

THE MARY WARD CENTRE
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2009

THE MARY WARD CENTRE
GENERAL INFORMATION

ADDRESS

42 Queen Square
London
WC1N 3AQ

SENIOR POST-HOLDERS

Principal
Vice-Principal - Curriculum and Quality
Vice-Principal - Finance and Resources

Ceri Williams
Suzanna Jackson
Clive Hutton

FINANCIAL STATEMENTS AUDITORS

Buzzacott LLP
12 New Fetter Lane
London
EC4A 1AG

INTERNAL AUDITORS

Tenon
Clifton House
Bunnian Place
Basingstoke
Hampshire
RG21 7JE

BANKERS

The Co-operative Bank plc
62-64 Southampton Row
Holborn
London
WC1B 4ND

THE MARY WARD CENTRE
OPERATIONAL AND FINANCIAL REVIEW
FOR THE YEAR ENDED 31 JULY 2009

THE MARY WARD CENTRE

The Mary Ward Centre is part of the Mary Ward Settlement, a registered charity (number 223066) and company limited by guarantee (number 46188), first registered in December 1895.

MISSION

The Centre's mission is to develop and provide excellent, innovative and wide ranging adult education and community services. In this it is guided by:

- the educational needs and aspirations of its students;
- its belief in the power of education for the fulfilling of personal and community potential;
- its responsiveness to the demands of the contemporary world;
- the vision and values of its founders whose aim in 1897 was "to advance public education and social service";
- the priorities of its funding sources; and
- its commitment to being the friendly place to learn.

OBJECTIVES

The Centre's continuing strategic objectives are:

- to maintain the Centre's position as a distinct and quality provider of adult and continuing education which meets, and where possible exceeds, students' needs and aspirations through a balance of accredited and non-accredited learning which also reflect local and regional and national priorities;
- to demonstrate excellence and quality by striving to exceed students' and other stakeholders' expectations;
- to maintain an organisational culture which realises the Centre's Wheel of Values;
- to ensure, within the constraints of a listed Georgian building, that the premises are appropriate to the students' needs, maintained to the highest standard and consistent with a safe, healthy and attractive environment in which to learn and work;
- to maintain category A financial status with an appropriate level of reserves to meet future planned expenditure and contingencies;
- to develop and implement appropriate use of ICT for the benefit of teaching and learning and in support of effective management;
- to make equality of opportunity at the heart of the Centre's practice and policies;
- to strive to improve advice, guidance and support so that students are able to identify and fulfil their aspirations;
- to develop partnerships and alliances with other organisations that will improve and extend the opportunities available to learners and staff; and
- to develop and maintain governance systems in line with best practice in the education and charity sectors.

The Centre's development action plan, arising from its annual self-assessment report, provided focus for targeted actions that assisted making progress towards meeting these objectives.

The Centre's specific achievements for 2008/09 are addressed below:

- the Centre underwent a highly successful inspection by Ofsted in February 2009. All grades awarded were either 1 (outstanding) or 2 (good). The inspection report is available on the Centre's website at www.marywardcentre.ac.uk.
- the Centre maintained its high reputation with its users, funders and the community of adult education;
- overall retention rates continued to exceed the sector benchmark;
- success rates in accredited courses continued to improve;
- category A financial status was maintained;
- a major refurbishment was successfully completed in September 2008 to improve access for disabled students and provide improved office accommodation for Centre staff;
- the take-up by students of the Mary Ward bursary fund continued to increase. The bursary fund helps to mitigate full fee increases to lower income students who do not qualify for concessionary status;

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OPERATIONAL AND FINANCIAL REVIEW
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OBJECTIVES (CONTINUED)

- a review of support staff was completed during the summer of 2009 resulting in a reduction of 5 FTEs (20%) in support staffing levels. This reduction was achieved by a combination of natural wastage and redundancies;
- the development continued of employer engagement and effective working with local partnerships;
- the provision of outstanding support for students with a wide range of needs was continued;
- successful curriculum collaboration with other London adult colleges was maintained;
- the full implementation of repairs, refurbishment and redecoration to its premises under the planned maintenance programme.

STUDENT NUMBERS

The Centre is funded according to the levels of activity that it generates. In 2008/09, the Centre achieved 630 (target 634) FTE learners with a funding value of £2,130,000 (target £2,125,000). Student retention was 91% for 2008/09 compared with 92% for 2007/08.

STUDENT ACHIEVEMENTS

In 2008/09 there were 897 examination entries of which 812 (91%) achieved. This compares with 1,017 entries in 2007/08 with 936 achieving (92%). Student achievement in non-accredited courses is assessed annually and reported to governors, using the RARPA strategy.

CURRICULUM DEVELOPMENTS

Curriculum planning at the Centre combines a needs analysis of local communities with a broader perspective of its contribution to adult education across London. The Centre has been effective in reviewing and realigning its curriculum to meet changing priorities and funding constraints, whilst retaining the distinctive characteristics of the curriculum and patterns of learning at the Centre.

Recent changes have included an increase in our provision of full level 2 qualifications. In 2008/09, an additional Level 2 childcare course was added to the programme in Humanities, the ECDL course in computing was developed to make it compatible with the level 2 ITQ qualification and a pilot was delivered with one student who achieved the award. Preparation was made for the Pre-foundation Course in art and design to be moved to a qualification which has full level 2 status and accreditation was developed for the Professional Practice in Art programme. Both of these changes are in place for the 2009/10 academic year.

The structure of the modern foreign languages courses has been changed to better meet the needs of students and the Centre successfully delivered a blended learning course in Community Translation. The Centre also delivered its own courses in History and Psychology for the first time and these have proved to be successful.

The Centre has strong partnerships within the local community, and with other local providers - in particular the other three London-based SDI's. The Centre is an active partner in projects with the national SDI's, the London Borough of Camden, the Workers' Education Association, Croydon Adult Learning & Training (CALAT). In addition to this the Centre works with some 20 local community organisations to deliver community outreach programmes, including some very successful projects with the British Museum.

Our work with the local CVS was developed during the year and two further modules were added to the Managing in the Voluntary Sector qualification. As a result of this, a full level 2 and level 3 qualification are in place for the 2009/10 academic year. The Centre also offered new courses in training for trainers and Peer Mentoring courses through its partnership with the local CVS. The nature of all the Centre's partnership work includes course delivery, curriculum development and joint funding bids for quality improvement and peer review activities.

Other key partnerships include trusteeships of Queen Square and Coram's Fields Playground and active roles in the Queen Square Fair and other local initiatives. The community outreach classes in local schools and community centres work annually with the Camden Bangladeshi Mela Committee to produce inspiring arts and crafts projects for inclusion in the Mela in July.

