'000	2022 £'000
Adult Education Centre staff	2,022	2,119
Legal Centre staff	889	869
Blackfriars staff	367	371
	<u>3,278</u>	<u>3,359</u>

MARY WARD SETTLEMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2023

12 STAFF COSTS (continued)

	2023 Group	2023 Centre	2022 Group	2022 Centre
	£'000	£'000	£'000	£'000
Wages and salaries	2,614	1,514	2,614	1,552
Social security costs	221	119	225	121
Other pension costs (including LGPS adjustments of £70,000 (2021-22: £159,000))	452	389	520	446
	<u>3,287</u>	<u>2,022</u>	<u>3,359</u>	<u>2,119</u>

Key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Settlement and are represented by the Senior Management Team, which comprised the Warden (who is also the Accounting Officer), the Director of Community and Adult Education, the Director of Mary Ward Legal Centre, the Director of Blackfriars Settlement and the Director of Finance and Resources.

	2023 Group	2023 Centre	2022 Group	2022 Centre
	No.	No.	No.	No.
The number of key management personnel	<u>5</u>	<u>3</u>	<u>5</u>	<u>3</u>

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

	2023 Group	2023 Centre	2022 Group	2022 Centre
	£'000	£'000	£'000	£'000
£45,001 to £50,000 p.a.	1	-	1	-
£55,001 to £60,000 p.a.	1	-	1	-
£75,001 to £80,000 p.a.	1	1	2	2
£80,001 to £85,001 p.a.	1	1	1	1
£90,001 to £95,000 p.a.	1	1	-	-
	<u>5</u>	<u>3</u>	<u>5</u>	<u>3</u>

MARY WARD SETTLEMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2023

12 STAFF COSTS (continued)

Key management personal emoluments are made up as follow:

	2023 Group £'000	2023 Centre £'000	2022 Group £'000	2022 Centre £'000
Salaries	391	265	352	231
Employers National Insurance	48	33	44	29
Pension contributions	61	51	59	50
Total key management emoluments	500	349	455	310

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

	2023 Group and Centre £'000	2022 Group and Centre £'000
Salaries	91	90
	91	90
Pension contributions	21	21

Relationship of Accounting Officer pay and remuneration expressed as a multiple

	2023	2022
Accounting Officer's basic salary as a multiple of the median of all staff	2.0	2.3
Accounting Officer's total remuneration as a multiple of the median of all staff	2.1	2.5

No trustees received any payment from the Settlement, making no claims for travel and subsistence or any other expenses (2022 – none).

13 INTEREST AND OTHER FINANCE COSTS

	2023 Group £'000	2023 Centre £'000	2022 Group £'000	2022 Centre £'000
On bank and government agency loans	175	171	28	23
Pension finance costs (note 26)	18	18	41	41
Total	193	189	69	64

MARY WARD SETTLEMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2023

14 TANGIBLE FIXED ASSETS - GROUP

	Land and buildings		Equipment	Total
	Freehold	Leasehold		
	£'000	£'000	£'000	£'000
Cost				
As at 1 st August 2022	15,956	5,517	632	22,105
Additions	7,841	-	12	7,853
Disposals		(2,142)	(413)	(2,555)
As at 31st July 2023	23,797	3,375	231	27,403
Depreciation				
At 1 st August 2022	-	2,706	528	3,234
Accumulated depreciation on disposals	-	(2,142)	(413)	(2,555)
Charge for the year	-	68	25	93
At 31st July 2023	-	632	140	772
Net book value as at 31st July 2023	23,797	2,743	91	26,631
<i>Net book value as at 31st July 2022</i>	<i>15,956</i>	<i>2,811</i>	<i>104</i>	<i>18,871</i>

14 TANGIBLE FIXED ASSETS - CENTRE

	Land and buildings		Equipment	Total
	Freehold	Leasehold		
	£'000	£'000	£'000	£'000
Cost				
As at 1 st August 2022	15,956	2,142	503	18,601
Additions	7,841	-	-	7,841
Disposals	-	(2,142)	(413)	(2,555)
As at 31st July 2023	23,797	-	90	23,887
Depreciation				
At 1 st August 2022	-	2,142	433	2,575
Accumulated depreciation on disposals	-	(2,142)	(413)	(2,555)
Charge for the year	-	-	17	17
At 31st July 2023	-	-	37	37
Net book value as at 31st July 2023	23,797	-	53	23,850
<i>Net book value as at 31st July 2022</i>	<i>15,956</i>	<i>-</i>	<i>70</i>	<i>16,026</i>

