

COMPANY NUMBER 46188
CHARITY NUMBER 223066

MARY WARD SETTLEMENT
(A COMPANY LIMITED BY GUARANTEE)
DIRECTORS' REPORT
AND CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2010

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
M Shah (appointed 14 December 2009)

Elected by Student Members:

E Carvalho
C Noble

Elected by Staff Members:

J Chamberlain (resigned 3 March 2010)
P Jencks
R McIntosh (appointed 21 April 2010)

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 2010

The directors present their report together with the consolidated financial statements of the Mary Ward Settlement and its subsidiaries for the year ended 31 July 2010. 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.

The Board 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 2010

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 attain 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 2009/10 are addressed below:

- 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;
- a curriculum review was undertaken which has resulted in radical changes to the curriculum offer for 2010/11;
- the bursary fund continued to help to mitigate full fee increases to lower income students who do not qualify for concessionary status;
- the Centre was successfully re-accredited for Investors in People and the Matrix quality standard for information advice and guidance;
- there was continued development of further functions of the Centre's MIS system;
- a sustainability action plan was introduced;
- the percentage of qualifications on the Quality Curriculum Framework was increased ;
- 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 2009/10, the Centre achieved 691 (target 612) student learner numbers (SLNs) with a funding value of £2,512,000 (target £2,124,000). Student retention was 92% for 2009/10 compared with 91% for 2008/09.

MARY WARD SETTLEMENT
(A COMPANY LIMITED BY GUARANTEE)
DIRECTORS' REPORT
FOR THE YEAR ENDED 31 JULY 2010

THE MARY WARD CENTRE (CONTINUED)

STUDENT ACHIEVEMENTS

In 2009/10 there were 1,050 examination entries of which 955 (91%) achieved to date although some results are still outstanding. This compares with 897 entries in 2008/09 with 818 achieving (91%). 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. During 2009/10 the Centre undertook a major curriculum review the results of which informed the curriculum for 2010/11. A full report on this review is available.

The Centre continued to develop its partnership provision; initiatives during 2009/10 included a significant contribution to the delivery of Camden's Transformation Fund Project 'The Camden Market Place'. This project included working with museums, local community organisations and delivery in a pop up shop in Leather Lane. Four teacher training courses for Metropolitan Police Service have led to the Centre winning a contract to deliver up to 150 course places per year for the next three years. Further development of work with the voluntary sector and the third module in operational management was added to the portfolio. This has led to 14 students achieving a full level 2 diploma in management in the voluntary sector. The Centre continues to deliver entry level ESOL courses and a summer citizenship programme called Know your London funded by Camden Council. Funding for these courses has been extended into next academic year.

The 2009/10 prospectus included a new digital media section which gave greater prominence to this area of work and has led to significant enrolments. The course offer in this area has been extended in response to the Curriculum Review. Film studies and screen writing courses were added to the humanities offer.

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 attain category A financial status with the Skills Funding Agency;
- 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

The principal activity 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.

The Legal Centre's portfolio of service activities include:

- provision of free specialist legal advice, casework and legal representation services in the following areas of social welfare law: debt, employment, housing and welfare benefits;
- work with local communities to address financial inclusion issues and enable local people to manage their money;
- provision of general legal advice to Londoners through evening advice clinics staffed by volunteer solicitors and barristers from central London law firms and chambers.

THE MARY WARD LEGAL CENTRE (CONTINUED)

OBJECTIVES

The Legal Centre's continuing strategic objectives are:

- to be a centre of legal excellence working across London to eliminate prejudice and promote social justice;
- to provide services that can make a significant improvement to the well being of service users and contribute to their future empowerment;
- to keep its services flexible, responsive and accessible;
- to develop partnerships and alliances with other organisations that will improve and extend its range of legal services to reach greater numbers of people across the whole of London;
- to ensure that equality of opportunity is at the heart of Centre practice and policy.