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OPERATIONAL AND FINANCIAL REVIEW
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TRANSPARENCY ARRANGEMENTS

The Board conducts its business through a number of committees. Each committee has terms of reference, which have been approved by the full Board.

Full minutes of all meetings are available from the Clerk to the Board at the Centre's address on the General Information page 1.

The Clerk to the Board maintains a register of financial and personal interests of the governors and staff with significant financial responsibilities. The register is available for inspection at the Centre's address.

FINANCIAL RESULTS

The Centre generated an operating deficit in the year of £174,000 (2007/08: surplus of £114,000) and has accumulated reserves of £1,026,000 and cash balances of £1,025,000. £875,000 of reserves have been designated to provide for the cost of implementing future phases of the Centre's accommodation strategy.

The Centre has significant reliance on the LSC for its principal funding source, largely from recurrent grants. In 2008/09 the LSC provided 72% of the Centre's total income. The 2008/09 financial statements and associated notes are set out on pages 16 to 29.

TREASURY MANAGEMENT

Treasury management is the management of the Centre'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. The Centre has a separate treasury management policy in place. The Centre has no borrowings.

PERFORMANCE INDICATORS

Although the LSC continues to measure FE performance in terms of contribution to national targets, individual colleges are now required to submit three-year development plans which are reviewed each year. These development plans focus on four headline targets:

- learner number growth and achievement of LSC funding targets;
- learner success rates;
- teacher qualifications;
- employer engagement.

In 2008/09 the Centre achieved 630 FTE learners against a target of 634 and achieved £2,130,000 funding out-turn against a target of £2,125,000. Data is not currently available for the other targets but the Centre is confident that all will be met.

The LSC has implemented a new system of performance measures for Colleges, the "Framework for Excellence" replacing the old "ABC" framework for providers. The Centre, as a specialist designated institution, will come into scope for this from 2009/10 onwards.

PRINCIPAL RISKS AND UNCERTAINTIES

The Centre 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 Centre's assets and reputation.

Based on the strategic plan, the Risk Management Group undertakes a comprehensive review of the risks to which the Centre is exposed. They identify systems and procedures, including specific preventable actions which should mitigate any potential impact on the Centre.

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 Risk Management Group will also consider any risks which may arise as a result of a new area of work being undertaken by the Centre.

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OPERATIONAL AND FINANCIAL REVIEW
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PRINCIPAL RISKS AND UNCERTAINTIES (CONTINUED)

A risk register is maintained at the Centre level which is reviewed at least annually by the Audit Committee and more frequently where necessary. The risk register identifies the key risks, the likelihood of those risks occurring, their potential impact on the Centre and the actions being taken to reduce and mitigate the risks. Risks are prioritised using a consistent scoring system.

Outlined below is a description of the principal risk factors that may affect the Centre. Not all the factors are within the Centre's control. Other factors besides those listed below may also adversely affect the Centre.

Government funding

The Centre has considerable reliance on continued government funding through the LSC. In 2008/09, 72% of the Centre's income was reliant on the LSC and this level of requirement is expected to continue. There can be no assurance that government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms. The "Machinery of Government" changes expected to come into force from April 2010 which will see the LSC dissolved and replaced with successor agencies such as the Young Persons Learning Agency (part of the DCSF) and the Skills Funding Agency (part of the DIUS).

This risk is mitigated in a number of ways:

- by diversifying our income, wherever possible, by developing new funding streams thereby lessening the Centre's reliance on the LSC;
- by ensuring the Centre is rigorous in delivering high quality education and training;
- by placing considerable focus and investment on maintaining and managing key relationships with the funding body, national agencies, the other SDIs, government departments, ministers and shadow ministers;
- by ensuring the Centre is focused, where appropriate, on those priority sectors which will continue to benefit from public funding; and
- by engaging in regular dialogue with the local LSC.

Tuition fee policy

The LSC intend to raise students' contributions to the cost of education with the fee assumption increasing to 47.5% in 2009/10 and 50% in 2010/11. In line with the majority of other colleges, the Centre will increase tuition fees in accordance with the rising fee assumptions. The price elasticity of adult learning is not yet fully understood. The risk for the Centre is that demand falls off as fees are increased and this will impact on the growth strategy of the Centre. This risk is mitigated in a number of ways:

- by ensuring the Centre is rigorous in delivering high quality education and training, thus ensuring value for money for students; and
- close monitoring of the demand for courses as prices change.

Maintain adequate funding of pension liabilities

The financial statements report the share of the pension scheme deficit on the Centre's balance sheet in line with the requirements of FRS 17.

STAKEHOLDER RELATIONSHIPS

In line with other colleges, the Centre has many stakeholders. These include:

- students;
- funding councils;
- staff;
- local employers (with specific links);
- local authorities;
- government offices/regional development agencies;
- the local community;
- other colleges;
- trade unions and professional bodies.

The Centre recognises the importance of these relationships and engages in regular communication with them through the Centre Internet site and by meetings.

THE MARY WARD CENTRE
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PAYMENT PERFORMANCE

The Late Payment of Commercial Debts (Interest) Act 1998, which came into force on 1 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 per cent. During the accounting period 1 August 2008 to 31 July 2009, the Centre paid 97.5 per cent of its invoices within 30 days. The Centre incurred no interest charges in respect of late payment for this period.

POST-BALANCE SHEET EVENTS

There have been no significant post-balance sheet events.

FUTURE DEVELOPMENTS

The Centre has the following aims for the future:

- to continue to be a distinct and quality provider of adult and continuing education and to increase student numbers over the next 3 years;
- to reach out to new groups - "equalisation";
- to maintain category A financial status with the Learning & Skills Council;
- to continue to implement the Centre's accommodation strategy in order to provide premises appropriate to the needs of staff and students;
- to raise the Centre's profile.

STAFF AND STUDENT INVOLVEMENT

The Centre considers good communication with its staff to be very important and the quality of the Centre's arrangements were viewed positively by the Investors in People assessor at the time of last reassessment. The Centre's staff intranet together with a network of staff meetings at section and departmental level assist in maintaining a flow of communication. Regular newsletters are published which are distributed to all staff and a staff association meets regularly. The Centre encourages staff and student involvement through membership of formal committees.

EQUAL OPPORTUNITIES AND EMPLOYMENT OF DISABLED PERSONS

The Centre is committed to ensuring equality of opportunity for all who learn and work here. 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 Centre 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 Centre continues. The Centre's policy is to provide training, career development and opportunities for promotion, which are, as far as possible, identical to those for other employees. An equalities plan is published each year and monitored by managers and governors.

