

MARY WARD SETTLEMENT
(A COMPANY LIMITED BY GUARANTEE)
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020

**MARY WARD SETTLEMENT
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020**

CONTENTS

	Page number
Report from the Chair	2-4
Reference and Administrative Details	5
Report of the Board of Trustees	6 - 21
Statement of Corporate Governance and Internal Control	22 - 28
Statement of Responsibilities of the Board of Trustees	29
Independent Auditor's Report to the Board of Trustees	30 - 32
Consolidated Statement of Comprehensive Income	33- 35
Consolidated Statement of Changes in Reserves	36
Consolidated and Centre Balance Sheets as at 31 July	37
Consolidated Statement of Cash Flows	38
Notes to the Financial Statements	39- 64
Summary of Results	65

**MARY WARD SETTLEMENT
REPORT FROM THE CHAIR
FOR THE YEAR ENDED 31 JULY 2020**

Mary Ward Settlement (“the Settlement”) was on track for a successful year prior to the impact of COVID 19 in March 2020. On 15th of March 2020, the week prior to lockdown, enrolment and student numbers at Mary Ward Centre (“the Adult Education Centre”) were in line with those at the same time in the previous year at 8,500 and 4,412 respectively; Mary Ward Legal Centre (“the Legal Centre”) was continuing to provide specialist advice, casework and representation with demand far outweighing supply; and at Blackfriars Settlement (“Blackfriars”) a wide range of activities had attracted both regular and new users, including parts of the community where there had not traditionally been strong links.

At the Adult Education Centre, the national lockdown prevented us from offering any face to face learning in the 3rd term and the resulting loss of fee income has inevitably had a significant impact on the financial outturn for the year and will continue to have an impact into the next academic year.

However, we were able to support almost 900 learners to continue learning through lockdown using a range of distance and online methods. Students on all accredited courses were supported to work towards their assessments and gain their qualifications. We also successfully delivered a wide range of additional online courses subjects including History, Philosophy, Economics, Ukulele, Keep Fit, Modern Foreign Languages, Singing, Psychology, Art, Community Interpreting and Pronunciation. This was the first time the Adult Education Centre had delivered on-line learning. It is clear that this will develop and remain part of our curriculum, offering alternative ways of learning to our students well beyond the current COVID crisis. As part of our support for all our students during this period of lockdown we have created 2 new pages on the website where there are a range of free resources and activities to keep people engaged and occupied - particularly for those who aren’t able to take part in online courses. This also offers us the opportunity to create a community feel for our students as well as enabling them to share their experiences. We intend that this should continue longer term in helping us strengthen our Mary Ward community.

Covid-19 has had a significant impact on the Legal Centre and its clients. Nevertheless the Legal Centre helped 2,000 people with their legal issues during 2019-20 continuing to provide specialist advice casework and representation in the areas of debt, housing and welfare benefits, and a pro bono service offering advice on employment, housing, tax, consumer, general civil litigation, and family law. During the initial phase of lockdown, demand for advice in some areas fell due to measures introduced to reduce the impact of Covid-19, such as debt recovery and housing possession action being stayed, face-to-face tribunal hearings for welfare benefits appeals and PIP and ESA assessments being suspended, and payment holidays, though demand for employment and family matters rose dramatically. The Legal Centre is forecasting a surge in demand for advice in housing, debt and welfare benefits over the coming months when the measures to ease the impact of Covid-19 are removed, in particular when housing possession action resumes, and rising unemployment leads to increased debt and more people seeking benefits advice.

To address the impact of Covid-19 the Legal Centre made a number of successful grant applications, securing funding from Trust for London via the Community Response Fund and the Community Justice Fund, and additional donations from our pro bono partners, including Linklaters, Clifford Chance, Eversheds, and Farrer & Co. The Legal Centre was able to maintain access to its specialist advice service and pro bono clinic during the lockdown by transforming its services from face-to-face to telephone and email. Prior to the lockdown, the Legal Centre continued to offer advice at various outreach venues across London and continued to develop its housing advice service in Newham and Southwark and grow its public law work. With a new grant from Trust for London and continuation funding from the City Bridge Trust, the Legal Centre was able to provide much-needed help with welfare benefits appeals and advice to people across London.

From January 2021 the Legal Centre will have the benefit of funding from the Legal Education Foundation, under their Justice First Fellowship Scheme, to pay for another trainee solicitor.

**MARY WARD SETTLEMENT
REPORT FROM THE CHAIR
FOR THE YEAR ENDED 31 JULY 2020**

At Blackfriars prior to March 2020 we saw the expansion of delivery services to local people and the continued development of links in the local community. Positive Ageing increased the number of its members through the new venue at Elephant & Castle Social Hub, and a steady stream of referrals. We continued to offer a wide range of activities, trips, hot food and the regular weekly befriending. Mental Health and Well-Being successfully concluded their delivery of the Well-Connected project and diversified their offering with the beginning of the 'Switched On' project funded by Maudsley Charity focussing on increasing the IT skills of members, and through the beginning of a women's group. Adult Education continued to expand, both in the number of courses and total enrolments.

The Orb Space project funded by the Department of Housing, Communities and Local Government continued during the year, opening the doors of the Settlement to parts of the local community which we have not traditionally had strong links with. During 2019-20 it attracted well over 350 people into the Settlement, and offered a wide range of activities and sessions. Some were regular and others were one-off. We aim to continue some of the most successful of these, including cook & eat, spoken word, baby massage, and the death café. We had a hugely successful Black History Month event in October, with a number of incredibly talented spoken word artists, a local jazz band, hot food and the hall at capacity. We learned about the local community, something about bringing people together, and are working to raise funding for this project to continue.

