

MARY WARD SETTLEMENT
(A COMPANY LIMITED BY GUARANTEE)
DIRECTORS' REPORT
AND CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2009

MARY WARD SETTLEMENT
GENERAL INFORMATION

DIRECTORS AND TRUSTEES

Nominations:

D Good (Chair)
C Millington (Vice-Chair)
R Mills (Vice-Chair)
P del Tufo (Treasurer)
J Barber
K Blake
P Dodgson-Katiyo
A Frost
M Graubart
C Kings (appointed 15 December 2008)
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)

SECRETARY

C Hutton

CLERK

S-J Stagg

COMPANY NUMBER

46188

CHARITY NUMBER

223066

REGISTERED OFFICE AND BUSINESS ADDRESS

42 Queen Square
London
WC1N 3AQ

AUDITORS

Buzzacott LLP
12 New Fetter Lane
London
EC4A 1AG

BANKERS

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

MARY WARD SETTLEMENT
GENERAL INFORMATION

SENIOR MANAGEMENT

The Mary Ward Centre

Principal

Vice-Principal - Curriculum and Quality

Vice-Principal - Finance and Resources

Ceri Williams

Suzanna Jackson

Clive Hutton

The Mary Ward Legal Centre

Chief Executive

Margie Butler

MARY WARD SETTLEMENT
(A COMPANY LIMITED BY GUARANTEE)
DIRECTORS' REPORT
FOR THE YEAR ENDED 31 JULY 2009

The directors present their report and the financial statements for the year ended 31 July 2009. The governing body is the Board, which consists of the directors of the company who are also the trustees of the charity. This report also represents the trustees' report, as required by Part VI of the Charities Act 1993.

STRUCTURE, GOVERNANCE AND MANAGEMENT

The Mary Ward Settlement is a company limited by guarantee, is registered as a charity under registration number 223066 and is governed by its Memorandum and Articles of Association dated 1895 as subsequently varied.

During the year under review, the Memorandum and Articles of Association were substantially revised and updated. The governance structure was also revised with the Board being reduced in size and the composition of the sub-committees changed.

The Board, under the revised Memorandum and Articles of Association, consists of sixteen members comprising eleven nominated members (including the Chair and two Vice-Chairs), the Chair of the Mary Ward Legal Centre, two elected student members and two elected staff members. 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.

Students 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 Centre.

The members who served during the year under review are shown in their respective categories under general information on page 1.

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 targets, proposed capital expenditure, quality matters and personnel related matters such as health and safety and environmental issues. The Board meets at least five times per year.

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. Induction is provided to new members of the Board and regular skills audits are carried out to identify training needs.

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.

OBJECTIVES AND ACTIVITIES

The principal activities of the Settlement continues to be that of the advancement of public education, through the Mary Ward Centre which is part of the Settlement, and the promotion of social, legal and debt advice services for the benefit of the community, through its subsidiary the Mary Ward Legal Centre.

The directors confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning future activities.

MARY WARD SETTLEMENT
(A COMPANY LIMITED BY GUARANTEE)
DIRECTORS' REPORT
FOR THE YEAR ENDED 31 JULY 2009

THE MARY WARD CENTRE

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 put 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;
- 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 in making progress towards meeting these objectives.

ACHIEVEMENTS AND PERFORMANCE

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 exceed the sector benchmark;
- 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;
- 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.

MARY WARD SETTLEMENT
(A COMPANY LIMITED BY GUARANTEE)
DIRECTORS' REPORT
FOR THE YEAR ENDED 31 JULY 2009

THE MARY WARD CENTRE (CONTINUED)

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 will be 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 will be available 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.

FUTURE PLANS

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 three 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.

THE MARY WARD LEGAL CENTRE

OBJECTIVES

The principal object of the Mary Ward Legal Centre is to provide members of the public who live or work in Greater London and are in need, hardship or distress with advice, information, assistance and representation on matters such as debt and insolvency, housing, welfare rights and employment law and other legal problems.

MARY WARD SETTLEMENT
(A COMPANY LIMITED BY GUARANTEE)
DIRECTORS' REPORT
FOR THE YEAR ENDED 31 JULY 2009

OBJECTIVES (CONTINUED)

The Legal Centre's portfolio of service activities include:

- provision of free specialist and generalist community legal information, advice, casework and legal representation services;
- provision of second tier advice and legal training service to Not for Profit groups and other agencies;
- utilisation of a range of other service activities such as group work, talks, public legal education, policy and media work to raise legal awareness within the community.

The Legal Centre is on target to meet both the service and strategic objectives.

