



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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Veronica Daly

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

Veronica Daly

Chair

28/04/2026

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

REFERENCE DETAILS

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

KEY MANAGEMENT PERSONNEL

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

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

BOARD OF TRUSTEES

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

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

PROFESSIONAL ADVISERS

FINANCIAL STATEMENTS AUDITOR AND REPORTING ACCOUNTANTS	Buzzacott Audit LLP 130 Wood Street London EC2V 6DL
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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 2025

NATURE, OBJECTIVES AND STRATEGIES

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

LEGAL STATUS

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

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

OBJECTS AND MISSION

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

PUBLIC BENEFIT

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

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

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

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

IMPLEMENTATION OF THE STRATEGIC PLAN

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

CORE VALUES AND OBJECTIVES

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

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

CORE VALUES AND OBJECTIVES (CONTINUED)

Core Values

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

Strategic Aims

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

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

STRATEGIC REPORT

ACHIEVEMENTS AND PERFORMANCE - ADULT EDUCATION CENTRE

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

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

STRATEGIC REPORT (CONTINUED)

ACHIEVEMENTS AND PERFORMANCE - ADULT EDUCATION CENTRE (CONTINUED)

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

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

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

PERFORMANCE INDICATORS

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

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

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STRATEGIC REPORT (CONTINUED)

ACHIEVEMENTS AND PERFORMANCE - ADULT EDUCATION CENTRE (CONTINUED)

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

ACHIEVEMENTS AND PERFORMANCE - MARY WARD LEGAL CENTRE

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

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

PERFORMANCE INDICATORS

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

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

MARY WARD SETTLEMENT
REPORT OF THE BOARD OF TRUSTEES
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STRATEGIC REPORT (CONTINUED)

ACHIEVEMENTS AND PERFORMANCE - BLACKFRIARS SETTLEMENT

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

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

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

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

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

PERFORMANCE INDICATORS

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

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STRATEGIC REPORT (CONTINUED)

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

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

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

FINANCIAL REVIEW

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

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

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

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

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

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FINANCIAL REVIEW (CONTINUED)

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

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

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

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

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

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

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

TREASURY MANAGEMENT

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

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

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

RESERVES POLICY

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

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

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

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REPORT OF THE BOARD OF TRUSTEES
FOR THE YEAR ENDED 31 JULY 2025

RESERVES POLICY (CONTINUED)

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

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

CURRENT AND FUTURE DEVELOPMENTS AND PERFORMANCE

FINANCIAL HEALTH

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

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

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

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

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

STUDENT NUMBERS

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

MARY WARD SETTLEMENT
REPORT OF THE BOARD OF TRUSTEES
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STUDENT ACHIEVEMENTS

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

CURRICULUM DEVELOPMENTS

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

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

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

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

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

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

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

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

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

MARY WARD SETTLEMENT
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CURRICULUM DEVELOPMENTS (CONTINUED)

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

PAYMENT PERFORMANCE

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

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

EVENTS AFTER THE END OF THE REPORTING PERIOD

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

FUTURE DEVELOPMENTS

ADULT EDUCATION CENTRE

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

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

MARY WARD LEGAL CENTRE

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

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

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

FUTURE DEVELOPMENTS (CONTINUED)

BLACKFRIARS SETTLEMENT

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

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

GOING CONCERN

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

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

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

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

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

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

MARY WARD SETTLEMENT
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GOING CONCERN (CONTINUED)

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

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

RESOURCES

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

Financial

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

People

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

Reputation

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

PRINCIPAL RISKS AND UNCERTAINTIES

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

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

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

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

PRINCIPAL RISKS AND UNCERTAINTIES (CONTINUED)

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

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

STAKEHOLDER RELATIONSHIPS

The Settlement has many stakeholders including:

