



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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Veronica Daly
Chair

16/04/2025

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

REFERENCE DETAILS

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

KEY MANAGEMENT PERSONNEL

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

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

BOARD OF TRUSTEES

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

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

PROFESSIONAL ADVISERS

FINANCIAL STATEMENTS AUDITOR AND REPORTING ACCOUNTANTS	Buzzacott Audit LLP 130 Wood Street London EC2V 6DL
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INTERNAL AUDITOR	Validera 30 Camp Road Farnborough Hants GU14 6EW
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BANKERS	The Co-operative Bank plc 3rd floor, St Paul's House 10 Warwick Lane London EC4M 7BP
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INVESTMENT MANAGER	Rathbone Greenbank Investments 10 Queen Square Bristol BS1 4NT
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MARY WARD SETTLEMENT
REPORT OF THE BOARD OF TRUSTEES
FOR THE YEAR ENDED 31 JULY 2024

NATURE, OBJECTIVES AND STRATEGIES

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

LEGAL STATUS

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

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

OBJECTS AND MISSION

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

PUBLIC BENEFIT

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

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

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

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

IMPLEMENTATION OF THE STRATEGIC PLAN

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

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

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IMPLEMENTATION OF THE STRATEGIC PLAN (CONTINUED)

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

CORE VALUES AND OBJECTIVES

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

Core Values

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

Strategic Aims

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

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

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

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CORE VALUES AND OBJECTIVES (continued)

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

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

STRATEGIC REPORT

ACHIEVEMENTS AND PERFORMANCE

PERFORMANCE INDICATORS

ADULT EDUCATION CENTRE

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

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

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ACHIEVEMENTS AND PERFORMANCE (CONTINUED)

ADULT EDUCATION CENTRE (CONTINUED)

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

MARY WARD LEGAL CENTRE

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

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

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

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

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BLACKFRIARS SETTLEMENT

Positive Ageing

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

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

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

Mental Health and Wellbeing

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

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

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

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

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BLACKFRIARS SETTLEMENT (CONTINUED)

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

Create Space Visual Design

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

Adult Education

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

The Orb Space

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

Warm Space

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

Legal Clinic

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

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REPORT OF THE BOARD OF TRUSTEES
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ACHIEVEMENTS AND PERFORMANCE (CONTINUED)

BLACKFRIARS SETTLEMENT (CONTINUED)

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

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

FINANCIAL REVIEW

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

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

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

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

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

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

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

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

FINANCIAL REVIEW (CONTINUED)

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

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

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

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

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

TREASURY MANAGEMENT

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

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

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

RESERVES POLICY

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

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

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

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

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

RESERVES POLICY (CONTINUED)

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

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

CURRENT AND FUTURE DEVELOPMENTS AND PERFORMANCE

FINANCIAL HEALTH

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

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

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

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

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

STUDENT NUMBERS

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

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

STUDENT ACHIEVEMENTS

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

CURRICULUM DEVELOPMENTS

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

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

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

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

PAYMENT PERFORMANCE

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

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

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

EVENTS AFTER THE END OF THE REPORTING PERIOD

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

FUTURE DEVELOPMENTS

ADULT EDUCATION CENTRE

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

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

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

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

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

MARY WARD LEGAL CENTRE

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

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

BLACKFRIARS SETTLEMENT

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

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

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

GOING CONCERN

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

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

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

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

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

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

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

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

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

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

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

RESOURCES

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

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

Financial

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

People

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

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

RESOURCES (continued)

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

Reputation

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

PRINCIPAL RISKS AND UNCERTAINTIES

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

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

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

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

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

STAKEHOLDER RELATIONSHIPS

The Settlement has many stakeholders including:

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

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

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

EQUAL OPPORTUNITIES AND EMPLOYMENT OF DISABLED PERSONS

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

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

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

DISABILITY STATEMENT

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

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

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

FUNDRAISING

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

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

TRADE UNION FACILITY TIME

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

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

DISCLOSURE OF INFORMATION TO AUDITORS

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

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


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

Veronica Daly
Chair

MARY WARD SETTLEMENT

STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL

FOR THE YEAR ENDED 31 JULY 2024

STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL

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

The Settlement endeavours to conduct its business:

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

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

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

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

THE BOARD

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

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

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

THE BOARD (CONTINUED)

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

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

* Trustees of MWLC only

** Trustees of MWS only

*** Trustees of Blackfriars Settlement only

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

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

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

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

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

THE BOARD (CONTINUED)

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

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

ATTENDANCE

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

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

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

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

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

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

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

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

Mary Ward Settlement
42 Queen Square
London
WC1H 3AQ

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

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

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

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

APPOINTMENTS TO THE BOARD

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

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

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

TRUSTEE INDUCTION AND TRAINING

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

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

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

BOARD PERFORMANCE

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

REMUNERATION COMMITTEE

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

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

THE GOVERNANCE AND NOMINATIONS COMMITTEE

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

AUDIT AND RISK COMMITTEE

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

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

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

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

THE FINANCE COMMITTEE

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

THE MARKETING AND COMMUNICATIONS COMMITTEE

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

THE QUALITY AND IMPROVEMENT COMMITTEE

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

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

INTERNAL CONTROL

SCOPE OF RESPONSIBILITY OF INTERNAL CONTROL

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

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

THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

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

CAPACITY TO HANDLE RISK

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

THE RISK AND CONTROL FRAMEWORK

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

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

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

THE RISK AND CONTROL FRAMEWORK (CONTINUED)

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

THE REVIEW OF EFFECTIVENESS

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

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

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

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

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

GOING CONCERN

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Veronica Daly
Chair

16/04/2025

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

Therese Reinheimer-Jones
Accounting Officer

15/04/2025

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

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

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

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

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

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

Each of the trustees confirms that:

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

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

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

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

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

16/04/2025

MARY WARD SETTLEMENT

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

Opinion

We have audited the financial statements of Mary Ward Settlement ('the charitable company') and its subsidiaries (the 'group') for the year ended 31 July 2024 which comprise the group Statement of Comprehensive Income, the group Statement of Changes in Reserves, the group and charitable company Balance Sheets, the group Statement of Cash Flows, the principal accounting policies, and the Notes to the Financial Statements. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- ◆ give a true and fair view of the state of the charitable company's and the group's affairs as at 31 July 2024 and of the group's income and expenditure for the year then ended;
- ◆ have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- ◆ have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Material uncertainty related to going concern

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

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

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

Other information

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

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

Other information (continued)

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

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

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

Auditor's responsibilities for the audit of financial statements

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Use of this report

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



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

Date: 17 April 2025

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

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

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

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

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

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

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

COMPANY NUMBER 00046188

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

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

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

16/04/2025

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

Therese Reinheimer Jones
Accounting Officer

15/04/2025

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

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

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

1 ACCOUNTING POLICIES

Statement of accounting policies and estimation techniques

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

Basis of preparation

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

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

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

Basis of accounting

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

Basis of consolidation

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

Going concern

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

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

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

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

Going concern (continued)

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

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

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

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

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

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

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

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

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

Going concern (continued)

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

Recognition of income

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

Revenue funding

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

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

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

Capital grant funding

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

Fee income

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

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

Investment income

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

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

Other income

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

Agency arrangements

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

Accounting for post-employment benefits

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

Teachers' Pension Scheme

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

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

The London Pension Fund Authority

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

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

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

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

Short term Employment benefits

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

Non-current assets - Tangible fixed assets

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

Land and buildings

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

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

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

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

Subsequent expenditure on existing fixed assets

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

Plant, Fixtures and Fittings and Equipment

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

Plant and equipment is depreciated as follows:

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

Treatment of Government Capital Grants

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

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

Borrowing costs

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

Leased assets

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

Investments

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

Cash and cash equivalents

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

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

Financial liabilities and equities

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

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

Taxation

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

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

Provisions and contingent liabilities

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

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

Provisions and contingent liabilities (continued)

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

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

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

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

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

Other key sources of estimation uncertainty

- **Tangible fixed assets**

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

- **Local Government Pension Scheme**

The present value of the LGPS defined benefit asset or liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 23, will impact the carrying amount of the pension asset or liability. Furthermore, a roll forward approach which projects results from the latest full actuarial valuation performed at 31st March 2022, has been used by the actuary in valuing the pension asset at 31st July 2024. Any difference between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension asset or liability.

- **Donated Services**

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

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

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

2 DONATIONS AND FUNDRAISING

	2024 Group	2024 Centre	2023 Group	2023 Centre
	£'000	£'000	£'000	£'000
Income from general fundraising and donations	356	158	323	18
Income from capital fundraising	-	-	75	75
Income from fund raising and donations for bursary fund	71	-	11	11
Value in kind donations	234	5	129	54
Total	661	163	538	158

3 ACTIVITIES FOR GENERATING FUNDS

	2024 Group	2024 Centre	2023 Group	2023 Centre
	£'000	£'000	£'000	£'000
Rent received	188	28	199	8
Total	188	28	199	8

4A ADULT EDUCATION

	2024 Group	2024 Centre	2023 Group	2023 Centre
	£'000	£'000	£'000	£'000
Grants receivable	3,156	3,156	2,660	2,660
Tuition fees	560	560	529	529
Education contracts	5	-	19	-
Total	3,721	3,716	3,208	3,189

4B FUNDING BODY GRANTS

	Group and Centre	Group and Centre
	2024 £'000	2023 £'000
ESFA recurrent grant	2,557	2,591
ESFA non recurrent grants	392	69
Releases of deferred capital grants	207	-
Total	3,156	2,660

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

4c TUITION FEES AND EDUCATION CONTRACTS

	2024 Group £'000	2024 Centre £'000	2023 Group £'000	2023 Centre £'000
Adult education fees	517	517	475	475
Fees for FE loan supported courses	43	43	54	54
Education contracts	5	-	19	-
Total	565	560	548	529

5 OTHER INCOME FROM CHARITABLE ACTIVITIES

	2024 Group £'000	2024 Centre £'000	2023 Group £'000	2023 Centre £'000
Grants receivable - Legal Centre	617	-	573	-
Legal fees and disbursements	360	-	305	-
Total - Legal Services	977	-	878	-
Other Grants receivable	257	-	241	-
Total	1,234	-	1,119	-

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

6 COST OF RAISING FUNDS

	2024	2023
	Group	Group
	£'000	£'000
Adult education – staff costs	21	37
Legal services – staff costs	12	12
Other – staff costs	15	13
Total	48	62

7 TOTAL CHARITABLE EXPENDITURE

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

	Direct	Support	Total
	costs	Costs	2023
	£'000	£'000	Group
			£'000
<i>Adult education</i>	1,605	1,594	3,199
<i>Legal services</i>	697	413	1,110
<i>Community Services</i>	252	441	693
	<u>2,554</u>	<u>2,448</u>	<u>5,002</u>

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

8 SUPPORT COSTS

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

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

Support costs include:

	2024	2024	2023	2023
	Group	Centre	Group	Centre
	£'000	£'000	£'000	£'000
Auditor's remuneration:				
Financial Statements audit	78	56	87	35
Regularity audit	3	3	3	3
Internal audit	5	5	5	5
TPS Audit	3	3	2	2
Other	10	-	8	-

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

9 OTHER OPERATING EXPENSES

	2024 Group £'000	2024 Centre £'000	2023 Group £'000	2023 Centre £'000
Teaching costs	202	202	127	127
Non-teaching costs	809	392	630	404
Premises costs	679	533	734	577
Total	<u>1,690</u>	<u>1,127</u>	<u>1,491</u>	<u>1,108</u>