Following the nationwide lockdown in March, Blackfriars' premises in Rushworth Street were closed to the public. The Mental Health & Wellbeing and Positive Ageing services immediately switched to providing emergency remote support for members. Initially this was focused on ensuring all members had food, medication and essentials. We worked closely with the wider voluntary and community sector and the Southwark Covid Hub, accepting referrals and working together to ensure that between us, needs were met.

During the course of lockdown this support evolved and included:

- one-to-one practical and emotional telephone support
- an increase of the befriending service, using existing and new volunteers largely recruited from corporate partner organisations
- in partnership with Fooditude, the delivery of over 100 meals per week to the most vulnerable members
- the development of online and group telephone support sessions and activities

We worked hard, and continue to do so, to mitigate the effects of Covid-19 and the lockdown on our members through the continuation of much needed services. The lockdown has highlighted the high levels of digital exclusion of the majority of Blackfriars members. Both teams started using telephone conferencing to try and overcome this, but the access to information, communication and entertainment which most would take for granted are just not possible for our members. This is an area of need which we will attempt to tackle in the coming year.

We have made significant progress in developing partnerships in East London in preparation for our move to our new building in Stratford in 2022. We now have links with around 19 community organisations in our new area. In the first 2 terms around 25% of our community outreach work was with partners in East London. Serendipitously, the British Museum held a temporary exhibition of Middle Eastern artefacts called 'Look East' which presented a perfect opportunity to involve some of our East London partners in multi-partner art projects in response to the exhibition. Once again with the support of the British Museum students' work was exhibited in the great court.

**MARY WARD SETTLEMENT
REPORT FROM THE CHAIR
FOR THE YEAR ENDED 31 JULY 2020**

The redevelopment project for the Stratford building continued throughout the year and we have now developed a design for a building that will considerably improve the accessibility of all our courses, using level access. The building will have a very visible high street location and greatly improved specialist classroom facilities. We are very pleased to be supported by capital grants from Skills for Londoners, towards the whole project cost, from The London Marathon Trust, towards fitness and movement facilities, and from the Clothworkers Foundations, for our visual Arts spaces. Although this project too has been impacted by COVID, we continue to fundraise and expect to break ground in the spring of 2021.

We would like to extend our thanks to all our service providers and users, and to our funders, many of whom have supported us for a number of years, and to all the individuals who volunteer in our operational activities. With their help we are able to provide classes, activities, support and advice on a whole range of issues, which have a positive impact on the lives of those we touch. In particular we would like to thank those funders who have supported our core work, and been flexible with their support during the last few months during the challenges of Covid-19.

Frances Bates

Frances Bates
Chair

**MARY WARD SETTLEMENT
REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 JULY 2020**

REFERENCE DETAILS

Charity number: 223066
Company number: 46188
Address and Registered Office: 42 Queen Square, London WC1N 3AQ

KEY MANAGEMENT PERSONNEL

Key management personnel are defined as members of the Settlement's Senior Management Team and were represented by the following in 2019-20:

Warden, CEO; Accounting Officer	Suzanna Jackson
Deputy CEO	Allister Duncan (retired 31 st March 2020)
Director of Adult and Community Education	Sue Craggs
Director of Finance and Resources	Juliet Woodford
Director of the Mary Ward Legal Centre	Paula Twigg
Director of Blackfriars Settlement	Liz Ranger

BOARD OF TRUSTEES

A full list of the Trustees is given on pages 22-23 of these Financial Statements.

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

PROFESSIONAL ADVISERS

**FINANCIAL STATEMENTS AUDITOR AND
REPORTING ACCOUNTANTS**

Buzzacott LLP
130 Wood Street
London
EC2V 6DL

INTERNAL AUDITOR

Haines Watts
30 Camp Road
Farnborough
Hants
GU14 6EW

BANKERS

The Co-operative Bank plc
3rd floor, St Paul's House
10 Warwick Lane
London
EC4M 7BP

INVESTMENT MANAGER

Rathbone Greenbank Investments
10 Queen Square
Bristol
BS1 4NT

PROPERTY CONSULTANTS

Gryphon Property Partners
12 Austin Friars
London
EC2N 2HE

**MARY WARD SETTLEMENT
REPORT OF THE BOARD OF TRUSTEES
FOR THE YEAR ENDED 31 JULY 2020**

NATURE, OBJECTIVES AND STRATEGIES

The Board of Trustees (“the Board”) is pleased to present its Annual Report, together with the Financial Statements of Mary Ward Settlement (“the Settlement”) for the year ended 31st July 2020. This report is also prepared to meet the requirements for a Directors’ Report and Financial Statements for Companies Act purposes.

LEGAL STATUS

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

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

OBJECTS AND MISSION

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

PUBLIC BENEFIT

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

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

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

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

IMPLEMENTATION OF THE STRATEGIC PLAN

The Settlement worked towards the objectives of the 2018-2022 Strategic Plan. Key elements of this plan include the implementation of the Buildings Strategy which will play a major part in achieving long term sustainability with a wider reach of adult education and community support and advisory services across London. Having purchased a new freehold site in the London Borough of Newham in July 2018, a key part of the Board’s focus during 2019-20 has been to continue with the plans for the redevelopment of this site, set in motion during 2018-19, to become a new, modern set of premises for the provision of the activities of both the Settlement, from 2022 onwards.