DISABILITY STATEMENT

The Centre 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. Specific actions taken during 2008/09 include:

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

In 2008/09 there was a small decrease of 1% (to 14%) in the percentage of the student body who declared a disability or learning difficulty. However this remains high in comparison with the other London SDIs, who all report around 9%.

**THE MARY WARD CENTRE
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PLANNED MAINTENANCE PROGRAMME

The cost of the Centre's planned maintenance programme over a period of ten years is estimated to be £600,000 resulting in an average annual charge of £60,000. The programme is reviewed each 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 Centre'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 Centre's auditors are aware of that information.

This report was approved by the Board on 26 November 2009 and signed on their behalf by

Chair
Diana Good

THE MARY WARD CENTRE
CORPORATE GOVERNANCE STATEMENT INCORPORATING STATEMENT OF INTERNAL CONTROL
FOR THE YEAR ENDED 31 JULY 2009

CORPORATE GOVERNANCE

The Centre is committed to exhibiting best practice in all aspects of corporate governance. This summary describes the manner in which the Centre has applied the principles set out in the revised *Combined Code on Corporate Governance* issued by the London Stock Exchange in July 2006. Its purpose is to help the reader of the accounts understand how the principles have been applied.

In the opinion of the Board, the Centre complies with all the provisions of the Combined Code in so far as they apply to the Further Education Sector, and it has complied throughout the year ended 31 July 2009.

THE BOARD

The composition of the Board is set out on page 12. 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 Centre together with other information such as performance against funding targets, proposed capital expenditure, quality matters and personnel related matters such as health and safety and environmental issues.

The Board conducts some of its business through a number of committees. Each committee has terms of reference which have been approved by the Board. These committees are:

- the quality, equality and curriculum committee;
- the nominations committee;
- the remuneration committee;
- the audit committee.

The Board meets at least five times each year and the quality, equality and curriculum committee, nominations, remuneration and audit committees are convened as necessary.

All members of the Board are able to take independent professional advice in furtherance of their duties at the Centre'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 Principal are separate. The Board is responsible for ensuring that appropriate training is provided as required.

With the exception of ex-officio appointments, members of the Board shall hold office for a period of three years. Nominated members may be re-appointed for a second term of three years on recommendation of the Nominations Committee. Third and further terms of three years may exceptionally be approved by the Board on recommendation of the 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 appointed for a term of office not exceeding three years but are eligible to stand for re-election at the end of their term. Student and staff members are not eligible to serve as members if they cease to be a student or member of staff of the Mary Ward Centre.

Full minutes of all meetings except those deemed to be confidential are available from the Clerk at the address on page 1. 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 on page 1.

QUALITY, EQUALITY AND CURRICULUM COMMITTEE

The quality, equality and curriculum committee comprises twelve members. It is responsible for ensuring that the Centre provides the highest possible quality of education and an appropriate curriculum for its students and supports opportunities to learn irrespective of age, race, sexuality, religion, disability or any other attribute.

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CORPORATE GOVERNANCE STATEMENT INCORPORATING STATEMENT OF INTERNAL CONTROL
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CORPORATE GOVERNANCE (CONTINUED)

THE NOMINATIONS COMMITTEE

The nominations committee comprises five 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.

REMUNERATION COMMITTEE

The membership of the remuneration committee is entirely ex-officio and comprises five members made up of the Chair, the two Vice-Chairs, the Treasurer and the Chair of the Audit Committee. The committee's responsibilities are to make recommendations to the Board on the remuneration and benefits of the Principal and other senior post-holders.

Details of remuneration for the year ended 31 July 2009 are set out in note 6 to the financial statements.

AUDIT COMMITTEE

The audit committee comprises six members. No member of staff (including the Principal) is permitted to serve on the audit committee. The committee operates in accordance with written terms of reference approved by the Board.

The audit committee provides a forum for reporting by the Centre's internal and financial statements auditors, who have access to the Committee for independent discussion, without the presence of Centre management. The committee also receives and considers reports from the Learning and Skills Council as they affect the Centre's business.

The Centre's internal auditors monitor 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 committee. Management are responsible for the implementation of agreed recommendations and internal audit undertake periodic follow up reviews to ensure such recommendations have been implemented.

The audit committee also advises the Board on the appointment of internal and financial statements auditors and their remuneration for both audit and non-audit work.

INTERNAL CONTROL

SCOPE OF RESPONSIBILITY

The Board is ultimately responsible for the Centre'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 Principal, as Accounting Officer, for maintaining a sound system of internal control that supports the achievement of the Centre'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 Centre and the Learning and Skills Council. 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 Centre 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 Mary Ward Centre for the year ended 31 July 2009 and up to the date of the annual report and accounts.

THE MARY WARD CENTRE
CORPORATE GOVERNANCE STATEMENT INCORPORATING STATEMENT OF INTERNAL CONTROL
FOR THE YEAR ENDED 31 JULY 2009

INTERNAL CONTROL (CONTINUED)

CAPACITY TO HANDLE RISK

The Board has reviewed the key risks to which the Centre 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 Centre's significant risks that has been in place for the period ending 31 July 2009 and up to the date of approval of the annual report and accounts. This process is regularly reviewed by the Board.

THE RISK AND CONTROL FRAMEWORK

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

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

The Mary Ward Centre has an internal audit service, which operates in accordance with the requirements of the Learning and Skills Council's Audit Code of Practice. The work of the internal audit service is informed by an analysis of the risks to which the Centre 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 Centre's governing body on the recommendation of the audit committee. At least annually, the internal audit service provides the governing body with a report on internal audit activity in the Centre. The report includes the internal audit service's independent opinion on the adequacy and effectiveness of the Centre's system of risk management, controls and governance processes.

REVIEW OF EFFECTIVENESS

As Accounting Officer, the Principal has responsibility for reviewing the effectiveness of the system of internal control. The Principal's review of the effectiveness of the system of internal financial control is informed by:

- the work of the internal auditors;
- the work of the executive managers within the Centre who have responsibility for the development and maintenance of the internal control framework;
- comments made by the Centre's financial statements auditors and the regularity auditors in their management letters and other reports.

The Principal has been advised on the implications of the result of his review of the effectiveness of the system of internal control by the audit committee which oversees the work of the internal auditor, 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 emphasis is on obtaining the relevant degree of assurance and not merely reporting by exception.

At its November 2009 meeting the Board carried out the annual assessment for the year ended 31 July 2009 by considering documentation from the senior management team and internal audit, and taking account of events since 31 July 2009.