10 STAFF COSTS

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

	2024		2023	
	No.	fte	No.	fte
Adult Education Centre staff	137	45	108	43
Legal Centre staff	26	21	24	20
Blackfriars staff	13	10	16	10
	<u>176</u>	<u>76</u>	<u>148</u>	<u>73</u>

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

	2024		2023	
<i>Adult Education Centre:</i>	No.	Fte	No.	Fte
Teaching staff	107	22	74	20
Non-teaching staff	30	23	34	23
	<u>137</u>	<u>45</u>	<u>108</u>	<u>43</u>

Staff costs for the above persons

	2024 £'000	2023 £'000
Adult Education Centre staff	2,156	2,022
Legal Centre staff	894	898
Blackfriars staff	353	367
	<u>3,403</u>	<u>3,287</u>

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

10 STAFF COSTS (continued)

	2024 Group	2024 Centre	2023 Group	2023 Centre
	£'000	£'000	£'000	£'000
Wages and salaries	2,785	1,691	2,614	1,578
Social security costs	230	136	221	119
Other pension costs (including LGPS adjustments of £55,000 (2022-23: £70,000))	388	329	452	325
	<u>3,403</u>	<u>2,156</u>	<u>3,287</u>	<u>2,022</u>

Key management personnel

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

	2024 Group	2024 Centre	2023 Group	2023 Centre
	No.	No.	No.	No.
The number of key management personnel	<u>5</u>	<u>3</u>	<u>5</u>	<u>3</u>

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

	2024 Group	2024 Centre	2023 Group	2023 Centre
	£'000	£'000	£'000	£'000
£45,001 to £50,000 p.a.	1	-	1	-
£55,001 to £60,000 p.a.	1	-	1	-
£75,001 to £80,000 p.a.	-	-	1	1
£80,001 to £85,000 p.a.	1	1	1	1
£85,001 to £90,000 p.a.	2	2	-	-
£90,001 to £95,000 p.a.	-	-	1	1
	<u>5</u>	<u>3</u>	<u>5</u>	<u>3</u>

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

10 STAFF COSTS (continued)

Key management personal emoluments are made up as follow:

	2024 Group £'000	2024 Centre £'000	2023 Group £'000	2023 Centre £'000
Salaries	366	238	352	231
Employers National Insurance	44	29	44	29
Pension contributions	43	35	59	50
Total key management emoluments	453	302	455	310

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

	2024 Group and Centre £'000	2023 Group and Centre £'000
Salaries	87	91
	87	91
Pension contributions	8	21

Relationship of Accounting Officer pay and remuneration expressed as a multiple

	2024	2023
Accounting Officer's basic salary as a multiple of the median of all staff	1.8	2.0
Accounting Officer's total remuneration as a multiple of the median of all staff	1.7	2.1

No trustees received any payment from the Settlement, making no claims for travel and subsistence or any other expenses (2023 – none).

11 INTEREST AND OTHER FINANCE COSTS

	2024 Group £'000	2024 Centre £'000	2023 Group £'000	2023 Centre £'000
On bank and government agency loans	289	286	175	171
Pension finance costs (note 23)	(46)	(46)	18	18
Total	243	240	193	189

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

12 TANGIBLE FIXED ASSETS - GROUP

	Land and buildings		Equipment	Total
	Freehold	Leasehold		
	£'000	£'000	£'000	£'000
Cost				
As at 1 st August 2023	23,797	3,375	231	27,403
Additions	650	-	156	806
Transfers	(2,214)	-	2,214	-
As at 31st July 2024	22,233	3,375	2,601	28,209
Depreciation				
At 1 st August 2023	-	632	140	772
Charge for the year	300	67	132	499
At 31st July 2024	300	699	272	1,271
Net book value as at 31st July 2024	21,933	2,676	2,329	26,938
<i>Net book value as at 31st July 2023</i>	<i>23,797</i>	<i>2,743</i>	<i>91</i>	<i>26,631</i>