ACHIEVEMENTS AND PERFORMANCE

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

- Provided specialist advice casework and representation in debt, employment, housing and welfare benefits to over 5,000 Londoners;
- Secured additional funding from the London Borough of Camden to provide an additional caseworker to see residents affected by debt problems as a result of the recession. Addressed issues of financial inclusion and financial capability with residents of the London Borough of Camden;
- Provided specialist representation at social security appeals to London residents funded through the London Councils Appeals Project;
- Provided debt and welfare benefits advice and casework to disadvantaged residents in south Islington funded by the Cripplegate Foundation;
- Provided two new debt advice services through outreach sessions in Enfield and Haringey;
- Successfully restructured the organisation and introduced the role of Team Leaders and of an Advice Services Director as part of the Management Team;
- Worked with the City of Westminster and Holborn Law Society to organise the annual fundraising lecture which was delivered by the Rt Hon. Lord Clarke, Master of the Rolls;
- Obtained a number of donations to support the Mary Ward Legal Centre;
- Completed first full year of working under new Legal Services Commission Unified contract;
- Continued to be a key partner in Capitalise - London's debt advice partnership. Worked with the partnership to organise the London Debt Summit attended by key stakeholders. This resulted in the establishment of the London Debt Strategy Group, facilitated by the Mayors Office.

FUTURE PLANS

The Legal Centre has the following aims for the future:

- to increase the level of service provision by improvements in efficiency and consolidation of activities;
- to secure a Legal Services Commission contract for the period 2010 to 2013;
- to work to secure funding to replace the 'Capitalise' contract from March 2011;
- to improve Legal Centre premises for both staff and clients;
- to continue to develop internal management structure and procedures that are appropriate to the organisation's size, finances and services;
- to source further opportunities for securing unrestricted funding to enable the Centre to be more in control of future developments and less dependent on contract and commissioning.

RESULTS

The results for the year are set out on page 11. The Settlement's principal funding sources for the year under review were the Learning & Skills Council in respect of the Mary Ward Centre and the Legal Services Commission in respect of the Mary Ward Legal Centre. The expenditure for the year under review, mainly comprising staff, premises and administration costs, supported both the Mary Ward Centre and the Mary Ward Legal Centre in the achievement of their respective objectives.

MARY WARD SETTLEMENT
(A COMPANY LIMITED BY GUARANTEE)
DIRECTORS' REPORT
FOR THE YEAR ENDED 31 JULY 2009

RESERVES POLICY

The free reserves of the charity are regularly reviewed by the trustees. Free reserves, as defined by the Charity Commission, are unrestricted funds (see note 16) less amounts held in designated funds (see note 17) and invested in tangible fixed assets (see note 11) plus the restricted capital deferred grant provided for the purchase of the lease (see note 18). These reserves amounted to £649,361 (2008: £1,451,825). The Settlement aims to hold free reserves equivalent to 9 months' expenditure so that it could continue to provide a service in the event of unexpected financial crisis. At 31 July 2009 free reserves amounted to approximately 1.6 (2008: 3.6) months' expenditure. It is planned that the free reserves move closer to target during 2009/10.

INVESTMENT POLICY

The Settlement has approved an investment policy which sets out the strategy and policies for cash management, long term investments and borrowings. Through its investment policy, the Settlement seeks low risk, long term capital growth. However due to the poor performance of the stock market throughout 2008/09, the value of the investments had diminished by £120,747 during the year to 31 July 2009.

RISK MANAGEMENT

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 is of the view that there is a formal ongoing process for identifying, evaluating and managing the Settlement's significant risks, and that it has been in place for the period ended 31 July 2009 and up to the date of approval of the annual report and accounts.

GOING CONCERN

After making appropriate enquiries, the Board considers that the Settlement 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.

TRADING SUBSIDIARIES

Both Mary Ward Services Limited and Maric Software Limited were dormant throughout the year and both companies were dissolved pursuant to Section 652A of the Companies Act 1985 on the 8 September 2009.

FIXED ASSETS

Details of movements in fixed assets during the year are set out in notes 11, 12 and 13 to the financial statements.

DIRECTORS AND THEIR INTERESTS

The directors who served on the Board during the year and had no financial interests in the company at the beginning and end of the year, were as stated on page 1.

POST-BALANCE SHEET EVENTS

There have been no significant post-balance sheet events.

This report was approved by the Board on 26 November 2009.

Secretary
Clive Hutton

MARY WARD SETTLEMENT
STATEMENT OF DIRECTORS' RESPONSIBILITIES

The trustees (who are also directors of the Mary Ward 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 that give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charity 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 the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK 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 assume that the company will continue in operation.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity 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 charity 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 charity's auditors are unaware; and
- the trustee has taken all the steps that he ought to have taken as a trustee in order to make herself aware of any relevant audit information and to establish that the charity's auditors are 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 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.