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

ACHIEVEMENTS AND PERFORMANCE

The Legal Centre's specific achievements for 2009/10 are addressed below:

- continued to challenge discrimination, prevent homelessness, improve people's housing conditions, combat poverty, help people reduce their debt and maximise their income through providing specialist advice casework and representation in employment, housing, debt and welfare benefits to over 6,000 Londoners;
- secured a Legal Services Commission (LSC) social welfare law contract for debt, employment, housing and welfare benefits advice for the period 2010 to 2013;
- worked with Mary Ward Settlement to secure new Legal Centre premises from 2011. A property in Holborn has been purchased by the Mary Ward Settlement to enable the Centre to move to more accessible and affordable premises in the heart of London's legal community;
- launched an improved website www.marywardlegal.org.uk provided pro bono by LexisNexis and upgraded the Centre's case management system;
- secured new funding from the London Borough of Islington to provide welfare benefits advice through outreach work in the poorest areas of Islington;
- received extended funding from the London Borough of Camden for a further 12 months to enable the Centre to continue to provide specialist debt advice to residents of Camden affected by the recession;
- addressed issues of financial inclusion and financial capability with residents of the London Borough of Camden, the project being featured in the Guardian newspaper and Radio 4 Women's Hour;
- continued to provide specialist representation at social security appeals to London residents funded through the London Councils Appeals Project, achieving over 85% success rate;
- provided debt and welfare benefits advice and casework to disadvantaged and isolated residents in south Islington funded by the Cripplegate Foundation;
- provided debt and welfare benefits advice services through outreach sessions in the London boroughs of Barnet, Enfield, Haringey, Hounslow and Hillingdon;
- secured an increase in donations to support the Centre including an additional support from Linklaters LLP and from the London Legal Support Trust Thames Sponsored Walk;
- continued to be a key partner in Capitalise - London's debt advice partnership and worked to promote the role and needs for debt advice through the London Debt Strategy Group, facilitated by the Mayors Office;
- successfully recruited three new trustees to the Trustee board to increase the Board's skills and experience to reflect the governance and operational needs of the Centre.
- continued to lobby central and local government and promote the new for free independent social welfare law advice. Played an active role in the All Party Parliamentary Committee on Legal Aid and met with Lord Bach at the Ministry of justice to discuss sustainable model for legal centres.

THE MARY WARD LEGAL CENTRE (CONTINUED)

FUTURE PLANS

The Legal Centre has the following aims for the future:

- to source further opportunities for securing unrestricted funding to enable us to be more in control of future developments and less dependent on contracting and commissioning;
- to seek contracting opportunities to fund provision of specialist legal advice services across London;
- to work with Mary ward Settlement to develop new premises that will enable the Legal Centre to have accessible and affordable premises;
- to continue to lobby to prevent cuts in legal aid spending on social welfare law;
- to deliver quality legal services through our Legal Services Commission (LSC) contract for the contract period 2010 to 2013;
- to work to secure funding for face to face debt advice from April 2011;
- to continue to develop staffing and management structure that is appropriate to the organisation's size, finances and services.

RESULTS

The results for the year are set out on page 12. The Settlement's principal funding sources for the year under review were the Learning & Skills Council and its successor body the Skills Funding Agency 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.

RESERVES POLICY

The free reserves of the charity are regularly reviewed by the directors. 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 £882,763 (2009: £649,361). 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 2010 free reserves amounted to approximately 2.3 (2009: 1.6) months' expenditure. It is planned that the free reserves move closer to target during 2010/11.

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. Due to the improved performance of the stock market throughout 2009/10, the value of the investments had increased by £194,586 during the year to 31 July 2010.

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 2010 and up to the date of approval of the annual report and accounts.

MARY WARD SETTLEMENT
(A COMPANY LIMITED BY GUARANTEE)
DIRECTORS' REPORT
FOR THE YEAR ENDED 31 JULY 2010

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 until 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

On the 4 December 2010 the Settlement purchased Dolphin Court, a building in Central London, at a price of £3,400,000. It is intended to refurbish the building at an additional cost of £910,000 which will then be shared by the Mary Ward Centre and the Mary Ward Legal Centre. To enable this purchase to take place, grants of £225,000 and £930,000 were received from the Skills Funding Agency and the Communitybuilders Fund respectively. In addition loans of £1,395,000 and £750,000 were borrowed from the Communitybuilders Fund and the Charity Bank respectively.

This report was approved by the Board on 15 December 2010.