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

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

EQUAL OPPORTUNITIES AND EMPLOYMENT OF DISABLED PERSONS

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

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

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

DISABILITY STATEMENT

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

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

MARY WARD SETTLEMENT
REPORT OF THE BOARD OF TRUSTEES
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DISABILITY STATEMENT (CONTINUED)

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

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

FUNDRAISING

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

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

TRADE UNION FACILITY TIME

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

DISCLOSURE OF INFORMATION TO AUDITORS

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

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

Veronica Daly

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

Veronica Daly

Chair

28/04/2026

MARY WARD SETTLEMENT

STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL

FOR THE YEAR ENDED 31 JULY 2025

STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL

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

The Settlement endeavours to conduct its business:

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

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

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

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

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

THE BOARD

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

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

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

THE BOARD (CONTINUED)

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

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

* Trustees of MWLC only

** Trustees of MWS only

*** Trustees of Blackfriars Settlement only

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

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

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

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

MARY WARD SETTLEMENT

STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL

FOR THE YEAR ENDED 31 JULY 2025

THE BOARD (CONTINUED)

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

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

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

ATTENDANCE

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

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

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

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

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

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

THE BOARD (CONTINUED)

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

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

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

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

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

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

APPOINTMENTS TO THE BOARD

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

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

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

TRUSTEE INDUCTION AND TRAINING

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

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

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

BOARD PERFORMANCE

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

REMUNERATION COMMITTEE

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

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

THE GOVERNANCE AND NOMINATIONS COMMITTEE

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

AUDIT AND RISK COMMITTEE

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

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

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

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

THE FINANCE COMMITTEE

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

THE MARKETING AND COMMUNICATIONS COMMITTEE

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

THE QUALITY AND IMPROVEMENT COMMITTEE

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

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

RELATED PARTIES AND CO-OPERATION WITH OTHER ORGANISATIONS

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

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

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

INTERNAL CONTROL

SCOPE OF RESPONSIBILITY OF INTERNAL CONTROL

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

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

THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

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

CAPACITY TO HANDLE RISK

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

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

THE RISK AND CONTROL FRAMEWORK

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

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

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

THE REVIEW OF EFFECTIVENESS

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

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

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

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

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

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

GOING CONCERN

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

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

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

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

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

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

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

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

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

Veronica Daly
Chair

Veronica Daly

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

28/04/2026

Susan Craggs
Interim Accounting Officer

Susan Craggs

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

28/04/2026

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

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

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

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

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

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

Each of the trustees confirms that:

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

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

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

Small Companies Note:

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

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

Veronica Daly

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

Veronica Daly
Chair

28/04/2026

MARY WARD SETTLEMENT

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

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

Opinion

We have audited the financial statements of Mary Ward Settlement (the 'charitable parent company') and its subsidiaries (the 'group') for the year ended 31 July 2025 which comprise the consolidated statement of financial activities, the consolidated and charitable parent company statement of comprehensive income, the consolidated statement of changes in reserves, the consolidated and parent charitable company balance sheets, the consolidated statement of cash flows and the notes to the financial statements, including the principal accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- ◆ give a true and fair view of the state of the group's and of the charitable parent company's affairs as at 31 July 2025 and of the group's income and expenditure for the year then ended;
- ◆ have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- ◆ have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

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

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

Other information

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

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

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

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

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit

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

conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

The extent to which our procedures are capable of detecting irregularities, including fraud

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

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

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

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

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

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

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

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

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

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

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

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

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

Use of our report

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



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

Date: 29 April 2026

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

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

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

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

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

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

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

Company number: 00046188

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

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

Veronica Daly
Chair

Veronica Daly

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

28/04/2026

Susan Craggs
Interim Accounting Officer

Susan Craggs

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

28/04/2026

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

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

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

1 ACCOUNTING POLICIES

Statement of accounting policies and estimation techniques

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

Basis of preparation

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

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

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

Basis of accounting

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

Basis of consolidation

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

Going concern

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

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

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

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

Going concern (continued)