MARY WARD SETTLEMENT
INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE MARY WARD SETTLEMENT

We have audited the financial statements of the Mary Ward Settlement for the year ended 31 July 2009 which comprise the consolidated statement of financial activities, the consolidated and parent charity balance sheets, the consolidated cash flow statement and the related notes. The financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the charity's members, as a body, in accordance with Section 495 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charity'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 charity and the charity's members as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITORS

The trustees' (who are also the directors of the company for the purposes of company law) responsibilities for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and for being satisfied that the financial statements give a true and fair view are set out in the statement of trustees' responsibilities.

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, have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice and have been prepared in accordance with the Companies Act 2006. We also report to you whether, in our opinion, the information given in the trustees' annual report is consistent with those financial statements.

In addition we report to you if, in our opinion, the charity has not kept adequate accounting records, if the charity's financial statements are not in agreement with the accounting records and returns, if we have not received all the information and explanations we require for our audit, or if certain disclosures of trustees' remuneration specified by law are not made.

We read other information contained in the annual report, and consider whether it is consistent with the audited financial statements. This other information comprises only the directors' report.. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to other information.

BASIS OF AUDIT OPINION

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the group's and charity'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 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.

MARY WARD SETTLEMENT
INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE MARY WARD SETTLEMENT

OPINION

In our opinion:

- the financial statements give a true and fair view of the state of the groups' and the parent charity's affairs as at 31 July 2009 and of group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- the financial statements have been prepared in accordance with the Companies Act 2006; and
- the information given in the trustees' annual report is consistent with the financial statements.

Avnish Savjani, Senior Statutory Auditor
for and on behalf of Buzzacott LLP, Statutory Auditor
12 New Fetter Lane
London
EC4A 1AG

MARY WARD SETTLEMENT
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 JULY 2009

INCOME AND EXPENDITURE	Notes	Unrestricted Funds £	Restricted Funds £	Total Funds 2009 £	<i>Total Funds 2008 £</i>
INCOMING RESOURCES					
Voluntary income	2	213,375	6,472	219,847	<i>118,984</i>
Activities for generating funds	3	6,750	-	6,750	<i>12,025</i>
Investment income:					
Bank deposit interest		61,346	-	61,346	<i>115,507</i>
Incoming resources from charitable activities:					
Adult education	4	2,985,685	-	2,985,685	<i>3,109,066</i>
Legal services	5	648,590	624,730	1,273,320	<i>1,263,333</i>
TOTAL INCOMING RESOURCES		<u>3,915,746</u>	<u>631,202</u>	<u>4,546,948</u>	<u>4,618,915</u>
RESOURCES EXPENDED					
Charitable expenditure:					
Grants made in furtherance of community development and adult education	6	35,180	5,480	40,660	<i>24,763</i>
Adult education	6	3,174,519	31,787	3,206,306	<i>3,119,371</i>
Legal services	6	786,339	642,373	1,428,712	<i>1,634,553</i>
Governance costs	8	50,277	-	50,277	<i>29,113</i>
TOTAL RESOURCES EXPENDED	10	<u>4,046,315</u>	<u>679,640</u>	<u>4,725,955</u>	<u>4,807,800</u>
NET OUTGOING RESOURCES BEFORE OTHER RECOGNISED GAINS AND LOSSES		(130,569)	(48,438)	(179,007)	<i>(188,885)</i>
STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES					
Unrealised losses		(120,747)	-	(120,747)	<i>(199,418)</i>
Actuarial losses	23	(309,000)	-	(309,000)	<i>(58,000)</i>
NET MOVEMENT IN GROUP FUNDS		<u>(560,316)</u>	<u>(48,438)</u>	<u>(608,754)</u>	<u>(446,303)</u>
Funds at beginning of year		3,403,614	495,971	3,899,585	<i>4,345,888</i>
FUNDS AT 31 JULY 2009	16a & 18	<u>2,843,298</u>	<u>447,533</u>	<u>3,290,831</u>	<u>3,899,585</u>

The notes on pages 15 to 27 form part of these financial statements.