**MARY WARD SETTLEMENT
REPORT OF THE BOARD OF TRUSTEES
FOR THE YEAR ENDED 31 JULY 2020**

IMPLEMENTATION OF THE STRATEGIC PLAN (CONTINUED)

The key focus points of the new Strategic Plan include:

- To grow existing services and to extend our range of services to enhance the delivery of our Mission, in ways that are relevant now and which look to the future;
- To deliver excellent services, that prioritise outcomes and impact for our users;
- To add our expertise, encouragement and support to the efforts and achievements of people in the communities and neighbourhoods in which we are located and create opportunities for them to reach their educational, social and economic potential;
- To further develop an organisational structure and culture which realises the Settlement's Mission and Core Values;
- To maintain good financial health in order to ensure the sustainable delivery of our Mission;
- To redevelop our new premises to support a sustainable future, enhance the quality of our provision and enable us to reach new audiences;
- To develop partnerships and alliances with other organisations that will improve and extend our ability to deliver our Mission and Strategic Objectives;
- To improve our public profile and develop an effective communications, PR and marketing strategy that supports the development of the Settlement's work, our move east and contributes to our plans for growth.

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

During 2019-20 the Covid-19 pandemic had a significant impact of the Settlement and its operations. The Settlement took the decision to close its premises shortly before the wider national lockdown in March 2020, taking into account the vulnerability of many of its users. As a result of the prolonged national lockdown the Adult Education Centre did not open its doors for face to face tuition during the summer term, but focused on moving provision online where possible, prioritising accredited courses where students had been working towards qualifications. The Legal Centre prioritised delivery online and/or by telephone, and Blackfriars concentrated both on emergency online and telephone support, and working with local voluntary and community organisations to deliver essential services to vulnerable groups which included its membership base.

The Settlement also prioritised planning ahead for 2020-21, ensuring that options would be available to preserve as much face to face provision as possible, with alternative arrangements for students and other users unable to attend in person or should another lockdown occur. While this meant that most of the summer term fee income, Legal Aid Agency income and some smaller provision-specific grant funding was lost, the Settlement was able to take advantage of the government's Coronavirus Job Retention Scheme to mitigate losses. Furthermore, the Adult Education Centre received all of its AEB grant funding following the ESFA's guarantee that full payment would be made provided that the Adult Education Centre earned a minimum 68% of the AEB grant allocation. Additionally, some other grants, including London Borough of Camden funding for legal services were guaranteed at 2019-20 rates until the end of March 2021.

The most significant longer term risk arising from the impact of Covid-19 relates to the affordability of the Settlement's Property Strategy in an environment of greater uncertainty, rising costs and reduced grant funding. Consequently the Settlement's Senior Management Team prioritised actions to ensure that this project is completed as planned.

**MARY WARD SETTLEMENT
REPORT OF THE BOARD OF TRUSTEES
FOR THE YEAR ENDED 31 JULY 2020**

IMPLEMENTATION OF THE STRATEGIC PLAN (CONTINUED)

CORE VALUES AND OBJECTIVES

The Settlement's operations are guided by the Core Values and Strategic Objectives which are jointly agreed across the Settlement group.

Core Values

- Putting the needs and aspirations of current and potential users at the centre of all that we do;
- Providing consistently high and professional standards across our service;
- Promoting access to education including the value of learning for personal development and quality of life and using learning as a tool to combat disadvantage;
- Promoting access to justice and providing legal advice for the poorest and most disadvantaged;
- Promoting collaborative work, both across the Settlement and with partner organisations;
- Advancing equality, eliminating discrimination, and fostering good relations among all our users;
- Meeting, or exceeding, the expectations of our key stakeholders, service users and partners;
- Aiming for excellence in the outcomes and impact of our services;
- Providing access to training and development in order that all staff may achieve their potential and be motivated and committed to their work and these core values; and
- Maintaining an open, honest, accountable and fair approach in all our communications with all our service users, staff and other stakeholders.

Strategic Objectives

- To provide a range of services that delivers our Mission in ways that are relevant now and look to the future;
- To deliver excellent services;
- To maintain an organisational structure and culture which realises the Mission and Core Values;
- To maintain good financial health in order to ensure the sustainable delivery of our Mission and objectives;
- To secure the Settlement in its buildings and provide an environment and facilities that support the delivery of excellent services;
- To plan for and provide equipment and technology that support excellent service delivery and effective management; and
- To develop partnerships and alliances with other organisations that will improve and extend our ability to deliver our Mission and objectives.

The Settlement's Financial Objectives are:

- To achieve a minimum annual operating surplus of 1% of income, excluding any pension costs arising from the impact of the Local Government Pension Scheme ("LGPS") costs;
- To provide sufficient courses to ensure that we earn all of the available funding from the Education and Skills Funding Agency ("ESFA");
- To diversify our funding streams, consistent with our Mission and Core Values, in order to maximise our income generating potential;
- To effectively manage costs, keeping any increase in non-pay costs below the prevailing inflation rate; and
- To secure funding for a capital investment programme following the purchase of Queensway House in Stratford, for its redevelopment and refurbishment as the main location for the Settlement's activities following the end of its current lease on 42 Queen Square, in July 2022.

A series of performance indicators have been agreed to monitor the successful implementation of the policies.