TANGIBLE FIXED ASSETS - CENTRE

	Land and buildings		Equipment	Total
	Freehold	Leasehold		
	£'000	£'000	£'000	£'000
Cost				
As at 1 st August 2023	23,797	-	90	23,887
Additions	650	-	156	806
Transfers	(2,214)	-	2,214	-
As at 31st July 2024	22,233	-	2,460	24,693
Depreciation				
At 1 st August 2023	-	-	37	37
Charge for the year	300	-	126	426
At 31st July 2024	300	-	163	463
Net book value as at 31st July 2024	21,933	-	2,297	24,230
<i>Net book value as at 31st July 2023</i>	<i>23,797</i>	<i>-</i>	<i>53</i>	<i>23,850</i>

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

13 INVESTMENTS - GROUP

	2024 Group £'000	2023 Group £'000
Listed investments		
Total value of portfolio as at 1st August 2023 and at 31st July 2024	31	31
Cost of listed investments at 31 st July 2024	31	31
Listed investments held at 31 st July 2024 comprised the following:		
	2024 Group only £'000	2023 Group only £'000
UK fixed interest		
UK equities	30	30
Unlisted investments	1	1
Total	31	31

At 31st July 2024 the Settlement held no individual holdings that were material relative to the market value of the total listed investments portfolio held at that date.

14 DEBTORS

	2024 Group £'000	2024 Centre £'000	2023 Group £'000	2023 Centre £'000
Amounts falling due within one year:				
Trade receivables	251	97	180	51
Other debtors	6	6	19	4
Amounts owed by group undertakings	-	137	-	91
VAT recoverable	-	-	95	88
Prepayments and accrued income	231	196	644	495
	<u>488</u>	<u>436</u>	<u>938</u>	<u>729</u>

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

15 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2024 Group £'000	2024 Centre £'000	2023 Group £'000	2023 Centre £'000
Bank loans and overdrafts	184	160	143	113
Trade payables	54	38	629	616
Amounts owed to group undertaking	-	41	-	-
Bursary creditor	70	70	91	91
VAT creditor	2	6	-	-
Other taxation and social security	56	40	100	77
Accrual for untaken annual leave	105	59	91	55
Other accruals and deferred income	929	469	1,037	568
Deferred income - government capital grants	311	311	215	215
Other creditors	60	51	-	-
Total	1,771	1,245	2,306	1,735

16 CREDITORS: AMOUNTS FALLING DUE AFTER ONE YEAR

	2024 Group £'000	2024 Centre £'000	2023 Group £'000	2023 Centre £'000
Bank loans	3,367	3,353	3,550	3,515
Deferred income - government capital grants	11,001	11,001	10,956	10,956
Total	14,368	14,354	14,506	14,471

17 MATURITY OF DEBT

Bank loans and overdrafts are repayable as follows:

	2024 Group £'000	2024 Centre £'000	2023 Group £'000	2023 Centre £'000
In one year or less	184	160	143	113
Between two and five years	370	357	553	517
More than five years	2,997	2,997	2,997	2,997
Total	3,551	3,514	3,693	3,627

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

A loan to the Settlement with The Charity Bank Ltd is repayable over 23 years from February 2024. Interest is payable on the outstanding balance at 2.45% above base. The loan is secured by a fixed charge on the freehold property.

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

18 CASH AND CASH EQUIVALENTS

	Group		
	At 1 August 2023 £'000	Cash flows £'000	At 31 July 2024 £'000
Cash and cash equivalents	1,425	(565)	860
	<u>1,425</u>	<u>(565)</u>	<u>860</u>

19 CAPITAL AND OTHER COMMITMENTS

	Group and Centre	
	2024 £'000	2023 £'000
Commitments contracted for at 31 st July	-	857