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 directors' report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the directors to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the charity and the group and of the incoming resources and application of resources, including the income and expenditure, of the group for the financial year. In preparing these financial statements, the directors are required to:

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

The directors 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 directors confirms that:

- so far as the director is aware, there is no relevant audit information of which the charity's auditors are unaware; and
- the director has taken all the steps that he/she ought to have taken as a director in order to make himself/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 directors are responsible for 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 AUDITOR'S 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 2010 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 Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charity's members those matters 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 AUDITOR'S 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 2010 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 directors' 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 2010

INCOME AND EXPENDITURE	Notes	Unrestricted Funds £	Restricted Funds £	Total Funds 2010 £	<i>Total Funds</i> 2009 £
INCOMING RESOURCES					
Voluntary income	2	103,500	-	103,500	219,847
Activities for generating funds	3	9,460	-	9,460	6,750
Investment income:					
Bank deposit interest		8,675	-	8,675	61,346
Incoming resources from charitable activities:					
Adult education	4	3,101,203	-	3,101,203	3,017,472
Legal services	5	689,828	763,517	1,453,345	1,273,320
TOTAL INCOMING RESOURCES		<u>3,912,666</u>	<u>763,517</u>	<u>4,676,183</u>	<u>4,578,735</u>
RESOURCES EXPENDED					
Charitable expenditure:					
Grants made in furtherance of community development and adult education	6	13,148	-	13,148	40,660
Adult education	6	3,124,404	-	3,124,404	3,206,306
Legal services	6	729,775	773,517	1,503,292	1,428,712
Governance costs	8	48,802	-	48,802	50,277
TOTAL RESOURCES EXPENDED	10	<u>3,916,129</u>	<u>773,517</u>	<u>4,689,646</u>	<u>4,725,955</u>
NET OUTGOING RESOURCES BEFORE OTHER RECOGNISED GAINS AND LOSSES		(3,463)	(10,000)	(13,463)	(147,220)
STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES					
Past service gain		79,000	-	79,000	-
Unrealised gains/(losses)		194,586	-	194,586	(120,747)
Actuarial losses	24	(63,000)	-	(63,000)	(309,000)
NET MOVEMENT IN GROUP RESERVES		<u>207,123</u>	<u>(10,000)</u>	<u>197,123</u>	<u>(576,967)</u>
Reserves at beginning of year		2,857,919	19,681	2,877,600	3,454,567
RESERVES AT 31 JULY 2010	17a & 19	<u>3,065,042</u>	<u>9,681</u>	<u>3,074,723</u>	<u>2,877,600</u>

The notes on pages 16 to 28 form part of these financial statements.

MARY WARD SETTLEMENT
CONSOLIDATED BALANCE SHEET
AS AT 31 JULY 2010

	Notes	2010 £	2009 £
FIXED ASSETS			
Tangible assets	11	1,444,240	1,485,940
Investments	13	1,465,441	1,270,855
		<u>2,909,681</u>	<u>2,756,795</u>
CURRENT ASSETS			
Work in progress	1e	49,680	27,756
Debtors	14	238,241	253,133
Cash at bank and in hand		1,623,252	1,692,826
		<u>1,911,173</u>	<u>1,973,715</u>
CREDITORS: amounts falling due within one year	15	528,687	645,677
NET CURRENT ASSETS		<u>1,382,486</u>	<u>1,328,038</u>
TOTAL NET ASSETS EXCLUDING PENSION LIABILITY		4,292,167	4,084,833
Net pension liability	24	(836,000)	(794,000)
NET ASSETS INCLUDING PENSION LIABILITY		<u>3,456,167</u>	<u>3,290,833</u>
DEFERRED CAPITAL GRANTS			
	16	381,444	413,231
UNRESTRICTED RESERVES			
Consolidated general reserve excluding pension reserve		2,781,559	2,530,691
Pension reserve	24	(836,000)	(794,000)
Consolidated general reserve including pension reserve		1,945,559	1,736,691
Designated reserve	18	1,119,483	1,121,228
TOTAL UNRESTRICTED RESERVES	17a	<u>3,065,042</u>	<u>2,857,919</u>
TOTAL RESTRICTED RESERVES	19	9,681	19,681
TOTAL GROUP RESERVES	20	<u>3,074,723</u>	<u>2,877,600</u>
MINORITY INTERESTS	21	-	2
TOTAL GROUP FUNDS		<u>3,456,167</u>	<u>3,290,833</u>

The financial statements were approved by the Board on the 15 December 2010 and signed on its behalf by

Director

The notes on pages 16 to 28 form part of these financial statements.