The Covid-19 pandemic had a significant impact on the Settlement's operational results, and consequently the Settlement failed to meet its objective in relation to the minimum 1% operating surplus. However all other financial objectives were met.

**MARY WARD SETTLEMENT
REPORT OF THE BOARD OF TRUSTEES
FOR THE YEAR ENDED 31 JULY 2020**

STRATEGIC REPORT

ACHIEVEMENTS AND PERFORMANCE

PERFORMANCE INDICATORS

ADULT EDUCATION CENTRE

The performance against the Adult Education Centre's targets is set out in the table below:

Key Performance Indicator	Target 2019-20	Achieved 2019-20	Target 2018-19	Achieved 2018-19
Increase the number of people who access adult education	5,750	4,154	5,750	5,288
Increase the number of course enrolments	13,000	8,403	13,000	12,014
Increase the average number of students per course	12	11	12	11
Maintain high average level of student retention; AND Maintain high retention across ALL courses	90% and No more than 5% of courses below 80%	91%	90% and No more than 5% of courses below 80%	92% 6% below 80%
Maintain high level of student satisfaction	95%+	92%	95%+	98%
Increase the % of teaching sessions graded good or better	95%	96%	95%	93%
Reduce the % of sessions graded below good	Requires improvement 3 or lower; inadequate - nil	Sessions are ungraded	Requires Improvement 3 or lower; inadequate - nil	RI = 3 Inadequate = nil
Maintain high level of average achievement on non-accredited courses; AND Maintain high level of achievement on ALL non-accredited courses	95%+	Sessions are ungraded	95%+	94%
Improved average success rates for students taking accredited courses	90%+	86%	90%+	88%
Improved success rates on ALL accredited qualifications	No more than 5% of classes below a success rate of 80%	87% (4% below 80% - 5 course qualifications out of 36)	No more than 5% of courses below a success rate of 80%	88% (19% below 80% - 10 course qualifications out of 51)
The % of students reporting additional benefits is increasing	75%+	77%	75%+	100% (from a 74% response rate)

The Adult Education Centre is committed to monitoring a range of key sector indicators and is required to complete the Annual Finance Record for the ESFA. The Adult Education Centre's financial health grading is assessed by the ESFA as "Good" (2018-19: "Requiring Improvement"). This is notwithstanding decisions made in relation to the Property Strategy, which have increased costs in the short term, and further pressure caused by losses from Covid during 2019-20.

**MARY WARD SETTLEMENT
REPORT OF THE BOARD OF TRUSTEES
FOR THE YEAR ENDED 31 JULY 2020**

ACHIEVEMENTS AND PERFORMANCE (CONTINUED)

MARY WARD LEGAL CENTRE

The Legal Centre's specific achievements for 2019-20 are outlined below:

- Continuing to prevent homelessness, improve people's housing conditions, combat poverty, help people reduce their debt and maximise their income through providing free specialist casework and representation in housing, debt and welfare benefits;
- Continuing to maintain access to our advice services in response to Covid-19 by transforming our services from face-to-face to telephone/email;
- Securing additional grant funding and donations to deal with the devastating impact of Covid-19;
- Helping 2,000 people with their legal issues;
- Delivering against contractual funding outputs and outcomes;
- Delivering debt advice at outreach venues across London;
- Co-developing and delivering financial capability courses in partnership with local community organisations with funding from Comic Relief and RBS to improve the financial literacy of people living in London;
- Delivering a pro bono advice service to help more people who cannot access help from legal aid to resolve their legal issues;
- Passing our Lexcel audit with no corrective action - Lexcel is the Law Society's accredited legal practice quality mark;
- Securing continuation funding from City Bridge Trust to deliver specialist welfare benefits casework and representation;
- Securing funding from the Legal Education Foundation for a trainee solicitor under their Justice First Fellowship programme;
- Supporting more vulnerable clients to sustain their tenancies and help break the cycle of homelessness through our Housing Support Worker;
- Securing long-term funding from the London Borough of Camden to provide specialist advice to people in Camden;
- Playing an active role in the development of the new Camden Advice Network with advice providers in the borough;
- Continuing to deliver housing advice in Newham and Southwark;
- Over £410,000 of clients' debts were written off; and
- Clients receiving help with their welfare benefits matters achieved an average increase of £87 a week in benefits.

The actual performance against the agreed targets are set out in the table below. The figures for the numbers of clients seen have been affected by Covid-19 primarily because the national lockdown from March 2020 meant people could no longer attend our office and outreach centres. Specific measures introduced nationwide at the start of lockdown, to reduce the impact of Covid-19 led to an initial reduction in demand. For example, housing possession cases being stayed, face-to-face tribunal hearings for welfare benefits appeals and PIP and ESA assessments being suspended, and suspension of debt recovery, and payment holidays. However performance measuring outcomes for clients remains high.

**MARY WARD SETTLEMENT
REPORT OF THE BOARD OF TRUSTEES
FOR THE YEAR ENDED 31 JULY 2020**

ACHIEVEMENTS AND PERFORMANCE (CONTINUED)

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

Key Performance Indicator	Target	Achieved	Target	Achieved
	2019/20	2019/20	2018-19	2018-19
Meet annual target for matter starts	2,500	2,009	2,500	2,502
Increase the number of people who get advice through pro bono clinics	350	228	330	358
Maintain a high level of client satisfaction	95%	95%	95%	98%
Maintain the high % of cases that have a positive outcome	92%	93%	92%	92%
A high % of clients who respond to our survey report an improvement in health and well-being	88%	91%	88%	93%

BLACKFRIARS SETTLEMENT

Positive Ageing

2020 marks 70 years of older people's services running at BFS. In February we learned that the COPSINS Consortium, of which we are a part, had been successful in securing the commissioned contract to provide services for older people in the London Borough of Southwark. This contract began on 1 June and will run for three years. Delivery will aim to ensure that the 'front door' to services is coordinated and that by whatever means a resident contacts services for older people, they will have access to the same services.