THE MARY WARD CENTRE
CORPORATE GOVERNANCE STATEMENT INCORPORATING STATEMENT OF INTERNAL CONTROL
FOR THE YEAR ENDED 31 JULY 2009

GOING CONCERN

After making appropriate enquiries, the Board considers that the Centre has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements.

Approved by order of the members of the Board on 26 November 2009 and signed on its behalf by:

Diana Good
Chair

Ceri Williams
Principal

THE MARY WARD CENTRE
MEMBERSHIP OF THE BOARD
FOR THE YEAR ENDED 31 JULY 2009

BOARD

The Board of the Mary Ward Settlement who served during the year, were as stated below:

Nominations:

D Good (Chair) R
C Millington (Vice-Chair) Q, R
R Mills (Vice-Chair) N, R
P del Tufo (Treasurer) A, R
J Barber A, R
K Blake A, N
P Dodgson-Katiyo Q
A Frost
M Graubart N, Q
C Kings (appointed 15 December 2008) N
A Anastasiou (resigned 25 June 2009)
C Hopkins (resigned 25 June 2009)
Lord Rea (resigned 25 June 2009)
R Smeath (resigned 15 December 2008)
J Smith (resigned 15 December 2008)
S Vincent (resigned 25 June 2009)
P Vlachos (resigned 25 June 2009)

Elected by Student Members:

E Carvalho
C Noble
J Cadogan (resigned 15 December 2008)
S Caffrey (resigned 15 December 2008)
A Critchley (resigned 25 June 2009)
A Jemaldeen (resigned 25 June 2009)
J Kelly (resigned 25 June 2009)
I McMillan (resigned 25 June 2009)
C Platt (resigned 25 June 2009)
G Sachs (resigned 25 June 2009)

Elected by Staff Members:

J Chamberlain
P Jencks
B Lindner (resigned 25 June 2009)
M Page (resigned 15 December 2008)

EXTERNAL MEMBERS OF COMMITTEES

C Hopkins A
P O'Halloran A
P Hulin Q
D O'Leary Q
M Page (Staff) Q
P Vlachos A

KEY TO MEMBERSHIP OF COMMITTEES:

A = Audit

N = Nominations

Q = Quality, Equality and Curriculum

R = Remuneration

CLERK

The clerk to the Board is S-J Stagg.

THE MARY WARD CENTRE
STATEMENT OF RESPONSIBILITIES OF THE BOARD
FOR THE YEAR ENDED 31 JULY 2009

The members of the Board are required to present audited financial statements for each financial year.

Within the terms and conditions of the Financial Memorandum agreed between the Board and the Learning and Skills Council (the Council), the Board, through its principal, is required to prepare financial statements for each financial year in accordance with the 2007 Statement of Recommended Practice - Accounting for Further and Higher Education Institutions and with the Accounts Direction issued by the Learning and Skills Council, and which give a true and fair view of the state of affairs of the Mary Ward Centre (the Centre) and the result for that year.

In preparing the financial statements the Board is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare financial statements on the going concern basis unless it is inappropriate to assume that the Centre will continue in operation.

The Board is also required to prepare a Members Report which describes what it is trying to do and how it is going about it, including the legal and administrative status of the Centre.

The Board is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Centre and to enable it to ensure that the financial statements are prepared in accordance with the relevant legislation and other relevant accounting standards. It is responsible for taking steps that are reasonably open to it to safeguard assets of the Centre and to prevent and detect fraud and other irregularities.

The Board is responsible of the maintenance and integrity of the charity and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The Board is responsible for ensuring that expenditure and income are applied for the purposes intended by Parliament and that the financial transactions conform to the authorities that govern them. In addition they are responsible for ensuring that funds from the Council are used only in accordance with the Financial Memorandum with the Council and any other conditions which the Council may from time to time prescribe.

The Board must ensure that there are appropriate financial and management controls in place sufficient to safeguard public and other funds and ensure that they are used properly. In addition, the Board is responsible for securing economical, efficient and effective management of the Centre's resources and expenditure, so that the benefits that should be derived from the application of public funds by the Council are not put at risk.

Signed on behalf of the Board on 26 November 2009.

Chair
Diana Good

AUDITORS' REPORT TO THE BOARD OF THE MARY WARD CENTRE

We have audited the financial statements for the year ended 31 July 2009, which comprise the income and expenditure account, the balance sheet, the cash flow statement, the statement of total recognised gains and losses and the related notes. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

This report is made solely to the Board, as a body, in accordance with statutory requirements. Our audit work has been undertaken so that we might state to the Board those matters we are required to state to them in an auditors' 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 company and the Board as a body, for our audit work, for this report or for the opinions we have formed.

Respective Responsibilities of the Members of the Board of the Mary Ward Centre and Auditors

The Board is responsible for preparing the Board's Report and, as described in the Statement of Responsibilities on page 13, the financial statements in accordance with the Accounts Direction issued by the Learning and Skills Council, the 2007 Statement of Recommended Practice - Accounting for Further and Higher Education and applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the 2007 Statement of Recommended Practice - Accounting for Further and Higher Education. We also report to you if, in our opinion, the Board's Report is not consistent with the financial statements, if the Centre has not kept proper accounting records, or if we have not received all the information and explanations we require for our audit.

We read the Board's Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of Audit Opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board and the Audit Code of Practice issued by the Learning and Skills Council. An audit includes examination, on a test basis, of evidence relevant to amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Centre in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Centre's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give us reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of affairs of the Centre as at 31 July 2009 and of the Centre's deficit of expenditure over income for the year then ended, and are properly prepared in accordance with the 2008/09 Accounts Direction issued by the Learning and Skills Council and the 2007 Statement of Recommended Practice - Accounting for Further and Higher Education.

Buzzacott LLP
Chartered Accountants
and Registered Auditors

12 New Fetter Lane
London
EC4A 1AG

INDEPENDENT AUDITORS' REPORT ON REGULARITY TO THE BOARD OF THE MARY WARD CENTRE ('THE CENTRE') AND THE LEARNING AND SKILLS COUNCIL ('THE LSC')

In accordance with the terms of our engagement letter dated 2 April 2008 and further to the requirements of the LSC, we have carried out a review to obtain assurance about whether, in all material respects, the expenditure and income of the Mary Ward Centre ('the Centre') for the year ended 31 July 2009 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to the Board and the LSC. Our review work has been undertaken so that we might state to the Board and the LSC those matters we are required to state to them in a 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 Board and the LSC, for our review work, for this report, or for the opinion we have formed.