THE MARY WARD SETTLEMENT
COMPANY BALANCE SHEET
AS AT 31 JULY 2010

	Notes	2010 £	2009 £
FIXED ASSETS			
Tangible assets	12	1,439,463	1,476,828
Investments	13	1,465,441	1,270,859
Long term loan to group undertaking	13	123,757	123,757
		<u>3,028,661</u>	<u>2,871,444</u>
CURRENT ASSETS			
Debtors	14	46,394	135,984
Cash at bank and in hand		1,310,984	1,325,014
		<u>1,357,378</u>	<u>1,460,998</u>
CREDITORS: amounts falling due within one year	15	(294,528)	(411,128)
NET CURRENT ASSETS		<u>1,062,850</u>	<u>1,049,870</u>
NET ASSETS EXCLUDING PENSION LIABILITY		4,091,511	3,921,314
Net pension liability	24	(836,000)	(794,000)
NET ASSETS INCLUDING PENSION LIABILITY		<u>3,255,511</u>	<u>3,127,314</u>
DEFERRED CAPITAL GRANTS	16	<u>381,444</u>	<u>413,231</u>
RESERVES			
Income and expenditure account excluding pension reserve		2,591,527	2,389,543
Pension reserve		(836,000)	(794,000)
Income and expenditure account including pension reserve		<u>1,755,527</u>	<u>1,595,543</u>
Designated reserve	18	1,115,000	1,115,000
TOTAL UNRESTRICTED RESERVES	17b	<u>2,870,527</u>	<u>2,710,543</u>
RESTRICTED RESERVES	19	3,540	3,540
TOTAL RESERVES		<u>2,874,067</u>	<u>2,714,083</u>
TOTAL FUNDS		<u>3,255,511</u>	<u>3,127,314</u>

The financial statements were approved by the Board on the 15 December 2010 and signed on its behalf by

Director

The notes on pages 16 to 28 form part of these financial statements.

MARY WARD SETTLEMENT
CONSOLIDATED CASH FLOW STATEMENT
AS AT 31 JULY 2010

	Notes	2010 £	2009 £
CASH INFLOW FROM OPERATING ACTIVITIES		<u>43,903</u>	<u>131,920</u>
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT			
Payments to acquire tangible fixed assets	11	(122,150)	(390,061)
Repayment of minority interests		(2)	-
CASH FLOW CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT		<u>(122,152)</u>	<u>(390,061)</u>
RETURNS ON INVESTMENT			
Interest received		8,675	61,346
CASH FLOW FROM RETURNS ON INVESTMENT		<u>8,675</u>	<u>61,346</u>
DECREASE IN CASH IN THE YEAR		(69,574)	(196,795)
CASH AT 1 AUGUST 2009		1,692,826	1,889,621
CASH AT 31 JULY 2010		<u>1,623,252</u>	<u>1,692,826</u>
RECONCILIATION OF NET OUTGOING RESOURCES IN GROUP FUNDS TO CASH FLOW FROM OPERATING ACTIVITIES			
Net outgoing resources		(13,463)	(147,220)
Amortisation and depreciation	11	163,850	175,905
Capital grants released to income		(31,787)	(31,787)
Interest receivable		(8,675)	(61,346)
Interest payable		40,000	26,000
Pension cost less contributions payable		18,000	7,000
Change in work in progress		(21,924)	24,606
Change in debtors		14,892	100,901
Change in creditors		(116,990)	37,861
CASH INFLOW FROM OPERATING ACTIVITIES		<u>43,903</u>	<u>131,920</u>

The notes on pages 16 to 28 form part of these financial statements.

MARY WARD SETTLEMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2010

1. ACCOUNTING POLICIES

a) Accounting Convention

In accordance with the Statement of Recommended Practice (SORP), where a separate SORP exists for a particular class of charities, the charity trustees should adhere to that SORP and any reporting requirements. These financial statements have therefore been represented to comply with the SORP: Accounting for Further and Higher Education 2007 and comparatives have been restated accordingly.