20 LEASE OBLIGATIONS

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

	2024 Group £'000	2024 Centre £'000	2023 Group £'000	2023 Centre £'000
Land and buildings				
Not later than one year	32	-	41	9
Between two and five years	98	-	130	-
	<u>130</u>	<u>-</u>	<u>171</u>	<u>9</u>
	2024 Group £'000	2024 Centre £'000	2023 Group £'000	2023 Centre £'000
Equipment				
Not later than one year	23	16	7	-
Between two and five years	26	16	17	-
	<u>49</u>	<u>32</u>	<u>24</u>	<u>-</u>

21 RESTRICTED FUNDS

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

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

22 EVENTS AFTER THE REPORTING PERIOD

In January 2025, following a period of sustained cash outflows exceeding cash receipts, the Settlement approached the ESFA for financial assistance and is in the process of working closely with the Further Education Commissioner's (FEC) team to put a financial recovery plan in place and to re-build the Settlement's finances to a sustainable level. The ESFA have provided an emergency support loan facility of up to £500,000, at the Public Works Loan Book rate of interest, to be drawn in two tranches between April and 31st October 2025, repayable subject to an affordability review, by October 2026.

23 DEFINED BENEFIT OBLIGATIONS

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

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

Total pension cost for the year	2024	2023
	£'000	£'000
Teachers' Pension Scheme: contributions paid	227	210
Local Government Pension Scheme:		
Contributions paid	45	66
FRS102 (s28) charge	55	70
Charge to the Statement of Comprehensive Income - LGPS	100	136
Defined Contribution costs	26	15
Total Pension Cost for Year within staff costs	353	361

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

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

Teachers' Pension Scheme

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

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

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

23 DEFINED BENEFIT OBLIGATIONS (CONTINUED)

The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis - these contributions, along with those made by employers, are credited to the Exchequer under arrangements governed by the above Act. Retirement and other pension benefits are paid by public funds provided by Parliament. Under the definitions set out in FRS 102 (28.11), the TPS is a multi-employer pension plan. The Centre is unable to identify its share of the underlying assets and liabilities of the plan.

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

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

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

The report of the latest actuarial valuation of the TPS results dated 31st March 2020 was released in October 2023. As a result, employer contribution rates were increased to 23.68% of pensionable pay to 28.68% from 1st April 2024. The Department for Education had previously agreed to pay a teacher pension employer contribution grant to cover the additional costs of the previous actuarial valuation up to 23.68% during the 2023-24 academic year, however no such grant has been confirmed for the additional costs arising from the March 2020 valuation.

A full copy of the valuation report and supporting documentation can be found on the Teachers' Pension Scheme website.

The employer's pension costs paid to TPS in the period amounted to £227,000 (2022-23: £210,000).

FRS102 (Section 28)

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

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

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate funds administered by the London Pension Fund Authority. The total contribution made for the year ended 31st July 2024 was £94,000 (2022-23: £110,000), of which employer's contributions totalled £45,000 (2022-23: £66,000) and employees' contributions totalled £49,000 (2022-23: £44,000). The agreed contribution rates for future years are 8.9% for employers and range from 5.5% to 12.5% for employees, depending on salary.

MARY WARD SETTLEMENT
NOTES TO THE FINANCIAL STATEMENTS
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23 DEFINED BENEFIT OBLIGATIONS (continued)

Principal Actuarial Assumptions

The following information is based upon a full actuarial valuation of the fund at 31st March 2022 updated to 31st July 2024 by a qualified independent actuary

	At 31st July 2024	At 31st July 2023
Rate of increase in salaries	3.85%	3.8%
Rate of increase for pensions in payment / inflation	2.85%	2.8%
Discount rate for scheme liabilities	5.05%	5.15%
Inflation assumption (CPI)	3.20%	2.3% to 3.2%

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

	At 31st July 2024	At 31st July 2023
Retiring today		
Males	20.1	20.1
Females	23.8	23.7
Retiring in 20 years		
Males	20.9	20.9
Females	24.5	24.5