MARY WARD SETTLEMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2023

15 INVESTMENTS - GROUP

	2023	2022
	Group	Group
	£'000	£'000
Listed investments		
Total value of portfolio as at 1st August 2022	31	31
and at 31st July 2023	31	31
Cost of listed investments at 31 st July 2022	31	31
Listed investments held at 31 st July 2023 comprised the following:		
	2023	2022
	Group only	Group only
	£'000	£'000
UK fixed interest		
UK equities	30	30
Unlisted investments	1	1
Total	31	31

At 31st July 2023 the Settlement held no individual holdings that were material relative to the market value of the total listed investments portfolio held at that date.

16 DEBTORS

	2023	2023	2022	2022
	Group	Centre	Group	Centre
	£'000	£'000	£'000	£'000
Amounts falling due within one year:				
Trade receivables	180	51	269	150
Other debtors	19	4	2	-
Amounts owed by group undertakings	-	91	-	152
VAT recoverable	95	88	89	94
Prepayments and accrued income	644	495	2,116	1,946
	938	729	2,476	2,342

MARY WARD SETTLEMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2023

17 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023 Group £'000	2023 Centre £'000	2022 Group £'000	2022 Centre £'000
Bank loans and overdrafts	143	113	133	108
Trade payables	629	616	911	902
Bursary creditor	91	91	79	79
Other taxation and social security	100	77	99	72
Accrual for untaken annual leave	91	55	70	53
Other accruals and deferred income	1,037	568	1,074	803
Deferred income - government capital grants	215	215	-	-
Total	2,306	1,735	2,366	2,017

18 CREDITORS: AMOUNTS FALLING DUE AFTER ONE YEAR

	2023 Group £'000	2023 Centre £'000	2022 Group £'000	2022 Centre £'000
Bank loans	3,550	3,515	398	328
Deferred income - government capital grants	10,956	10,956	7,085	7,085
Total	14,506	14,471	7,483	7,413

19 MATURITY OF DEBT

Bank loans and overdrafts are repayable as follows:

	2023 Group £'000	2023 Centre £'000	2022 Group £'000	2022 Centre £'000
In one year or less	143	113	133	108
Between two and five years	553	517	398	328
More than five years	2,997	2,997	-	-
Total	3,693	3,627	531	436

A loan to the Settlement from the Social Investment Business, at 5%, repayable by instalments, falling due December 2025, is secured by a fixed charge on the freehold property.

On 24th February 2022 the Settlement entered into an agreement to borrow £3,300,000 from The Charity Bank Ltd, repayable over 23 years from the second anniversary of the agreement. Interest is payable at 3.65% above the Bank of England base rate ("base") on the outstanding balance in the first 2 years and thereafter at 2.45% above base. The loan is secured by a fixed charge on the freehold property.

20 PROVISIONS

Group and Centre

MARY WARD SETTLEMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2023

	Defined benefit obligations £'000	Other £'000	Total £'000
At 1 st August 2022	576	-	576
Gain in the period	(576)	-	(576)
As at 31st July 2023	-	-	-

Defined Benefit Obligations relate to the liabilities under the Settlement's membership of the Local Government Pension Scheme. Further details are given in note 26.

21 CASH AND CASH EQUIVALENTS

	At 1 August 2022 £'000	Group Cash flows £'000	Other changes £'000	At 31 July 2023 £'000
Cash and cash equivalents	647	778	-	1,425
	647	778	-	1,425

22 CAPITAL AND OTHER COMMITMENTS

	Group and Centre 2023 £'000	2022 £'000
Commitments contracted for at 31 st July	857	4,480

23 LEASE OBLIGATIONS

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

	2023 Group £'000	2023 Centre £'000	2022 Group £'000	2022 Centre £'000
Land and buildings				
Not later than one year	41	9	-	-
Between two and five years	130	-	-	-
	171	9	-	-

23 LEASE OBLIGATIONS (continued)

MARY WARD SETTLEMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2023

	2023 Group £'000	2023 Centre £'000	2022 Group £'000	2022 Centre £'000
Equipment				
Not later than one year	7	-	-	-
Between two and five years	17	-	-	-
	<u>24</u>	<u>-</u>	<u>-</u>	<u>-</u>

24 RESTRICTED FUNDS

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

25 EVENTS AFTER THE REPORTING PERIOD

The redevelopment work on Queensway House reached Practical Completion on 24th November 2023.