Without limiting the information given, the financial statements meet the accounting and disclosure requirements of the Companies Act and accounting standards issued or adopted by the Accounting Standards Board so far as those requirements are appropriate

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 surplus after taxation, a surplus of £159,984 (2009: deficit of £629,338) 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
Furniture, fixtures and fittings	- 20% straight line

Fixtures, fittings, tools and equipment costing less than £1,000 per individual item are written off in the period of acquisition (£500 per individual item for the Mary Ward Legal Centre). 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 2010

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 19).

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	2010	2009
	£	£
Donations	103,500	219,847

Voluntary income includes £66,500 (2009: £58,500) that is estimated to be the value of support received from Eversheds LLP and Linklaters LLP who each provided the services of a seconded trainee solicitor for the year. In addition Linklaters LLP provided the services of a further seconded solicitor until March 2010. The equivalent expenditure of £66,500 (2009: £58,500) has been included in operational staff costs.

3. ACTIVITIES FOR GENERATING FUNDS	2010	2009
	£	£
Rent receivable	9,460	6,750

MARY WARD SETTLEMENT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2010

4. ADULT EDUCATION	2010 £	2009 £			
Grants receivable	2,270,472	2,238,718			
Tuition fees	819,467	771,575			
Education contracts	11,264	7,179			
	3,101,203	3,017,472			
5. LEGAL SERVICES	2010 £	2009 £			
Legal fees and disbursements	1,165,548	1,036,428			
Grants receivable	287,797	236,892			
	1,453,345	1,273,320			
6. CHARITABLE ACTIVITIES	Direct costs £	Grant funding £	Support costs £	Total 2010 £	Total 2009 £
Adult education	1,416,501	-	1,707,903	3,124,404	3,206,306
Legal services	1,175,506	-	327,786	1,503,292	1,428,712
Grants made in furtherance of adult education	-	13,148	-	13,148	40,660
TOTAL	2,592,007	13,148	2,035,689	4,640,844	4,675,678
7. SUPPORT COSTS	Adult education £	Legal services £	Total 2010 £	Total 2009 £	
Staff costs	979,041	146,777	1,125,818	1,261,620	
Travel and subsistence	1,292	1,056	2,348	3,646	
Publicity	23,252	488	23,740	44,799	
Premises cost	217,534	60,309	277,843	270,680	
Administration	224,335	52,709	277,044	322,886	
Legal and professional fees	14,166	-	14,166	10,219	
Operating lease rentals	46,170	62,112	108,282	108,282	
Bank charges	2,598	-	2,598	3,595	
Interest payable	40,000	-	40,000	26,000	
Amortisation and depreciation	159,515	4,335	163,850	175,905	
TOTAL	1,707,903	327,786	2,035,689	2,227,632	

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2010

8. GOVERNANCE COSTS	2010 £	2009 £
Auditor's remuneration		
Audit fees	28,404	26,437
Other fees	-	3,048
Clerking services	20,398	20,792
	48,802	50,277

9. STAFF COSTS	2010 £	2009 £
Wages and salaries	3,040,678	2,962,172
Social security costs	236,388	244,071
Other pension costs (including FRS 17 adjustments)	278,286	237,985
Exceptional restructuring costs	37,503	73,755
	3,592,855	3,517,983

Mary Ward Centre staff	2,347,108	2,395,589
Mary Ward Legal Centre staff	1,245,747	1,122,394
	3,592,855	3,517,983

The average weekly number of equivalent full-time employees during the year was:	2010 No	2009 No
Mary Ward Centre staff	58	62
Mary Ward Legal Centre staff	31	28
	89	90

The only directors to receive remuneration or reimbursement of expenses during the year were the 3 (2009: 4) directors elected by the staff members, as set out on page 1, who received remuneration, as employees, but not directors, of the group, totalling £37,938 (2009: £101,678). In addition, pension contributions totalling £3,609 (2009: £14,066) were made on behalf of 1 (2009: 3) of these directors.