MARY WARD SETTLEMENT
CONSOLIDATED BALANCE SHEET
As At 31 JULY 2009

	Notes	2009 £	2008 £
FIXED ASSETS			
Tangible assets	11	1,485,940	1,271,784
Investments	13	1,270,855	1,391,602
		<u>2,756,795</u>	<u>2,663,386</u>
CURRENT ASSETS			
Work in progress	1e	27,756	52,362
Debtors	14	253,133	354,034
Cash at bank and in hand		1,692,826	1,889,621
		<u>1,973,715</u>	<u>2,296,017</u>
CREDITORS: amounts falling due within one year	15	645,677	607,816
		<u>1,328,038</u>	<u>1,688,201</u>
NET CURRENT ASSETS			
		4,084,833	4,351,587
TOTAL NET ASSETS EXCLUDING PENSION LIABILITY			
Net pension liability	23	(794,000)	(452,000)
		<u>3,290,833</u>	<u>3,899,587</u>
NET ASSETS INCLUDING PENSION LIABILITY			
UNRESTRICTED FUNDS			
Consolidated general funds excluding pension reserve		2,516,070	2,730,591
Pension reserve	23	(794,000)	(452,000)
Consolidated general funds including pension reserve		<u>1,722,070</u>	<u>2,278,591</u>
Designated funds	17	1,121,228	1,125,023
		<u>2,843,298</u>	<u>3,403,614</u>
TOTAL UNRESTRICTED FUNDS	16a		
TOTAL RESTRICTED FUNDS	18	447,533	495,971
		<u>3,290,831</u>	<u>3,899,585</u>
GROUP FUNDS	19		
MINORITY INTERESTS	20	2	2
		<u>3,290,833</u>	<u>3,899,587</u>
TOTAL			

The financial statements were approved by the Board on the 26 November 2009 and signed on its behalf by

Director

The notes on pages 15 to 27 form part of these financial statements.

**MARY WARD SETTLEMENT
COMPANY BALANCE SHEET
As At 31 July 2009**

	Notes	2009 £	2008 £
FIXED ASSETS			
Tangible assets	12	1,476,828	1,242,527
Investments	13	1,270,859	1,391,606
Long term loan to group undertaking	13	123,757	123,757
		<u>2,871,444</u>	<u>2,757,890</u>
CURRENT ASSETS			
Debtors	14	135,984	181,874
Cash at bank and in hand		1,325,014	1,731,904
		<u>1,460,998</u>	<u>1,913,778</u>
CREDITORS: amounts falling due within one year	15	411,128	431,229
NET CURRENT ASSETS		<u>1,049,870</u>	<u>1,482,549</u>
TOTAL NET ASSETS EXCLUDING PENSION LIABILITY		3,921,314	4,240,439
Net pension liability	23	(794,000)	(452,000)
NET ASSETS INCLUDING PENSION LIABILITY		<u>3,127,314</u>	<u>3,788,439</u>
UNRESTRICTED FUNDS			
General fund excluding pension reserve		2,374,922	2,663,252
Pension reserve	23	(794,000)	(452,000)
General fund including pension reserve		<u>1,580,922</u>	<u>2,211,252</u>
Designated funds	17	1,115,000	1,115,000
TOTAL UNRESTRICTED FUNDS	16b	<u>2,695,922</u>	<u>3,326,252</u>
TOTAL RESTRICTED FUNDS	18	431,392	462,187
TOTAL FUNDS		<u>3,127,314</u>	<u>3,788,439</u>

The financial statements were approved by the Board on the 26 November 2009 and signed on its behalf by

Director

The notes on pages 15 to 27 form part of these financial statements.

MARY WARD SETTLEMENT
CONSOLIDATED CASH FLOW STATEMENT
As At 31 July 2009

	Notes	2009 £	2008 £
CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES		<u>131,920</u>	<u>(283,708)</u>
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT			
Payments to acquire tangible fixed assets	11	(390,061)	(205,469)
CASH FLOW CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT		<u>(390,061)</u>	<u>(205,469)</u>
RETURNS ON INVESTMENT			
Interest received		61,346	115,507
CASH FLOW FROM RETURNS ON INVESTMENT		<u>61,346</u>	<u>115,507</u>
DECREASE IN CASH IN THE YEAR		(196,795)	(373,670)
CASH AT 1 AUGUST 2008		1,889,621	2,263,291
CASH AT 31 JULY 2009		<u>1,692,826</u>	<u>1,889,621</u>
RECONCILIATION OF NET OUTGOING RESOURCES IN GROUP FUNDS TO CASH FLOW FROM OPERATING ACTIVITIES	Notes	2009 £	2008 £
Net outgoing resources		(179,007)	(188,885)
Amortisation and depreciation	11	175,905	144,832
Interest receivable		(61,346)	(115,507)
Interest payable		26,000	10,000
Pension cost less contributions payable		7,000	36,000
Change in work in progress		24,606	(4,065)
Change in debtors		100,901	(216,572)
Change in creditors		37,861	50,489
CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES		<u>131,920</u>	<u>(283,708)</u>

The notes on pages 15 to 27 form part of these financial statements.