Sensitivity analysis

Present value of defined benefit obligation	At 31st July 2024 £'000	At 31st July 2023 £'000
Discount rate +0.1%	3,830	3,618
Discount rate -0.1%	3,950	3,730
Mortality assumption - 1 year increase	3,997	3,774
Mortality assumption - 1 year decrease	3,784	3,575

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

	Value as at 31st July 2024 £'000	Value as at 31st July 2023 £'000
Equities	2,892	2,685
Target Return Portfolio	785	815
Infrastructure	515	571
Property	429	433
Cash	155	69
Total fair value of plan assets	4,776	4,573

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

23 DEFINED BENEFIT OBLIGATIONS (continued)

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

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

	2024	2023
	£'000	£'000
Fair value of plan assets	4,776	4,573
Present value of plan liabilities	(3,889)	(3,673)
	<u>887</u>	<u>900</u>
Asset restriction (see note below)	(887)	(900)
Net pensions asset	<u><u>-</u></u>	<u><u>-</u></u>

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

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

	2024	2023
	£'000	£'000
Amounts included in staff costs		
Employer service cost (net of employee contributions)	100	136
Total operating charge	<u><u>100</u></u>	<u><u>136</u></u>

Amounts included in interest and other finance costs		
(Income) / Interest on pension liabilities or assets	(47)	18
Administrative charge	1	2
Pension finance (income) / costs	<u><u>(46)</u></u>	<u><u>20</u></u>

	2024	2023
	£'000	£'000
Amounts recognised in Other Comprehensive Income		
Return on assets	62	(19)
Other actuarial losses on assets	-	(4)
Experience gain arising on defined benefit obligations	16	121
Changes in assumptions	(82)	1468
Asset restriction	13	(900)
Amounts recognised in Other Comprehensive Income	<u><u>9</u></u>	<u><u>666</u></u>

Movement in net defined liability during the year		
	2024	2023
	£'000	£'000
Deficit in scheme at 1 st August	-	(576)
Movement in year:		
Employer service cost (net of employee contributions)	(100)	(136)
Employer contributions	45	66
Net interest on liabilities	47	(18)
Administration charge	(1)	(2)
Actuarial gain	9	666
Deficit in scheme at 31st July	<u><u>-</u></u>	<u><u>-</u></u>

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

23 DEFINED BENEFIT OBLIGATIONS (continued)
Asset and Liability reconciliation

	2024	2023
	£'000	£'000
Changes in the present value of defined benefit obligations		
Defined benefit obligations at start of period	3,673	5,004
Current service cost	100	136
Interest cost	186	169
Contributions by Scheme participants	49	44
Experience gain on defined benefit obligations	(16)	(121)
Change in financial assumptions	89	(1,202)
Change to demographic assumptions	(7)	(266)
Estimated benefits paid	(185)	(91)
Defined benefit obligations at end of period	3,889	3,673

Changes in the fair value of plan assets

	2024	2023
	£'000	£'000
Fair value of plan assets at start of period	4,573	4,428
Interest on plan assets	233	151
Return on plan assets	62	(19)
Other actuarial gains	-	(4)
Administration cost	(1)	(2)
Employer contributions	45	66
Contributions by Scheme participants	49	44
Benefits paid	(185)	(91)
Fair value of plan assets at end of period	4,776	4,573

24 RELATED PARTY TRANSACTIONS

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

Other than those disclosed in note 10, there were no expenses paid to or on behalf of the trustees during the year (2022-23: £nil).

No trustee has received any remuneration or waived any payments from the Settlement, except in their capacity as a member of staff (2022-23: £nil).

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

25 AMOUNTS DISBURSED AS AGENT	Group and Centre	
	2024 £'000	2023 £'000
Funding body grants - hardship support	30	30
Funding body grants - 24+ advanced learning loans	40	40
	<hr/> 70	<hr/> 70
Disbursed to students	(59)	(39)
Administration costs	(1)	(1)
Balance unspent as at 31 st July, included in creditors	<hr/> 10	<hr/> 30

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