The number of employees whose emoluments, including pension contributions, for the year exceeded £60,000 was:	2010 No	2009 No
£70,001 to £80,000	-	2
£80,001 to £90,000	2	-
£90,001 to £100,000	-	1
£100,001 to £110,000	1	-
	3	3

MARY WARD SETTLEMENT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2010

10. ANALYSIS OF TOTAL RESOURCES EXPENDED	2010	2009
	£	£
CHARITABLE EXPENDITURE:		
Grants	13,148	40,660
Operational salaries	2,469,238	2,269,206
Support salaries	1,125,818	1,247,242
Office costs	296,156	354,724
Operating leases	108,282	108,282
Premises costs	277,843	270,680
Other operational costs	122,769	138,180
Amortisation and depreciation	163,850	175,905
Management and administration of the charity	48,802	50,277
Publicity	23,740	44,799
Interest payable	40,000	26,000
TOTAL RESOURCES EXPENDED	4,689,646	4,725,955

11. TANGIBLE FIXED ASSETS - THE GROUP	Leasehold property £	Furniture, fixtures and equipment £	Total £
Cost			
At 1 August 2009	1,823,035	590,716	2,413,751
Additions	106,967	15,183	122,150
Disposals	-	(5,595)	(5,595)
At 31 July 2010	1,930,002	600,304	2,530,306
Depreciation			
At 1 August 2009	462,935	464,876	927,811
Charge for the year	112,851	50,999	163,850
Disposals	-	(5,595)	(5,595)
At 31 July 2010	575,786	510,280	1,086,066
Net book value: At 31 July 2010	1,354,216	90,024	1,444,240
<i>At 31 July 2009</i>	<i>1,360,100</i>	<i>125,840</i>	<i>1,485,940</i>

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 2010

12. TANGIBLE FIXED ASSETS - THE COMPANY

	Leasehold property £	Furniture, fixtures and equipment £	Total £
Cost			
At 1 August 2009	1,823,035	452,014	2,275,049
Additions	106,967	15,183	122,150
Disposals	-	(5,595)	(5,595)
At 31 July 2010	<u>1,930,002</u>	<u>461,602</u>	<u>2,391,604</u>
Depreciation			
At 1 August 2009	462,935	335,286	798,221
Charge for the year	112,851	46,664	159,515
Disposals	-	(5,595)	(5,595)
At 31 July 2010	<u>575,786</u>	<u>376,355</u>	<u>952,141</u>
Net book value: At 31 July 2010	<u>1,354,216</u>	<u>85,247</u>	<u>1,439,463</u>
<i>At 31 July 2009</i>	<u>1,360,100</u>	<u>116,728</u>	<u>1,476,828</u>

13. INVESTMENTS

	2010 £	2009 £
Charities Official Investment Fund Accumulation Shares (COIF)		
Market value 1 August 2009	1,270,855	1,150,108
Unrealised gains/(losses)	194,586	(120,747)
THE GROUP (cost £454,963 at 1 August 2009 and 31 July 2010)	<u>1,465,441</u>	<u>1,270,855</u>
SHARES IN GROUP UNDERTAKINGS AT COST:		
Mary Ward Services Limited 100% of ordinary shares of £1 each	-	2
Maric Software Limited 50% of ordinary shares of £1 each	-	2
THE COMPANY	<u>1,465,441</u>	<u>1,270,859</u>

Both Mary Ward Services Limited and Maric Software Limited were dormant until 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 (2009: £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 2010

14. DEBTORS	The Group		The Company	
	2010	2009	2010	2009
	£	£	£	£
Prepayments and accrued income	59,683	148,447	36,981	111,290
Trade debtors	165,217	88,020	315	17,864
Other debtors	13,341	16,666	6,085	6,830
Amounts owed by group undertakings	-	-	3,013	-
	<u>238,241</u>	<u>253,133</u>	<u>46,394</u>	<u>135,984</u>

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	The Group		The Company	
	2010	2009	2010	2009
	£	£	£	£
Accruals and deferred income	415,668	503,377	236,609	353,718
Taxes and social security costs	106,399	92,666	57,118	56,340
Other creditors	6,620	49,634	801	844
Amounts owed to group undertakings	-	-	-	226
	<u>528,687</u>	<u>645,677</u>	<u>294,528</u>	<u>411,128</u>