26 DEFINED BENEFIT OBLIGATIONS

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

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

Total pension cost for the year	2023 £'000	2022 £'000
Teachers' Pension Scheme: contributions paid	129	178
Local Government Pension Scheme:		
Contributions paid	66	79
FRS102 (s28) charge	<u>70</u>	<u>159</u>
Charge to the Statement of Comprehensive Income	136	238
Total Pension Cost for Year within staff costs	265	416

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

The employees of the Legal Centre and Blackfriars belong to defined contribution pension schemes operated by the National Employers Savings Trust (NEST) and Aviva, respectively. The costs are therefore not included above.

Teachers' Pension Scheme

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

Teachers' Pension Scheme (continued)

MARY WARD SETTLEMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2023

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

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

Under the definitions set out in FRS 102 (28.11), the TPS is a multi-employer pension plan. The Centre is unable to identify its share of the underlying assets and liabilities of the plan.

Accordingly, the Centre has taken advantage of the exemption in FRS 102 and has accounted for its contributions to the scheme as if it were a defined-contribution plan. The Centre has set out above the information available on the plan and the implications for the Centre in terms of the anticipated contribution rates.

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

The actuarial review of the TPS which applied during the year ended 31st July 2023 was carried out as at 31st March 2016. The valuation report was published by the Department for Education (DfE) in April 2019. The valuation reported total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218 billion, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196 billion, giving a notional past service deficit of £22 billion.

The valuation, set employer contribution rates at 23.68% of pensionable pay from September 2019 onwards. The Department for Education has agreed to pay a teacher pension employer contribution grant to cover the additional costs during the 2022-23 academic year.

The latest actuarial valuation of the TPS results as at 31st March 2020 were released in October 2023. As a result, from 1st April 2024 the employer contribution rates will increase to 28.68%. A full copy of the valuation report and supporting documentation can be found on the Teachers' Pension Scheme website.

The employer's pension costs paid to TPS in the period amounted to £129,000 (2021-22: £178,000).

FRS102 (Section 28)

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

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

MARY WARD SETTLEMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2023

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate funds administered by the London Pension Fund Authority. The total contribution made for the year ended 31st July 2023 was £110,000 (2021-22: £123,000), of which employer's contributions totalled £66,000 (2021-22: £79,000) and employees' contributions totalled £44,000 (2021-22: £44,000). The agreed contribution rates for future years are 8.9% for employers and range from 5.5% to 12.5% for employees, depending on salary.

Principal Actuarial Assumptions

The following information is based upon a full actuarial valuation of the fund at 31st March 2022 updated to 31st July 2023 by a qualified independent actuary

	At 31st July 2023	At 31st July 2022
Rate of increase in salaries	3.8%	3.75%
Rate of increase for pensions in payment / inflation	2.8%	2.75%
Discount rate for scheme liabilities	5.15%	3.40%
Inflation assumption (CPI)	2.3% to 3.2%	2.90%

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

	At 31st July 2023	At 31st July 2022
Retiring today		
Males	20.1	20.7
Females	23.7	24.5
Retiring in 20 years		
Males	20.9	23.0
Females	24.5	25.6

Sensitivity analysis

Present value of defined benefit obligation	At 31st July 2023 £'000	At 31st July 2022 £'000
Discount rate +0.1%	3,618	4,904
Discount rate -0.1%	3,730	5,106
Mortality assumption - 1 year increase	3,774	5,161
Mortality assumption - 1 year decrease	3,575	4,852

MARY WARD SETTLEMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2023

26 DEFINED BENEFIT OBLIGATIONS (continued)

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

	Value as at 31st July 2023	Value as at 31st July 2022
	£'000	£'000
Equities	2,685	2,513
Target Return Portfolio	815	961
Infrastructure	571	466
Property	433	435
Cash	69	53
Total fair value of plan assets	4,573	4,428

Weighted average expected long term rate of return	5.0%	5.0%
---	-------------	-------------