Respective responsibilities of the Members of the Board of Mary Ward Centre and Auditors

The Centre's Board is responsible, under the requirements of the Further & Higher Education Act 1992, subsequent legislation and related regulations, for ensuring that expenditure and income are applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this review are established in the United Kingdom by our profession's ethical guidance and the audit guidance set out in the Audit Code of Practice and the Regularity Audit Framework issued by the LSC. We report to you whether, in our opinion, in all material respects, the Centre's expenditure and income for the year ended 31 July 2009 have been applied to purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Basis of opinion

We conducted our review in accordance with the Audit Code of Practice and the Regularity Audit Framework issued by the LSC. Our review includes examination, on a test basis, of evidence relevant to the regularity and propriety of the Centre's income and expenditure.

Opinion

In our opinion, in all material respects the expenditure and income for the year ended 31 July 2009 have been applied to purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

THE MARY WARD CENTRE
INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 JULY 2009

	Notes	2009 £	2008 £
INCOME			
Funding council income	2	2,189,767	2,333,611
Other grants		48,951	94,843
Education contracts	3	7,179	9,842
Tuition fees and charges	4	771,575	702,407
Interest receivable		44,356	75,977
Other income		-	150
TOTAL INCOME		<u>3,061,828</u>	<u>3,216,830</u>
EXPENDITURE			
Staff costs	5	2,395,589	2,226,847
Other operating expenses	7	658,156	739,340
Amortisation and depreciation	9	155,760	126,946
Interest and other finance costs	8	26,000	10,000
TOTAL EXPENDITURE		<u>3,235,505</u>	<u>3,103,133</u>
(DEFICIT)/SURPLUS FOR THE YEAR RETAINED WITHIN GENERAL RESERVES		<u>(173,677)</u>	<u>113,697</u>

The income and expenditure account is in respect of continuing activities.

THE MARY WARD CENTRE
STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
FOR THE YEAR ENDED 31 JULY 2009

	Notes	2009 £	2008 £
(Deficit)/surplus on continuing operations		(173,677)	113,697
Actuarial loss in respect of pension scheme	14	(309,000)	(58,000)
Total recognised (losses)/gains relating to the period		<u>(482,677)</u>	<u>55,697</u>
Reconciliation			
Opening reserves		1,508,306	1,452,609
Total recognised (losses)/gains for the year		(482,677)	55,697
Closing reserves		<u>1,025,629</u>	<u>1,508,306</u>

The notes on pages 20 to 29 form part of these financial statements.

THE MARY WARD CENTRE
BALANCE SHEET
As At 31 July 2009

	Notes	2009 £	2008 £
FIXED ASSETS			
Tangible assets	9	<u>1,476,828</u>	<u>1,242,527</u>
CURRENT ASSETS			
Debtors	10	138,587	181,343
Cash at bank and in hand		1,025,041	1,406,577
		<u>1,163,628</u>	<u>1,587,920</u>
CREDITORS: amounts falling due within one year	11	407,596	425,123
NET CURRENT ASSETS		<u>756,032</u>	<u>1,162,797</u>
NET ASSETS EXCLUDING PENSION LIABILITY		2,232,860	2,405,324
Net pension liability		(794,000)	(452,000)
NET ASSETS INCLUDING PENSION LIABILITY		<u>1,438,860</u>	<u>1,953,324</u>
DEFERRED CAPITAL GRANTS	12	<u>413,231</u>	<u>445,018</u>
RESERVES			
Income and expenditure account excluding pension reserve		944,629	1,085,306
Pension reserve		(794,000)	(452,000)
Income and expenditure account including pension reserve		<u>150,629</u>	<u>633,306</u>
Designated reserve	13	875,000	875,000
TOTAL RESERVES		<u>1,025,629</u>	<u>1,508,306</u>
TOTAL		<u>1,438,860</u>	<u>1,953,324</u>

The financial statements on pages 16 to 29 were approved by the Board on 26 November 2009 and signed on its behalf by:

Chair
Diana Good

Principal
Ceri Williams

The notes on pages 20 to 29 form part of these financial statements.

THE MARY WARD CENTRE
CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 JULY 2009

	Notes	2009 £	2008 £
CASH (OUTFLOW)/INFLOW FROM OPERATING ACTIVITIES		<u>(35,831)</u>	<u>125,932</u>
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT			
Payments to acquire tangible fixed assets	9	(390,061)	(184,614)
CASH OUTFLOW FROM CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT		<u>(390,061)</u>	<u>(184,614)</u>
RETURNS ON INVESTMENT			
Interest received		44,356	75,977
CASH INFLOW FROM RETURNS ON INVESTMENT		<u>44,356</u>	<u>75,977</u>
(DECREASE)/INCREASE IN CASH IN THE YEAR		(381,536)	17,295
CASH AT 1 AUGUST 2008		1,406,577	1,389,282
CASH AT 31 JULY 2009		<u>1,025,041</u>	<u>1,406,577</u>
RECONCILIATION OF OPERATING SURPLUS TO CASH INFLOW FROM OPERATING ACTIVITIES	Notes		2009 £
(Deficit)/surplus on continuing operations after depreciation		(173,677)	113,697
Amortisation and depreciation	9	155,760	126,946
Capital grants released to income	12	(31,787)	(31,787)
Pension cost less contributions payable	14 & 17	7,000	36,000
Decrease/(increase) in debtors		42,756	(114,435)
(Decrease)/increase in creditors		(17,527)	61,488
Interest receivable		(44,356)	(75,977)
Interest payable	8	26,000	10,000
CASH (OUTFLOW)/INFLOW FROM OPERATING ACTIVITIES		<u>(35,831)</u>	<u>125,932</u>

The notes on pages 20 to 29 form part of these financial statements.

THE MARY WARD CENTRE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2009

1. STATEMENT OF ACCOUNTING POLICIES

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements

a) Basis of preparation and accounting

These financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP): Accounting for Further and Higher Education 2007 and in accordance with applicable Accounting Standards. They conform to guidance published by the Learning and Skills Council (LSC), in the Accounts Direction Handbook. The financial statements are prepared in accordance with the historical cost convention.

b) Recognition of income

The recurrent grant from the LSC represents the funding allocations attributable to the current financial year and is credited direct to the income and expenditure account. Recurrent grants are recognised in line with planned activity. Any under-achievement against this planned activity is adjusted in-year and reflected in the level of recurrent grant recognised in the income and expenditure account.

Non-recurrent grants from the LSC or other bodies received in respect of the acquisition of fixed assets are treated as deferred capital grants and amortised in line with depreciation over the life of the assets.