There has been a steady flow of new referrals over the year. Since the Covid-19 nationwide lockdown we have worked very hard to meet the needs of isolated and anxious members and new contacts in the community. We have accepted new referrals from the Southwark Covid Hub, arranged volunteers to do shopping and deliver prescriptions, delivered meals twice weekly, sent out activity packs and supported over 100 people with befriending calls once or twice weekly.

Needs have become more complex, with the team dealing with safeguarding issues, an increasing number of members and referrals with early dementia, and a slight increase in the average age of our service users (75.9 years).

**MARY WARD SETTLEMENT
REPORT OF THE BOARD OF TRUSTEES
FOR THE YEAR ENDED 31 JULY 2020**

ACHIEVEMENTS AND PERFORMANCE (CONTINUED)

Adult Education

We continued to provide learning and development classes on behalf of Southwark Adult Education but have greatly increased this offer with a range of other education opportunities provided through the Adult Education Centre. During the last year the number of enrolments at the Settlement increased by 45% to 1,040, despite being unable to offer face to face provision during the summer term because of the national lockdown.

Mental Health and Wellbeing

In the period under review the Mental Health and Wellbeing (MHWB) service successfully concluded and evaluated the 'Well Connected' project, delivered in partnership with Three C's, focusing on skills development for members. One to one support also continued through the 'Focus With' programme paid for through members' personal budgets. This has also delivered specialist sessions in woodworking and soft crafts, both of which are very popular with members.

During lockdown the service moved to offering remote support. Because so few of our members are able to access the internet, support was provided by telephone and text. The team made regular calls to members wanting this, and was available to support with issues and needs as they arose. The team contacted or was contacted by a large number of former services users who then re-engaged with the service during this time. The London Borough of Southwark funded the service during this time through the Covid-19 Community Fund.

The service has a number of other partnerships enabling us to deliver a broad range of high quality services:

- Art2Print, our Social Enterprise Design Studio, continued to provide opportunities for members to learn skills in graphic design in partnership with professional design studio, the Plant;
- Continued support from Lloyds Bank volunteers provided individually tailored IT training sessions.
- The service has once again hosted an Art Therapy student on placement with us from the University of Roehampton, who has run sessions which members have found very beneficial;
- The service has also hosted its first Social Work Student, on placement from London South Bank University, which increased the capacity of the team to provide sessions and individual support;
- During lockdown the service has been supporting 140 people, the majority with no internet access: support has been via telephone, text and post, and through provision of emergency food and medication and sending out activity packs.
- The women's group piloted last year, has been established and become a regular weekly event.

The Orb Space

This social integration project continues this year with a diverse range of activities and events including a hugely successful spoken word event for Black History Month, regular Cook & Eat courses, comedy workshops, spoken word courses, baby massage, and film nights. Through the project the people we engaged with had far more ideas and suggestions for events than we had the capacity to deliver, but the project engaged with over 380 people and received very positive feedback. We aim to continue this in the coming year, albeit in a scaled down and different format as a result of social distancing.

**MARY WARD SETTLEMENT
REPORT OF THE BOARD OF TRUSTEES
FOR THE YEAR ENDED 31 JULY 2020**

ACHIEVEMENTS AND PERFORMANCE (CONTINUED)

PERFORMANCE INDICATORS

The actual performance of services is set out in the table below:

Key Performance Indicator	Achieved 2019-20	Achieved 2018-19
Older people supported through the Positive Ageing service	414	407
No of members supported through the MHWB project	140	72
Hours of volunteer support provided	10,879	n/a
Student enrolments	1,040	716

FINANCIAL REVIEW

The Settlement had an operating deficit of £363,000 in the year (2018-19: deficit of £483,000). This was after the inclusion of a £107,000 (2018-19: £123,000) Local Government Pension Scheme (“LGPS”) service cost; £34,000 (2018-19: £36,000) LGPS finance cost; and £4,000 (2018-18: £4,000) LGPS administration cost.

The Settlement’s accumulated reserves fell to £9,451,000 (2018-19: £10,653,000 as restated). The two most significant factors in the movement in funds were the increase in the defined benefit obligation of the LGPS to £2,658,000 (2018-19: £1,674,000) and the incorporation of the 2019-20 deficit of the Adult Education Centre of £52,000 before the inclusion of the LGPS costs (2018-19: deficit of £124,000). The Settlement’s target is to increase reserves, by a minimum of 1% of income, before taking into account the impact of LGPS costs.

The written down value of fixed assets increased to £12,029,000 (2018-19: £11,227,000). Capital expenditure in the year totalled £1,022,000 (2018-19: £510,000), all but £19,000 of which related to the development of the freehold property, Queensway House, in Stratford, East London which forms a key part of the Settlement’s Property Strategy to secure a location for its activities beyond 2022 when the lease on 42 Queen Square expires. The depreciation charge for the year totalled £220,000 (2018-19: £218,000). The value of the investment funds held by the Settlement rose to £27,000 (2018-19: £25,000).