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

1. ACCOUNTING POLICIES

a) Accounting Convention

The financial statements are prepared in accordance with applicable United Kingdom accounting standards (United Kingdom Generally Accepted Accounting Practice) and the Statement of Recommended Practice - Accounting and Reporting by Charities (SORP 2005).

They are prepared under the historical cost convention, except that investments held as fixed assets are held at market value, and in accordance with the requirements of the Companies Act 2006.

b) Basis of Consolidation

The group accounts comprise the consolidation of the accounts of the parent company and all of its subsidiary undertakings.

As provided by section 408 of the Companies Act 2006 a separate income and expenditure account is not presented for the parent company as part of these accounts. Of the consolidated deficit after taxation, a deficit of £661,125 (*2008: deficit of £318,140*) has been dealt with in the accounts of the holding company.

c) Tangible Fixed Assets and Depreciation

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 properties	- over the period of the lease
Computer equipment (Mary Ward Legal Centre)	- 33 ¹ / ₃ % straight line
Furniture, fixtures and fittings	- 20% straight line

In the Mary Ward Centre accounts, fixtures, fittings, tools and equipment costing less than £1,000 per individual item are written off in the period of acquisition. Because of the heavy usage involved and consequent short life, all computer equipment is written off to the income and expenditure account in the period of acquisition.

d) Investments

Unrealised gains arise from the revaluation of investments to mid-market value at the year-end. Fixed asset investments are stated at this value in the balance sheet.

e) Work in Progress

Legal Centre cases completed but not assessed at the year end are valued at the amount of anticipated receipt from the Legal Services Commission or opponent, and are shown as work in progress.

Cases assessed by the year-end are shown as debtors. Assessed in this context means the claim has been accepted by the Court or the Legal Services Commission. No credit is taken for cases not completed at the year-end.

f) Pension schemes

Retirement benefits to employees of the company 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.

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

1. ACCOUNTING POLICIES (CONTINUED)

f) Pension schemes (continued)

Contributions to the schemes are charged to the income and expenditure account so as to spread the cost of pensions over employees' working lives with the company 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 triennial valuations using the projected unit method for the LGPS and quinquennial valuations using a prospective benefit method for the TPS.

Retirement benefits to employees of the Mary Ward Legal Centre are provided by an annual payment of 6% of gross salary to permanent employees' personal pension schemes, conditional upon the payment not threatening the company's financial viability.

g) Income

Donations are recognised in the year in which they are received. All other income is dealt with on an accruals basis.

h) Taxation

The holding company is not liable to Corporation Tax as it is a Registered Charity under registration number 223066. The holding company is exempted from levying VAT on the services it provides. For this reason the holding company is unable to recover input VAT it suffers on goods and services purchased.

i) Operating Leases

The rentals payable under operating leases are charged on a straight line basis over the lease term.

j) Restricted Funds

Restricted funds are subject to specific restrictions imposed by the donor (see Note 18).

k) Resources Expended

All expenses are accounted for on an accruals basis. All expenditure directly relating to the objects of the charity is included under the headings within charitable expenditure.

2. VOLUNTARY INCOME	2009	2008
	£	£
Donations	219,847	118,984

Donations includes £58,000 (2008: £50,000) which is estimated to be the value of support received by the Mary Ward Legal Centre from Eversheds LLP and Linklaters LLP who each provided the services of a seconded trainee solicitor for the year, and Linklaters LLP who additionally provided the services of a further seconded solicitor from March 2009 onwards. The equivalent expenditure of £58,000 (2008: £50,000) has been included in staff costs.

3. ACTIVITIES FOR GENERATING FUNDS	2009	2008
	£	£
Rent receivable	6,750	6,775
Trading income	-	5,250
	6,750	12,025

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

4. ADULT EDUCATION	2009	2008
	£	£
Grants receivable	2,206,931	2,396,667
Tuition fees	771,575	702,557
Education contracts	7,179	9,842
	2,985,685	3,109,066

5. LEGAL SERVICES	2009	2008
	£	£
Legal fees and disbursements	1,036,428	1,029,240
Grants receivable	236,892	234,093
	1,273,320	1,263,333

6. CHARITABLE ACTIVITIES	Direct costs	Grant funding	Support costs	Total 2009	Total 2008
	£	£	£	£	£
Adult education	1,346,336	-	1,859,970	3,206,306	3,119,371
Legal services	1,061,050	-	367,662	1,428,712	1,634,553
Grants made in furtherance of community development and adult education	-	40,660	-	40,660	24,763
TOTAL	2,407,386	40,660	2,227,632	4,675,678	4,778,687