16. DEFERRED CAPITAL GRANTS	The Group & Company	
	2010	2009
	£	£
At 1 August 2009	413,231	445,018
Released to income and expenditure account	(31,787)	(31,787)
At 31 July 2010	<u>381,444</u>	<u>413,231</u>

17.a GROUP UNRESTRICTED FUNDS	The Mary Ward Settlement (Note 17.b)	The Mary Ward Legal Centre	Total
	£	£	£
At 31 July 2009	2,710,543	147,376	2,857,919
Surplus for the year	159,984	47,139	207,123
At 31 July 2010	<u>2,870,527</u>	<u>184,515</u>	<u>3,065,042</u>

17.b COMPANY UNRESTRICTED FUNDS	General & premises funds
	£
At 31 July 2009	2,710,543
Surplus for the year	159,984
At 31 July 2010	<u>2,870,527</u>

MARY WARD SETTLEMENT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2010

18. DESIGNATED FUNDS	Balance	Movement in resources		Balance
	1 August 2009 £	Incoming £	(Outgoing) £	31 July 2010 £
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	6,228	-	(1,745)	4,483
GROUP DESIGNATED FUNDS	<u>1,121,228</u>	<u>-</u>	<u>(1,745)</u>	<u>1,119,483</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.

19. RESTRICTED FUNDS	Balance	Movement in resources		Balance
	1 August 2009 £	Incoming £	(Outgoing) £	31 July 2010 £
a) Bursary fund	3,540	-	-	3,540
COMPANY RESTRICTED FUNDS	<u>3,540</u>	<u>-</u>	<u>-</u>	<u>3,540</u>
b) Premises appeal fund	16,141	-	(10,000)	6,141
c)) DTI Capitalise debt fund	-	593,673	(593,673)	-
d) Camden financial literacy fund	-	112,665	(112,665)	-
e) Cripplegate Foundation fund	-	57,179	(57,179)	-
GROUP RESTRICTED FUNDS	<u>19,681</u>	<u>763,517</u>	<u>(773,517)</u>	<u>9,681</u>

a) The restricted donation of £3,540 to the bursary fund is to be used for bursary awards to working class black women studying Level 4 counselling who would otherwise be unable to afford the course. It has to be used by 2012 or returned and to date no awards have been made.

b) 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.

c) The DTI capitalise debt project was set up in 2005/06 out of a grant from the DTI.

d) 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. It was enhanced by a further grant in 2009/10 to provide services on managing debt in a recession.

e) 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.

MARY WARD SETTLEMENT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2010

20. ANALYSIS OF TOTAL GROUP FUNDS	Fixed assets tangible £	Fixed assets investments £	Current assets £	Liabilities £	Total net assets £
Mary Ward Settlement:					
Restricted funds	-	-	3,540	-	3,540
Unrestricted funds	1,439,463	1,589,198	1,353,838	(1,130,528)	3,251,971
The Mary Ward Legal Centre:					
Restricted funds	-	-	6,141	-	6,141
Unrestricted funds	4,777	-	550,666	(360,928)	194,515
Adjustment for inter-company balances		(123,757)	(3,012)		
TOTAL GROUP FUNDS	<u>1,444,240</u>	<u>1,465,441</u>	<u>1,911,173</u>	<u>(1,364,687)</u>	<u>3,456,167</u>

21. MINORITY INTERESTS	2010 £	2009 £
Maric Software Limited	-	2

Maric Software Limited was dissolved pursuant to Section 652A of the Companies Act 1985 on the 8 September 2009 and the minority interests were repaid during the year under review.

22. 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.

23. CLIENT MONIES

As at 31 July 2010 The Mary Ward Legal Centre held money on behalf of clients in "client" bank accounts of £72,262 (2009: £28,999).

24. 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.

MARY WARD SETTLEMENT
 NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
 FOR THE YEAR ENDED 31 JULY 2010

24. PENSION OBLIGATIONS (CONTINUED)

	2010	2009
	£'000	£'000
Total pension cost for the year		
Teachers' Pension Scheme:		
Contributions paid	129	114
Local Government Pension Scheme:		
Contributions paid	117	96
FRS 17 charge	18	7
Total pension cost for year	264	217

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 2009 to 31 July 2010 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 2010

24. 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. The total contribution for the year ended 31 July 2010 was £145,418 of which employer's contributions totalled £100,992 and employees' contributions totalled £44,426.