The Settlement’s operational income fell by £30,000 to £5,433,000 (2018-19: £5,463,000), reflecting the loss of £324,000 tuition fee income in the Adult Education Centre, and other smaller losses from various income streams across the group, all a direct impact of Covid-19. These falls were offset by a new income source from the ESFA of £102,000 to cover increased Teachers’ Pension Scheme contributions, by income from the Coronavirus Job Retention Scheme totalling £260,000 across the Settlement, and several smaller, emergency grants awarded to help mitigate Covid-19 losses or to provide support for the provision of essential Covid-19 services.

Costs of the Settlement decreased by £148,000 to 5,798,000 (2018-19: £5,946,000). Of this decrease, £216,000 relates to operational cost savings arising from the Settlement’s operations being severely restricted during lockdown with the result that some operational costs were not incurred. This fall in operational costs was partially offset by an increase of £72,000 in staff costs, primarily the result of an increase of around £110,000 in teachers’ pension costs funded by the new grant income referred to above.

MARY WARD SETTLEMENT
REPORT OF THE BOARD OF TRUSTEES
FOR THE YEAR ENDED 31 JULY 2020

FINANCIAL REVIEW (CONTINUED)

The Adult Education Centre's income was £3,771,000 (2018-19: £3,741,000) and reflects the fall in student fee income partially offset by the ESFA income provided to cover higher teachers' pension costs, and from the Coronavirus Job Retention Scheme, both noted above.

Costs at the Adult Education Centre rose by £64,000 to £4,092,000 (2018-19: £4,028,000) with the main increase arising from higher teachers' pension costs, partially offset by operational cost savings from the impact of Covid-19, both as noted above.

The Legal Centre's income was £1,232,000 (2018-19: £1,131,000), of which £825,000 (2018-19: £908,000) came from operational grants and funding for legal advisory services and £369,000 (2018-19: £222,000) from donations and other fundraising, including value in kind of £136,000 (2018-19: £139,000) from pro bono advice and the provision of legal trainees, and an intercompany donation of £124,000 provided to write-off a long term loan from the Settlement.

Legal Centre costs fell £92,000 from £1,290,000 to £1,198,000. This reflects a decrease in operational staff costs of £35,000 as the Legal Centre was obliged to make staff reductions in response to funding changes, along with a fall of £57,000 in operational costs as an impact of Covid-19,

At Blackfriars, operational income was £653,000 for the period (2018-19: £694,000), with operational expenditure of £732,000 (2018-19: £730,000).

The 2019-20 Financial Statements and associated Notes are set out on pages 33 to 65.

TREASURY MANAGEMENT

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

Short term borrowing for temporary revenue purposes is authorised by the Accounting Officer. Such arrangements are restricted by limits in the Settlement's Financial Memorandum agreed with the Education and Skills Funding Agency. All other borrowing requires the authorisation of the Board in order to comply with the Financial Memorandum.

There was a net decrease in the cash held by the Settlement of £1,235,000 to £1,723,000 (2018-19: decrease of £976,000 to £2,958,000). Preliminary work related to the development of Queensway House was by far the most significant factor, with £1,008,000 of such costs being capitalised during the period. The high rental costs of 10 Great Turnstile, following its disposal during 2017-18 continue to result in an annual cash outflow of £340,000.

RESERVES POLICY

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

**MARY WARD SETTLEMENT
REPORT OF THE BOARD OF TRUSTEES
FOR THE YEAR ENDED 31 JULY 2020**

As at the balance sheet date the Settlement's unrestricted reserves were £9,440,000, (2018-19: £10,639,000) of which £2,985,000 were unrestricted fixed asset reserves (2018-19: £3,063,000) and £6,455,000 other unrestricted reserves (2018-19: £7,576,000). Restricted reserves totalled £11,000 (2018-19: £14,000). Of these reserves £1,188,000 (2018-19: £1,297,000) are immediately available, or at short notice and can be drawn upon to meet the working capital needs of the Settlement.

The decrease in reserves at the Balance Sheet date reflects the costs associated with the Settlement's investment in its growth strategy.

The combined result of an expected continuing operating deficit in the year 2020-21 and the costs of implementing the buildings strategy is likely to result in the Settlement's reserves falling below target in the next financial year. Should this happen as expected, it is the Board's intention to restore the Settlement's reserves, excluding any impact from the LGPS, to at least the minimum target level as soon as practicable.

CURRENT AND FUTURE DEVELOPMENTS AND PERFORMANCE

FINANCIAL HEALTH

In 2019-20 the Adult Education Centre achieved a "Good" ESFA financial health grading (2018-19: "Requires Improvement"). This financial health rating was achieved notwithstanding the combination of the following factors which had an adverse impact on the financial position:

- (i) the impact of the Covid lockdown, which resulted in the loss of most of the summer term tuition fee income, without an equivalent reduction in costs; and
- (ii) the result of strategic activity taken by the Adult Education Centre to secure its future through a restructuring of its operational property portfolio which has both increased cash balances and led to increased operating costs in the short term. It is expected that these higher costs will be sustained as the Property Strategy is completed over the next 2-4 financial years, while the cash balance gradually falls, and that the ESFA financial health grading will fluctuate.