7. SUPPORT COSTS	Adult education	Legal services	Total 2009	Total 2008
	£	£	£	£
Staff costs	1,113,601	148,019	1,261,620	1,206,753
Travel and subsistence	2,359	1,287	3,646	6,972
Publicity	44,612	187	44,799	44,057
Premises cost	206,775	63,905	270,680	336,976
Administration	250,879	72,007	322,886	412,844
Legal and professional fees	10,219	-	10,219	30,846
Operating lease rentals	46,170	62,112	108,282	108,282
Bank charges	3,595	-	3,595	3,328
Interest payable	26,000	-	26,000	10,000
Amortisation and depreciation	155,760	20,145	175,905	144,832
TOTAL	1,859,970	367,662	2,227,632	2,304,890

Support costs are allocated to charitable activities on an actual incurred basis.

FOR THE YEAR ENDED 31 JULY 2009

8. GOVERNANCE COSTS	2009 £	2008 £
Auditor's remuneration		
Audit fees	26,437	23,508
Other fees	3,048	-
Clerking services	20,792	5,605
	50,277	29,113

9. STAFF COSTS	2009 £	2008 £
Wages and salaries	2,962,172	2,993,022
Social security costs	244,071	244,539
Other pension costs (including FRS 17 adjustments)	237,985	248,133
Exceptional restructuring costs	73,755	-
	3,517,983	3,485,694

Mary Ward Centre staff	2,395,589	2,226,847
Mary Ward Legal Centre staff	1,122,394	1,258,847
	3,517,983	3,485,694

The average weekly number of equivalent full-time employees during the year was:	2009 No	2008 No
Mary Ward Centre staff	62	62
Mary Ward Legal Centre staff	28	34
	90	96

The only directors to receive remuneration or reimbursement of expenses, other than travel expenses of £54 for one director (2008: £97), during the year were the 4 (2008: 5) directors elected by the staff members, as set out on page 1, who received remuneration, as employees, but not directors, of the group, totalling £101,678 (2008: £139,020). In addition, pension contributions totalling £14,066 (2008: £17,615) were made on behalf of 3 (2008: 4) of these directors.

The number of employees whose emoluments for the year exceeded £60,000 was:	2009 No	2008 No
£60,001 to £70,000	2	2
£80,001 to £90,000	1	1
	3	3

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

10. ANALYSIS OF TOTAL RESOURCES EXPENDED	2009	2008
	£	£
CHARITABLE EXPENDITURE:		
Grants	40,660	24,763
Operational salaries	2,269,206	2,334,993
Support salaries	1,247,242	1,206,753
Office costs	354,724	453,990
Operating leases	108,282	108,282
Premises costs	270,680	336,976
Other operational costs	138,180	114,041
Amortisation and depreciation	175,905	144,832
Management and administration of the charity	50,277	29,113
Publicity	44,799	44,057
Interest payable.	26,000	10,000
TOTAL RESOURCES EXPENDED	<u>4,725,955</u>	<u>4,807,800</u>

11. TANGIBLE FIXED ASSETS - THE GROUP	Leasehold property £	Furniture, fixtures and equipment £	Total £
Cost			
At 1 August 2008	1,502,237	532,943	2,035,180
Additions	320,798	69,263	390,061
Disposals	-	(11,490)	(11,490)
At 31 July 2009	<u>1,823,035</u>	<u>590,716</u>	<u>2,413,751</u>
Depreciation			
At 1 August 2008	358,312	405,084	763,396
Charge for the year	104,623	71,282	175,905
Disposals	-	(11,490)	(11,490)
At 31 July 2009	<u>462,935</u>	<u>464,876</u>	<u>927,811</u>
Net book value:			
At 31 July 2009	<u>1,360,100</u>	<u>125,840</u>	<u>1,485,940</u>
<i>At 31 July 2008</i>	<u>1,143,925</u>	<u>127,859</u>	<u>1,271,784</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.

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

12. TANGIBLE FIXED ASSETS - THE COMPANY

	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 the 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:			
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>

13. INVESTMENTS

	2009 £	2008 £
Charities Official Investment Fund Accumulation Shares (COIF), at market value (cost £454,963 at 1 August 2008 and 31 July 2009)	1,270,855	1,391,602
THE GROUP	<u>1,270,855</u>	<u>1,391,602</u>
SHARES IN GROUP UNDERTAKINGS AT COST:		
Mary Ward Services Limited 100% of ordinary shares of £1 each	2	2
Maric Software Limited 50% of ordinary shares of £1 each	2	2
THE COMPANY	<u>1,270,859</u>	<u>1,391,606</u>

Both Mary Ward Services Limited and Maric Software Limited were dormant throughout the year and both companies were dissolved pursuant to Section 652A of the Companies Act 1985 on the 8 September 2009.