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

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

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

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

Recognition of income

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

Revenue funding

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

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

Revenue funding (continued)

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

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

Capital grant funding

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

Fee income

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

Investment income

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

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

Other income

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

Agency arrangements

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

Accounting for post-employment benefits

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

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

Teachers' Pension Scheme

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

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

The London Pension Fund Authority

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

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

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

Short term Employment benefits

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

Non-current assets - Tangible fixed assets

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

Land and buildings

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

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

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

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

Non-current assets - Tangible fixed assets (continued)

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

Subsequent expenditure on existing fixed assets

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

Plant, Fixtures and Fittings and Equipment

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

Plant and equipment is depreciated as follows:

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

Treatment of Government Capital Grants

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

Borrowing costs

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

Leased assets

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

Investments

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

Cash and cash equivalents

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

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

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

Financial liabilities and equities

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

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

Taxation

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

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

Provisions and contingent liabilities

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

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

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

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

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

- To determine whether leases entered into by the Settlement, either as a lessor or a lessee are operating or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis.
- To determine whether there are indicators of impairment of the Settlement's tangible assets. Factors taken in to consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and, where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit.
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MARY WARD SETTLEMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2025

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

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

Other key sources of estimation uncertainty

- **Tangible fixed assets**

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

- **Local Government Pension Scheme**

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

- **Donated Services**

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

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

2 DONATIONS AND FUNDRAISING

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

3 ACTIVITIES FOR GENERATING FUNDS

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

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

4A ADULT EDUCATION

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

4B FUNDING BODY GRANTS

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

4c TUITION FEES AND EDUCATION CONTRACTS

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

5 OTHER INCOME FROM CHARITABLE ACTIVITIES

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

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

6 COST OF RAISING FUNDS

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

7 TOTAL CHARITABLE EXPENDITURE

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

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

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

8 SUPPORT COSTS

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

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

Support costs include:

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

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

9 OTHER OPERATING EXPENSES

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

10 STAFF COSTS

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

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

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

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

Staff costs for the above persons

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

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

10 STAFF COSTS (CONTINUED)

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

Key management personnel

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

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

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

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

Key management personnel emoluments are made up as follow:

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

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

10 STAFF COSTS (CONTINUED)

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

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

Relationship of Accounting Officer pay and remuneration expressed as a multiple

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

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

11 INTEREST AND OTHER FINANCE COSTS

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

12 TANGIBLE FIXED ASSETS - GROUP

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

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

12 TANGIBLE FIXED ASSETS - CENTRE

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

13 INVESTMENTS - GROUP

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

MARY WARD SETTLEMENT
NOTES TO THE FINANCIAL STATEMENTS
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14 DEBTORS

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

15 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

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

16 CREDITORS: AMOUNTS FALLING DUE AFTER ONE YEAR

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

MARY WARD SETTLEMENT
NOTES TO THE FINANCIAL STATEMENTS
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17 MATURITY OF DEBT

Bank loans and overdrafts are repayable as follows:

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

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

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

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

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

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

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

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

19 CAPITAL AND OTHER COMMITMENTS

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

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

20 LEASE OBLIGATIONS

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

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

21 RESTRICTED FUNDS

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

22 EVENTS AFTER THE REPORTING PERIOD

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

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

23 DEFINED BENEFIT OBLIGATIONS

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

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

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

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

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

Teachers' Pension Scheme

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

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

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

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

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

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

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

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

FRS102 (Section 28)

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

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

Local Government Pension Scheme

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

Principal Actuarial Assumptions

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

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

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

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

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23 DEFINED BENEFIT OBLIGATIONS
(CONTINUED)

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

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

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

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

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

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

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

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

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

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

Movement in net defined liability during the year

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

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

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

23 DEFINED BENEFIT OBLIGATIONS (continued)

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

24 RELATED PARTY TRANSACTIONS

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

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

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

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

25 AMOUNTS DISBURSED AS AGENT

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

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