The Property Strategy was agreed by the Board because the Settlement's main building is approaching the end (July 2022) of a long lease which has been on beneficial terms for many years. The landlord has indicated that if it were to offer a new lease it would be at a considerably higher rent. After careful consideration of the risks and opportunities, the Board adopted a strategy that, when implemented, will help provide for a financially sustainable future for the Settlement.

As part of this strategy the Board took the decision to sell the freehold property at 10 Great Turnstile and to lease it back for a period to coincide with the termination of the lease on 42 Queen Square. This sale was completed during 2017-18, and the proceeds of the sale were put towards the purchase of a new building, Queensway House in the London Borough of Stratford which completed in July 2018. A fundraising programme has commenced which, together with a portion of the existing reserves, will enable the redevelopment and refurbishment of this building with the expectation that most of the Settlement's service offering will operate from Queensway House from the financial year 2022-23. The premises at 1 Rushworth Street will be retained, enabling the Settlement to operate from two permanent sites in two London boroughs.

**MARY WARD SETTLEMENT
REPORT OF THE BOARD OF TRUSTEES
FOR THE YEAR ENDED 31 JULY 2020**

CURRENT AND FUTURE DEVELOPMENTS AND PERFORMANCE (CONTINUED)

In the short to medium term, the implementation of the Building Strategy will continue to put pressure on operating surpluses and cash balances and, in turn, on the ESFA financial health grade, with the achievement of a consistent “Good” or better financial health grading unlikely until the completion of the Buildings Strategy.

Based on our forecasts the “Good” financial health grading achieved in recent years was always expected to fall during the execution of the Property Strategy, and consequently, given the challenges faced over 2019-20, the “Good” outcome reported for the period is seen as a positive result.

STUDENT NUMBERS

The Adult Education Centre is funded according to the levels of activity that it generates. In 2019-20, the Adult Education Centre generated a funding value of £2,257,000 (2018-19: £2,182,000). The total number of students enrolled onto courses was 4,154, compared with 5,288 for 2018-19. Student retention was 90% for 2019-20 compared with 92% for 2018-19.

STUDENT ACHIEVEMENTS

In 2019-20 there were 408 examination entries of which 353 were successful (2018-19: 764 and 675 respectively). In 2019-20 more students took a full ESOL qualification than single modes resulting in a reduction in the number of exam entries. Overall success is 83% (2018-19: 94%). Student achievement in non-accredited courses is 83% (2018-19: 94%) which is assessed using the Recognising and Rewarding Progress and Achievement (RARPA) strategy.

CURRICULUM DEVELOPMENTS

Curriculum planning at the Adult Education Centre combines a needs analysis of local communities with a broader perspective of its contribution to adult education across London. The Adult Education Centre has been effective in reviewing and realigning its curriculum to meet changing priorities and funding constraints, whilst retaining the distinctive characteristics of the curriculum and patterns of learning. In 2019-20 the Adult Education Centre continued to offer courses within the curriculum financed entirely from student fees and successfully ran such courses across the curriculum. Community Outreach continue to be successful at providing courses for the over 60’s to reduce social isolation as part of a project Ageing Better in Camden funded by Age UK Camden. In response to Covid-19 and local and national restrictions the Adult Education Centre moved provision online, supporting 605 students on 65 courses to continue with their learning and complete their qualifications. In addition the Adult Education Centre developed a programme of 34 online courses for the summer term whilst face-to-face teaching was suspended. 294 students enrolled onto these courses which generated a fee income of £23,172.

Partnerships with employers, such as Voluntary Action Camden (VAC), continue to develop to provide bespoke training for employees. In Vocational and Life Skills, Level 1 and Level 2 courses continue to be offered which offer transferrable business skills to support employability including the introduction of a Coaching and Mentoring qualification. 24+ Loan provision continues to be offered in Community Interpreting, Counselling and Art and Design. Progression routes in Community Interpreting into specialist areas have also been offered, e.g. Level 6 - Preparation for the Diploma in Public Service Interpreting; Law Option. A number of continuing professional development opportunities in Counselling and Community Interpreting are also offered to enhance student’s skills.

PAYMENT PERFORMANCE

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

MARY WARD SETTLEMENT
REPORT OF THE BOARD OF TRUSTEES
FOR THE YEAR ENDED 31 JULY 2020

PAYMENT PERFORMANCE (CONTINUED)

The target set by the Treasury for payment to suppliers within 30 days is 95%. During the accounting period 1st August 2019 to 31st July 2020, the Adult Education Centre paid 99% of its invoices within 30 days. The Adult Education Centre incurred no interest charges in respect of late payment for this period.

EVENTS AFTER THE END OF THE REPORTING PERIOD

There have been no significant post-balance sheet events.

FUTURE DEVELOPMENTS

The Strategic Plan of the Settlement includes its relocation to Queensway House, a new site in the London Borough of Newham, following the redevelopment and opening of this new site in 2022. It is envisaged that the Settlement will continue to operate from its property at Rushworth Street but will be able to extend the range of its community services to the new site, operating the whole variety of the Settlement's activities in both the Boroughs of Newham and Southwark.