A further wholly owned subsidiary is The Mary Ward Legal Centre, a company limited by guarantee and not having a share capital. This company is a registered charity, number 1024148, engaged in providing advice, assistance and a casework service to people who live or work in Greater London.

The amount of £123,757 (2008: £123,757) shown in the Company's Balance Sheet represents an indefinite, interest free loan from the Mary Ward Settlement to the Mary Ward Legal Centre.

All companies are incorporated in England and Wales.

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

14. DEBTORS	The Group		The Company	
	2009 £	2008 £	2009 £	2008 £
Prepayments and accrued income	148,447	263,250	111,290	172,759
Trade debtors	88,020	79,595	17,864	353
Other debtors	16,666	11,189	6,830	5,622
Amounts owed by group undertakings	-	-	-	3,140
	<u>253,133</u>	<u>354,034</u>	<u>135,984</u>	<u>181,874</u>

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	The Group		The Company	
	2009 £	2008 £	2009 £	2008 £
Accruals and deferred income	503,377	467,711	353,718	367,874
Taxes and social security costs	92,666	110,081	56,340	62,070
Other creditors	49,634	30,024	844	661
Amounts owed to group undertakings	-	-	226	624
	<u>645,677</u>	<u>607,816</u>	<u>411,128</u>	<u>431,229</u>

16.a GROUP UNRESTRICTED FUNDS	The Mary Ward Settlement (Note 16.b) £	The Mary Ward Legal Centre £	Total £
	At 31 July 2008 (Deficit)/surplus for the year	3,326,252 (630,330)	77,362 70,014
At 31 July 2009	<u>2,695,922</u>	<u>147,376</u>	<u>2,843,298</u>

16.b COMPANY UNRESTRICTED FUNDS	General & premises funds £
At 31 July 2008	3,326,252
Deficit for the year	(630,330)
At 31 July 2009	<u>2,695,922</u>

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

17. DESIGNATED FUNDS	Balance	Movement in resources		Balance
	1 August 2008	Incoming	(Outgoing)	31 July 2009
	£	£	£	£
a) Premises fund - Mary Ward Centre	1,115,000	-	-	1,115,000
COMPANY DESIGNATED FUNDS	<u>1,115,000</u>	<u>-</u>	<u>-</u>	<u>1,115,000</u>
b) Premises fund - Mary Ward Legal Centre	10,023	-	(3,795)	6,228
GROUP DESIGNATED FUNDS	<u>1,125,023</u>	<u>-</u>	<u>(3,795)</u>	<u>1,121,228</u>

a) This fund is to provide for the cost of implementing future phases of the Centre's accommodation strategy. This fund is represented by current assets.

b) This fund was set up in 2000/2001 out of monies received in response to the Legal Centre's Premises Appeal but which the donors had said need not be restricted. This fund is represented by current assets.

18. RESTRICTED FUNDS	Balance	Movement in resources		Balance
	1 August 2008	Incoming	(Outgoing)	31 July 2009
	£	£	£	£
a) Capital grants fund	445,018	-	(31,787)	413,231
b) Bursary fund	17,169	6,472	(5,480)	18,161
COMPANY RESTRICTED FUNDS	<u>462,187</u>	<u>6,472</u>	<u>(37,267)</u>	<u>431,392</u>
c) Premises appeal fund	26,141	-	(10,000)	16,141
d) IT equipment for annex fund	1,775	-	(1,775)	-
e) Phone system fund	5,868	-	(5,868)	-
f) BERR Capitalise debt fund	-	514,660	(514,660)	-
g) Camden financial literacy fund	-	54,145	(54,145)	-
h) Cripplegate Foundation fund	-	55,925	(55,925)	-
GROUP RESTRICTED FUNDS	<u>495,971</u>	<u>631,202</u>	<u>(679,640)</u>	<u>447,533</u>

a) The capital grants fund was set up out of grants received from the Funding Council towards the cost of acquisition of leasehold premises and subsequent additions. Amortisation on this cost is released to the fund over the expected life of the asset (see note 11).

b) The bursary fund was set up in 2006/07 to mitigate the cost of full fees to lower income students who do not qualify for concessionary status.

c) The premises appeal fund was set up in 2000/01 out of monies received in response to an appeal for funds towards purchasing a property for the Legal Centre to operate from in the future.