Income from tuition fees is recognised in the period to which it relates and includes all fees payable by students or their sponsors.

Income from grants, contracts and other services rendered is included to the extent of the completion of the contract or service concerned.

All income from short-term deposits is credited to the income and expenditure account in the period in which it is earned.

c) Pension schemes

Retirement benefits to employees of the Centre are provided by the Teachers' Pension Scheme (TPS) and the Local Government Pension Scheme (LGPS). These are defined benefit schemes, which are externally funded and contracted out of the State Earnings Related Pension Scheme (SERPS).

Contributions to the TPS are calculated so as to spread the cost of pensions over employees' working lives with the Centre 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 quinquennial valuations using a prospective benefit method. As stated in note 14, the TPS is a multi employer scheme and the Centre is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

THE MARY WARD CENTRE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2009

1. STATEMENT OF ACCOUNTING POLICIES (CONTINUED)

c) Pension schemes (continued)

The assets of the LGPS are measured using closing market values. LGPS liabilities are measured using the projected unit method and discounted at the current rate of return on a high quality corporate bond of equivalent term and currency to the liability. The increase in the present value of the liabilities of the scheme expected to arise from employee service in the period is charged to the operating surplus. The expected return on the scheme's assets and the increase during the period in the present value of the scheme's liabilities, arising from the passage of time, are included in pension finance costs. Actuarial gains and losses are recognised in the statement of total recognised gains and losses.

d) Tangible fixed assets

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life as follows:

Leasehold property	- over term of the lease
Furniture, fixtures and equipment	- 20% straight line

Where a fixed asset is acquired with the aid of specific grants it is capitalised and depreciated in accordance with the above policy, with the related grant being credited to a deferred capital grant account and released to the income and expenditure account over the expected useful economic life of the related fixed asset. Furniture, fixtures and equipment costing less than £1,000 per individual item are written off to the income and expenditure account in the period of acquisition. Because of the heavy usage involved, all computer equipment is written off to the income and expenditure account in the period of acquisition.

e) Taxation

The Centre is part of the Mary Ward Settlement, a registered charity. As such, it is exempt from corporation tax on income it receives from tuition fees, interest and rents. The Centre is exempted from levying VAT on the services it provides to students. For this reason the Centre is unable to recover input VAT it suffers on goods and services purchased.

f) Agency arrangements

The Centre acts as an agent in the collection and payment of Learner Support Funds. Related payments received from the LSC and subsequent disbursements to students are excluded from the Income and Expenditure account and are shown separately in Note 17, except for the 5 per cent of the grant received which is available to the Centre to cover administration costs relating to the grant. The Centre employs one member of staff partly dedicated to the administration of Learner Support Fund applications and payments.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2009

2. FUNDING COUNCIL INCOME	2009 £	2008 £
LSC - Recurrent grant	2,124,980	2,097,152
ESF co-financing grant	-	79,001
LLDD project grant	33,000	34,500
Releases of capital grants (note 12)	31,787	31,787
Buildings grant	-	31,234
ESOL transitional grant	-	27,401
Capacity building employer grant	-	20,000
Teacher training grant	-	12,536
	2,189,767	2,333,611

3. EDUCATION CONTRACTS	2009 £	2008 £
Courses run in partnership with Birkbeck College	7,179	9,842

4. TUITION FEES AND CHARGES	2009 £	2008 £
UK	746,481	673,130
European Union (excluding UK)	18,395	20,645
Other	6,699	8,632
	771,575	702,407

Included with the amounts above are tuition fees funded by bursaries of £32,135 (2007/08: £25,971)

5. STAFF COSTS AND NUMBERS	2009	2009 £	2008	2008 £
Teaching departments	34	1,261,196	33	1,173,055
Other support services	3	58,156	3	52,424
Administration and central services	25	1,076,237	26	1,001,368
	62	2,395,589	62	2,226,847
Wages and salaries		1,963,470		1,868,098
Social security costs		146,335		135,516
Other pension costs		205,029		187,233
FRS17 retirement benefit charge		7,000		36,000
Exceptional restructuring costs		73,755		-
		2,395,589		2,226,847

All staff employed by the Centre are engaged on permanent contracts. A general pay award of 3.2% was made with effect from 1 October 2008.

THE MARY WARD CENTRE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2009

6. EMOLUMENTS OF SENIOR POST-HOLDERS AND MEMBERS	2009	2008
	No	No
The number of senior post-holders including the principal was:	3	3
	£	£
Senior post-holders' emoluments are made up as follows:		
Salaries	224,257	220,016
Pension contributions	32,246	29,343
Total emoluments	256,503	249,359
Emoluments above includes amounts paid for the year to the principal (including pension contributions of £12,279 2007/08: £11,636)	99,363	97,160
Senior post-holders are defined as members of the senior management team.		
No member, other than employee members, of the Board of the Mary Ward Settlement or the Management Committee of the Mary Ward Centre received any payment from the Centre.		
The number of senior post-holders including the principal who received emoluments including pension contributions and benefits in kind in the following ranges was:		
£70,001 to £80,000	2	2
£90,001 to £100,000	1	1
	3	3
7. OTHER OPERATING EXPENSES	2009	2008
	£	£
Teaching departments	85,140	61,918
Other support services	40,498	57,904
Administration and central services	176,039	189,790
General education	103,534	102,029
Premises costs - running costs	122,797	106,286
Premises costs - maintenance	62,342	151,881
Premises cost - rents and leases	67,806	69,532
	658,156	739,340
Other operating expenses include:		
Auditors' remuneration		
- financial statements audit	9,545	9,518
- regularity audit	3,076	3,055
- internal audit	10,350	11,885
	22,971	24,458

THE MARY WARD CENTRE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2009

8.	INTEREST PAYABLE	2009	2008
		£	£
	Pension finance costs	26,000	10,000

9.	TANGIBLE FIXED ASSETS	Leasehold property	Furniture, fixtures and equipment	
		£	£	Total
				£
	Cost:			
	At 1 August 2008	1,502,237	394,241	1,896,478
	Additions	320,798	69,263	390,061
	Disposals	-	(11,490)	(11,490)
	At 31 July 2009	<u>1,823,035</u>	<u>452,014</u>	<u>2,275,049</u>
	Depreciation:			
	At 1 August 2008	358,312	295,639	653,951
	Charge for year	104,623	51,137	155,760
	Disposals	-	(11,490)	(11,490)
	At 31 July 2009	<u>462,935</u>	<u>335,286</u>	<u>798,221</u>
	Net book value:			
	Fixed assets financed by capital grant	413,231	-	413,231
	Other	946,869	116,728	1,063,597
	At 31 July 2009	<u>1,360,100</u>	<u>116,728</u>	<u>1,476,828</u>
	<i>At 31 July 2008</i>	<u>1,143,925</u>	<u>98,602</u>	<u>1,242,527</u>

Leasehold property represents a premium paid for a new 20 year lease from 1 August 2002 plus subsequent additions on the Mary Ward Centre's premises, 42 Queen Square, London, WC1N 3AQ. The cost of this premium and additions will be amortised over the life of the lease from the start date of 1 August 2002. Capital grants of £588,605 have been received from the Funding Councils. These grants will similarly be released to income and expenditure over the life of the lease.