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

	2023	2022
	£'000	£'000
Fair value of plan assets	4,573	4,428
Present value of plan liabilities	(3,673)	(5,004)
	900	(576)
Asset restriction (see note below)	(900)	-
Net pensions asset / (liability) (Note 20)	-	(576)

26 DEFINED BENEFIT OBLIGATIONS (continued)

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

	2023	2022
	£'000	£'000
Amounts included in staff costs		
Employer service cost (net of employee contributions)	136	238
Total operating charge	136	238

Amounts included in interest and other finance costs

Interest on pension liabilities	18	41
Administrative charge	2	5
Pension finance costs	20	46

	2023	2022
	£'000	£'000
Amounts recognised in Other Comprehensive Income		
Return on assets	(19)	201
Other actuarial losses on assets	(4)	-
Experience gain / (loss) arising on defined benefit obligations	121	(342)
Changes in assumptions	1468	2,361
Asset restriction	(900)	-
Amounts recognised in Other Comprehensive Income	666	2,220

MARY WARD SETTLEMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2023

26 DEFINED BENEFIT OBLIGATIONS (continued)
Movement in net defined liability during the year

	2023	2022
	£'000	£'000
Deficit in scheme at 1 st August	(576)	(2,591)
Movement in year:		
Employer service cost (net of employee contributions)	(136)	(238)
Employer contributions	66	79
Net interest on liabilities	(18)	(41)
Administration charge	(2)	(5)
Actuarial gain	666	2,220
Deficit in scheme at 31st July	-	(576)

Asset and Liability reconciliation	2023	2022
	£'000	£'000
Changes in the present value of defined benefit obligations		
Defined benefit obligations at start of period	5,004	6,702
Current service cost	136	238
Interest cost	169	107
Contributions by Scheme participants	44	44
Experience (gain)/ loss on defined benefit obligations	(121)	342
Change in financial assumptions	(1,202)	(2,361)
Change to demographic assumptions	(266)	-
Estimated benefits paid	(91)	(68)
Defined benefit obligations at end of period	3,673	5,004

26 DEFINED BENEFIT OBLIGATIONS (continued)

Changes in the fair value of plan assets	2023	2022
	£'000	£'000
Fair value of plan assets at start of period	4,428	4,111
Interest on plan assets	151	66
Return on plan assets	(19)	201
Other actuarial gains	(4)	-
Administration cost	(2)	(5)
Employer contributions	66	79
Contributions by Scheme participants	44	44
Benefits paid	(91)	(68)
Fair value of plan assets at end of period	4,573	4,428

Other information

Under the LPFA's credit scoring system a charge against assets enables the Settlement to be classified in the lowest risk category with the lowest contribution rates. Following the 2022 triennial valuation, the agreed employer's contribution rate was decreased to 8.9% with effect from 1st April 2023 (previously 16.6%).

27 RELATED PARTY TRANSACTIONS

MARY WARD SETTLEMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2023

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

Other than those disclosed in note 12, there were no expenses paid to or on behalf of the trustees during the year (2021-22: £nil).

No trustee has received any remuneration or waived any payments from the Settlement, except in their capacity as a member of staff (2021-22: £nil).

28 AMOUNTS DISBURSED AS AGENT

	Group and Centre	
	2023	2022
	£'000	£'000
Funding body grants - hardship support	30	30
Funding body grants - 24+ advanced learning loans	40	76
	<u>70</u>	<u>106</u>
Disbursed to students	(39)	(77)
Administration costs	(1)	(1)
Balance unspent as at 31 st July, included in creditors	<u>30</u>	<u>28</u>

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

MARY WARD SETTLEMENT
SUMMARY OF RESULTS
FOR THE YEAR ENDED 31 JULY 2023

This page does not form part of the audited Financial Statements

	Unrestricted funds £'000	Restricted funds £'000	Total 2023 £'000	<i>Unrestricted funds £'000</i>	<i>Restricted funds £'000</i>	<i>Total 2022 £'000</i>
Adult Education Centre	685	-	685	2,166	-	2,166
Holding Company Surplus	685	-	685	2,166	-	2,166
Legal Centre	(43)	-	(43)	(65)	-	(65)
Blackfriars	25	-	25	(9)	-	(9)
Group Surplus/(Deficit)	667	-	667	2,092	-	2,092