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

18. RESTRICTED FUNDS (CONTINUED)

- d) The IT equipment for annex fund was set up in 2006/07 from a grant from the London Borough of Camden. These monies have been used to purchase computers and other IT equipment for 6 staff members working from a second office.
- e) The phone system fund was set up in 2006/07 and comprises a single donation of £10,000 from Linklaters LLP towards the contribution to acquire a new telephone system for the Legal Centre.
- f) The BERR capitalise debt project was set up in 2005/06 out of a grant from the DTI.
- g) The Camden financial literacy fund was set up in 2007/08 from a grant from LB Camden to provide financial inclusion advice services to socially and financially excluded Camden residents.
- h) The Cripplegate Foundation fund was set up in 2006/07 from a grant from the Foundation of £110,000 towards the costs of the Legal Centre's legal advice service in South Islington.

19. ANALYSIS OF TOTAL GROUP FUNDS	Fixed assets tangible £	Fixed assets investments £	Current assets £	Liabilities £	Total net assets £
Mary Ward Settlement:					
Restricted funds	413,231	-	18,161	-	431,392
Unrestricted funds	1,063,597	1,394,616	1,442,837	(1,205,128)	2,695,922
The Mary Ward Legal Centre:					
Restricted funds	-	-	16,141	-	16,141
Unrestricted funds	9,112	-	486,796	(348,532)	147,376
Adjustment for inter-company balances		(123,757)	9,774	113,983	-
TOTAL GROUP FUNDS	<u>1,485,940</u>	<u>1,270,859</u>	<u>1,973,709</u>	<u>(1,439,677)</u>	<u>3,290,831</u>

20. MINORITY INTERESTS	2009 £	2008 £
Maric Software Limited		
At 1 August 2008 and 31 July 2009	<u>2</u>	<u>2</u>

There was no movement in the year under review.

21. LIMITED LIABILITY

The company does not have any share capital and is limited by guarantee. The liability of the members, who comprise the directors, staff and students, is limited to £1 each in the event of the winding up of the company.

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

22. CLIENT MONIES

As at 31 July 2009 The Mary Ward Legal Centre held money on behalf of clients in "client" bank accounts of £28,999 (2008: £30,689).

23. PENSION OBLIGATIONS

THE MARY WARD CENTRE

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	217	228

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 than 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.

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

23. PENSION OBLIGATIONS (CONTINUED)

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.

	<i>2009</i>	<i>2008</i>
The assumed life expectations on retirement age 65 are:		
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:

	<i>Long term return</i>	<i>Value at 31 July 2009</i>	<i>Long term return</i>	<i>Value at 31 July 2008</i>
	<i>% p. a.</i>	<i>£'000</i>	<i>% p. a.</i>	<i>£'000</i>
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)

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

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

23. PENSION OBLIGATIONS (CONTINUED)

LGPS

	2009	2008
	£'000	£'000
Analysis of the amount charged to income and expenditure account		
Employer service cost (net of employee contributions)	(103)	(99)
Past service cost	-	(22)
Total operating charge	(103)	(121)
Analysis of pension finance costs		
Expected return on pension scheme assets	63	52
Interest on pension liabilities	(89)	(62)
Pension finance costs	(26)	(10)

The total amount recognised in the statement of financial activities in respect of actuarial gains and losses is £309,000 loss (2008: £58,000 loss).

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 2008	(794)	(452)

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/(gain)	191	81
Past service cost	-	22
Estimated benefits paid	(47)	(28)

Liabilities at end of period

	1,658	1,277
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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

	864	825
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MARY WARD SETTLEMENT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2009

23. PENSION OBLIGATIONS (CONTINUED)

LGPS

History of experience gains and losses	2009	2008	2007	2006	2005
	£,000	£,000	£,000	£,000	£,000
Actuarial gains 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 losses recognised in SOFA	(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 LEGAL CENTRE

Retirement benefits to employees of the Mary Ward Legal Centre are provided by an annual payment of 6% of gross salary to permanent employees' personal pension schemes, conditional upon the payment not threatening the company's financial viability. The total pension cost for the period was £25,956 (2008: £21,553)

24. FINANCIAL COMMITMENTS

	2009	2008
	£	£
At 31 July 2009 the group had annual commitments under non-cancellable operating leases as follows:		
Expiring within one year	-	-
Expiring after one year but before five years	92,112	92,112
Expiring after five years	16,170	16,170
	<u>108,282</u>	<u>108,282</u>

25. CAPITAL COMMITMENTS

	2009	2008
	£	£
Group commitments contracted for at 31 July 2009 but not yet provided for in the financial statements	<u>100,000</u>	<u>348,485</u>