10.	DEBTORS	2009	2008
		£	£
	Trade debtors	17,864	353
	Other debtors	6,830	5,622
	Amounts owed by group undertakings	2,603	4,809
	Amounts owed by LSC	-	46,930
	Prepayments and accrued income	111,290	123,629
		<u>138,587</u>	<u>181,343</u>

THE MARY WARD CENTRE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2009

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	2009	2008
	£	£
Accruals and deferred income	350,412	281,509
Taxation and social security	56,340	62,070
LSC deferred income	-	33,000
Other creditors	844	48,544
	<u>407,596</u>	<u>425,123</u>

12. DEFERRED CAPITAL GRANTS	2009	2008
	£	£
At 1 August	445,018	476,805
Released to income and expenditure account	(31,787)	(31,787)
At 31 July	<u>413,231</u>	<u>445,018</u>

13. DESIGNATED RESERVE	2009	2008
	£	£
At 1 August 2008 and 31 July 2009	<u>875,000</u>	<u>875,000</u>

This designated reserve is to provide for the cost of implementing the Centre's future accommodation needs.

14. PENSION OBLIGATIONS

The Centre's employees belong to two pension schemes, the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff and the Local Government Pension Scheme (LGPS) for support staff. The LGPS is administered for the Centre by the London Pensions Fund Authority. Both schemes are defined benefit schemes and are contracted out of the State Earnings Related Pension Scheme.

	2009	2008
	£'000	£'000
Total pension cost for the year		
Teachers' Pension Scheme: contributions paid	114	107
Local Government Pension Scheme:		
Contributions paid	96	85
FRS 17 charge	7	36
Total pension cost for year	<u>217</u>	<u>228</u>

THE MARY WARD CENTRE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2009

14. PENSION OBLIGATIONS (CONTINUED)

TPS

The TPS is an unfunded defined benefit scheme. Contributions on a 'pay-as-you-go' basis are credited to the exchequer under arrangements governed by the Superannuation Act 1972. A notional asset value is ascribed to the scheme for the purpose of determining contribution rates. Under the definitions set out in Financial Reporting Standard 17 Accounting for Retirement Benefits (FRS17), the TPS is a multi-employer pension scheme. The Centre is unable to identify its share of the underlying notional assets and liabilities of the scheme. Accordingly the Centre has taken advantage of the exemption in FRS17 and has accounted for its contributions to the scheme as if it were a defined contribution scheme.

The Centre has set out below the information available on the deficit in the scheme and the implications for the Centre in terms of the anticipated contribution rates.

The pensions cost is normally assessed no less that every four years in accordance with the advice of the government actuary. The assumptions and other data that have the most significant effect on the determination of the contribution levels are as follows:

TPS	Latest actuarial valuation	31 st March 2004
	Actuarial method	prospective benefits
	Investment returns per annum	6.5% per annum
	Salary scale increases per annum	5.0% per annum
	Market value of notional assets at date of last valuation	£162,650 million
	Proportion of members' accrued benefits covered by the actuarial value of the assets	98.88%

Following the implementation of the Teachers' Pensions (Employers' Supplementary Contributions) Regulations 2000, the Government Actuary carried out a further review on the level of employers' contributions. For the period from 1 August 2008 to 31 July 2009 the employer contribution was 14.1%. The employee rate was 6.4% for the same period.

LGPS

The LGPS is externally funded with the assets held in separate trustee administered funds. Under the definitions set out in FRS17 the LGPS is a multi-employer funded defined benefit scheme. The pension scheme is valued every three years in accordance with the advice of an independent qualified actuary. From 1 April 2008 the employer contribution was increased to 15.0%. The total contribution for the year ended 31 July 2009 was £136,994, of which employer's contributions totalled £96,444 and employees' contributions totalled £40,550.

The following information is based upon a full actuarial valuation of the scheme at 31 March 2007 updated to 31 July 2009 by an independent qualified actuary.

	<i>2009</i>	<i>2008</i>
	<i>% per annum</i>	<i>% per annum</i>
Price increases	3.6%	3.8%
Salary increases	5.1%	5.3%
Pension increases	3.6%	3.8%
Discount rate	6.0%	6.7%
Commutation of pensions to lump sums	20%	20%

The current mortality assumptions include sufficient allowance for future improvements in mortality rates.

THE MARY WARD CENTRE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2009

14. PENSION OBLIGATIONS (CONTINUED)
LGPS (Continued)

The assumed life expectations on retirement age 65 are:	2009	<i>2008</i>
Current pensioners		
Male	19.6	19.6
Female	22.5	22.5
Future pensioners		
Male	20.7	20.7
Female	23.6	23.6

The expected returns and values at 31 July 2009 of the active sub fund of the London Pensions Fund Authority Pension Fund were as follows:

	Long term return % p. a.	Value at 31 July 2009 £'000	Long term return % p. a.	Value at 31 July 2008 £'000
Equities	7.5%	589	7.6%	482
Target return portfolio	6.2%	89	6.3%	162
Alternative assets	6.7%	127	6.8%	184
Cash	3.0%	59	4.8%	(3)

The Centre's net pension liability under this scheme is estimated to be:	2009	<i>2008</i>
	£'000	£'000
Estimated asset share	864	825
Present value of liabilities	(1,658)	(1,277)
Net pension liability	<u>(794)</u>	<u>(452)</u>

Analysis of the amount charged to income and expenditure account	2009	<i>2008</i>
	£'000	£'000
Employer service cost (net of employee contributions)	(103)	(99)
Past service cost	-	(22)
Total operating charge	<u>(103)</u>	<u>(121)</u>

Analysis of pension finance costs	2009	<i>2008</i>
	£'000	£'000
Expected return on pension scheme assets	63	52
Interest on pension liabilities	(89)	(62)
Pension finance costs	<u>(26)</u>	<u>(10)</u>

The total amount recognised in the statement of total gains and losses in respect of actuarial gains and losses is £309,000 loss (2008: £58,000 loss). The estimated value of employer contributions for the year ended 31st July 2010 is £105,000.