The following information is based upon a full actuarial valuation of the scheme at 31 March 2007 updated to 31 July 2010 by an independent qualified actuary.

	2010 % per annum	2009 % per annum
Price increases	3.2%	3.6%
Salary increases	4.7%	5.1%
Pension increases	2.7%	3.6%
Discount rate	5.4%	6.0%
Commutation of pensions to lump sums	20%	20%

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

The assumed life expectations on retirement age 65 are:	2010	2009
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 2010 £'000	Long term return % p. a.	Value at 31 July 2009 £'000
Equities	7.3%	754	7.5%	589
Target return portfolio	4.5%	131	6.2%	89
Alternative assets	6.3%	164	6.7%	127
Cash	3.0%	22	3.0%	59
Other bonds	5.4%	22	-	-

The Centre's net pension liability under this scheme is estimated to be:	2010 £'000	2009 £'000
Estimated asset share	1,093	864
Present value of liabilities	(1,929)	(1,658)
Net pension liability	<u>(836)</u>	<u>(794)</u>

MARY WARD SETTLEMENT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2010

24. PENSION OBLIGATIONS (CONTINUED)

LGPS

	2010	2009
	£'000	£'000
Analysis of the amount charged to income and expenditure account		
Employer service cost (net of employee contributions)	(121)	(103)
Loss on curtailments and settlements	(14)	-
	(135)	(103)
Analysis of pension finance costs		
Expected return on pension scheme assets	64	63
Interest on pension liabilities	(104)	(89)
	(40)	(26)

The total amount recognised in the statement of financial activities in respect of actuarial gains and losses is £63,000 loss (2009: £309,000 loss).

Movement in deficit during the year

Deficit at 1 August 2009	(794)	(452)
Employer service cost (net of employee contributions)	(121)	(103)
Past service costs	79	-
Settlements or curtailments	(14)	-
Employer contributions	117	96
Net return on assets	(40)	(26)
Actuarial loss	(63)	(309)
	(836)	(794)

Asset and liability reconciliation

Liabilities at start of period	1,658	1,277
Interest cost	104	89
Current service cost	121	103
Employee contributions	44	45
Actuarial loss	92	191
Past service cost	(79)	-
Estimated benefits paid	(25)	(47)
Losses on curtailments	14	-
	1,929	1,658

Asset and liability reconciliation

Assets at start of period	864	825
Expected return on assets	64	63
Contributions by the employer	117	96
Employee contributions	44	45
Actuarial loss	29	(118)
Estimated benefits paid	(25)	(47)
	1,093	864

MARY WARD SETTLEMENT
 NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
 FOR THE YEAR ENDED 31 JULY 2010

24. PENSION OBLIGATIONS (CONTINUED)

LGPS	2010	2009	2008	2007	2006
History of experience gains and losses	£,000	£,000	£,000	£,000	£,000
Actuarial gains on assets	29	(118)	23	27	18
Value of assets	1,093	864	825	654	495
Percentage of assets	2.7%	(13.7%)	2.8%	4.1%	3.7%
Experience losses on scheme liabilities	-	-	(64)	-	-
Present value of liabilities	1,929	1,658	1,277	1,002	928
Percentage of liabilities	-	-	(5.0%)	-	-
Actuarial losses recognised in SOFA	(63)	(309)	(58)	120	(21)
Present value of liabilities	1,929	1,658	1,277	1,002	928
Percentage of liabilities	(3.3%)	(18.6%)	(4.5%)	12.0%	(2.3%)

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 £34,487 (2009: £25,956).

25. FINANCIAL COMMITMENTS

	2010	2009
	£	£
At 31 July 2010 the group had annual commitments under non-cancellable operating leases as follows:		
Expiring within one year	62,112	-
Expiring after one year but before five years	30,000	92,112
Expiring after five years	16,170	16,170
	108,282	108,282

26. CAPITAL COMMITMENTS

	2010	2009
	£	£
Group commitments contracted for at 31 July 2010 but not yet provided for in the financial statements	150,000	100,000