THE MARY WARD CENTRE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2009

14. PENSION OBLIGATIONS (CONTINUED)	2009	2008			
	£'000	£'000			
Movement in deficit during the year					
Deficit at 1 August 2008	(452)	(348)			
Employer service cost (net of employee contributions)	(103)	(121)			
Employer contributions	96	85			
Net return on assets	(26)	(10)			
Actuarial loss	(309)	(58)			
Deficit at 31 July 2009	<u>(794)</u>	<u>(452)</u>			
 Asset and liability reconciliation					
Liabilities at start of period	1,277	1,002			
Interest cost	89	62			
Current service cost	103	99			
Employee contributions	45	39			
Actuarial loss	191	81			
Past service cost	-	22			
Estimated benefits paid	(47)	(28)			
Liabilities at end of period	<u>1,658</u>	<u>1,277</u>			
 Asset and liability reconciliation					
Assets at start of period	825	654			
Expected return on assets	63	52			
Contributions by the employer	96	85			
Employee contributions	45	39			
Actuarial loss	(118)	23			
Estimated benefits paid	(47)	(28)			
Assets at end of period	<u>864</u>	<u>825</u>			
 History of experience gains and losses	2009	2008	2007	2006	2005
	£'000	£'000	£'000	£'000	£'000
Actuarial gains/(losses) on assets	(118)	23	27	18	34
Value of assets	864	825	654	495	364
Percentage of assets	(13.7%)	2.8%	4.1%	3.7%	9.3%
Experience losses on scheme liabilities	-	(64)	-	-	(126)
Present value of liabilities	1,658	1,277	1,002	928	743
Percentage of liabilities	-	(5.0%)	-	-	(17.0%)
Actuarial gain/(losses) recognised in STRGL	(309)	(58)	120	(21)	(195)
Present value of liabilities	1,658	1,277	1,002	928	743
Percentage of liabilities	(18.6%)	(4.5%)	12.0%	(2.3%)	(26.2%)

THE MARY WARD CENTRE
INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 JULY 2009

	2009	2008
	£	£
15. CAPITAL COMMITMENTS		
Commitments contracted for at 31 July 2009 but not yet provided for in the financial statements	100,000	348,485
16. FINANCIAL COMMITMENTS		
At 31 July the Centre had annual commitments under	£	£
Expiring within one year	-	-
Expiring within two and five years inclusive	30,000	30,000
Expiring in over five years	16,170	16,170
	46,170	46,170
17. AMOUNTS DISTRIBUTED AS AGENTS		
Learner Support Funds	£	£
LSC Grants	45,750	48,000
	45,750	48,000
Hardship funds disbursed to students	(43,431)	(45,600)
Administration costs	(2,319)	(2,400)
	-	-
Balance at 31 July 2009	-	-

LSC learner support funds are available solely for students. In the case of hardship funds the Centre only acts as a paying agent and the grant and related payments are therefore excluded from the income and expenditure account.

18. RELATED PARTIES

Owing to the nature of the Centre's operations and the composition of the board of governors 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 of governors may have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Centre's financial regulations and normal procurement procedures.

THE MARY WARD CENTRE
INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 JULY 2009

This page does not form part of the audited financial statements

	2009 £	2008 £
INCOME		
Funding Council:		
Recurrent grant	2,124,980	2,097,152
Other revenue grants	33,000	204,672
Releases of capital grants	31,787	31,787
	2,189,767	2,333,611
Other grants	48,951	94,843
Education contracts	7,179	9,842
Tuition fees	771,575	702,407
Interest receivable	44,356	75,977
Other income	-	150
TOTAL INCOME	3,061,828	3,216,830
TOTAL EXPENDITURE	3,544,505	3,161,133
(DEFICIT)/SURPLUS	(482,677)	55,697

THE MARY WARD CENTRE
INCOME AND EXPENDITURE ACCOUNT (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2009

This page does not form part of the audited financial statements

	2009 £	2008 £
NON-PAY EXPENDITURE		
Teaching departments:		
Computer and AVA equipment	11,028	7,694
Books, slides and videos	2,270	5,813
Model fees	7,496	7,965
Project payments	42,810	17,646
Teaching materials	21,536	22,800
	85,140	61,918
Other support services:		
Training	38,139	51,412
Travelling and hotels	2,359	6,492
	40,498	57,904
Administration and central services:		
Recruitment advertising	3,374	8,002
Entertainment	1,022	115
Postage and carriage	12,875	13,553
Telephone and fax	13,772	14,262
Stationery	17,045	14,683
General office expenses	1,928	4,046
Photocopying	22,397	19,180
Audit and accountancy fees	22,931	24,458
Legal and professional fees	9,356	12,639
Bank charges	3,340	2,966
Management charge re Holborn Community Development Worker	(722)	(722)
Equipment maintenance and hire	18,913	10,990
Administration computing	28,668	32,992
External computing support	5,268	3,429
Insurance (other than buildings)	7,258	20,606
Refreshments	8,614	8,591
	176,039	189,790
General education:		
Advertising and prospectus	44,612	44,007
Examination fees	54,452	53,680
Donations	21	220
Subscriptions	4,449	4,122
	103,534	102,029

THE MARY WARD CENTRE
 INCOME AND EXPENDITURE ACCOUNT (CONTINUED)
 FOR THE YEAR ENDED 31 JULY 2009

This page does not form part of the audited financial statements

	2009	2008
	£	£
Premises running costs:		
Water rates	739	715
General rates	6,047	3,815
Electricity	14,933	12,292
Gas	13,195	9,383
Cleaning and hygiene	74,003	71,958
Insurance (building only)	13,880	8,123
	122,797	106,286
 Premises maintenance	 62,342	 151,881
 Rent	 67,806	 69,532
 Amortisation and depreciation:		
Leasehold property	104,623	81,709
Furniture and fixtures	51,137	45,237
	155,760	126,946
 Interest payable	 26,000	 10,000
 TOTAL NON-PAY EXPENDITURE	 839,916	 876,286
 PAY EXPENDITURE		
Teaching staff	1,261,196	1,173,055
Other support services	58,156	52,424
Administration and central services	1,076,237	1,001,368
TOTAL PAY EXPENDITURE	2,395,589	2,226,847
TOTAL NON-PAY EXPENDITURE	839,916	876,286
Actuarial loss in respect of pension scheme	309,000	58,000
TOTAL EXPENDITURE	3,544,505	3,161,133