At a strategy day in June 2018, the following Strategic Objectives were agreed for the period 2018-23:

- To grow existing services and to extend our range of services to enhance the delivery of our Mission, in ways that are relevant now and which look to the future;
- To deliver excellent services, that prioritise outcomes and impact for our users;
- To further develop an organisational structure and culture which realises the Settlement's Mission and Core Values;
- To add our expertise, encouragement and support to the efforts and achievements of people in the communities and neighbourhoods in which we are located and create opportunities for them to reach their educational, social and economic potential;
- To maintain good financial health in order to ensure the sustainable delivery of our Mission;
- To redevelop our new premises to support a sustainable future, enhance the quality of our provision and enable us to reach new audiences;
- To develop partnerships and alliances with other organisations that will improve and extend our ability to deliver our Mission and Strategic Objectives;
- To improve our public profile and develop an effective communications, PR and marketing strategy that supports the development of Blackfriars, our move east and contributes to our plans for growth.

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

The Settlement will continue to diversify its income streams and thereby reduce its dependency on ESFA funding, and plans to continue to work towards higher tuition fee income, without compromising access to education for those with the greatest needs. It is expected that there will be continuing development of a range of courses funded through student loans. Covid-19 continues to be a major factor in immediate plans and consequently the Adult Education Centre has focused on improving its technology including investing in staff training and resources to enable continuity of provision, both face to face and online.

ADULT EDUCATION CENTRE

The implementation of the Property Strategy is expected to see Queensway House in the London Borough of Newham being opened in 2022. Newham was identified at an early stage of research as an area where there is underprovision of adult education and where it is thought likely that the Adult Education Centre can maximise its impact. The opening of the new centre will allow for a major review of the curriculum and particular emphasis will be given to the specific needs of the community in this part of East London where the Adult Education Centre will be establishing its new base.

**MARY WARD SETTLEMENT
REPORT OF THE BOARD OF TRUSTEES
FOR THE YEAR ENDED 31 JULY 2020**

ADULT EDUCATION CENTRE (CONTINUED)

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

The public funding environment remains challenging and there is no immediate end in sight to this. Outcomes from Area Reviews are beginning to bring substantial change to the wider FE sector although there has been no immediate impact on the Settlement.

MARY WARD LEGAL CENTRE

Looking forward, the Legal Centre expects to be able to achieve the following as part of the Settlement's Strategic Plan 2018-22:

- To continue to adapt its advice provision to ensure safe access during the Covid-19 crisis, including a mix of face-to-face and remote appointments, and advice via video conference;
- To continue to develop new advice provision in Southwark and Newham;
- To expand its housing advice service and recruit additional solicitors;
- To take an active role in advice networks, and work in partnership with local advice providers.
- To continue to seek new sources of income and funding to deliver specialist legal advice services including raising unrestricted income;
- To secure continuation funding for its Housing Support Work project to help sustain tenancies and break the cycle of homelessness;
- To secure funding to continue to develop a public legal education programme in financial capability.

BLACKFRIARS SETTLEMENT

Looking forward the Settlement expects to be able to achieve the following, as part of the Settlement's Strategic Plan 2018-22:

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

GOING CONCERN

As part of our redevelopment project and in the development of our strategy for our move to Stratford we have developed detailed financial projections which include modelling the potential impact of Covid-19 on our original plans for growth. This work has supported the Board's ability to consider the financial impact of the challenges and uncertainties created by the Covid-19 pandemic, and as such it considers that the Settlement has adequate resources to continue in operational existence for the foreseeable future and until at least March 2022. For this reason, will continue to adopt the going concern basis for the preparation of its Financial Statements.

RESOURCES

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

Tangible resources include the freehold of Queensway House on Stratford High Street in the London Borough of Newham, the long term leasehold (995 years) of 1 Rushworth Street, and the remaining term of the lease of 42 Queen Square, the Settlement's main site for adult education.

MARY WARD SETTLEMENT
REPORT OF THE BOARD OF TRUSTEES
FOR THE YEAR ENDED 31 JULY 2020

Financial

The Settlement has £9,454,000 of net assets (2018-19: £10,653,000), having taken in to account the FRS102 pension liability of £2,658,000 (2018-19: £1,674,000). The balance owing to the Social Investment Business was £781,000 as at 31st July 2020 (2018-19: £862,000).

People

Until 31st March 2020 the Senior Management Team comprised six members of staff, including the temporary role of Assistant Chief Executive, to enable sufficient senior management time and resource for the planning of the redevelopment of Queensway House and the subsequent relocation of the majority of the activities of the Settlement to these new premises. From 1st April 2020, following the retirement of Assistant Chief Executive, the Senior Management Team now consists of five members of staff and is expected to remain at this level. The staff teams of the Adult Education Centre, the Legal Centre and Blackfriars are settled, with a low turnover. The Adult Education Centre employs a wide range of sessional tutors, many of whom have taught at Mary Ward for many years.

Reputation

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

PRINCIPAL RISKS AND UNCERTAINTIES

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

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

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

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

- A reduction in student numbers and / or falling average class sizes as a result of the ongoing impact of Covid-19
- Increasing mismatch between work demands and the capacity of staff to deliver
- Risks in connection with the implementation of the Property Strategy
- Ability of the IT and communications infrastructure to respond to the demands placed on it

**MARY WARD SETTLEMENT
REPORT OF THE BOARD OF TRUSTEES
FOR THE YEAR ENDED 31 JULY 2020**

STAKEHOLDER RELATIONSHIPS

The Settlement has many stakeholders including:

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

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

EQUAL OPPORTUNITIES AND EMPLOYMENT OF DISABLED PERSONS

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

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

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

DISABILITY STATEMENT

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

- having a management structure bringing together the support for learners with disabilities and learning difficulties and the provision of additional learning support;
- the use of 10 Great Turnstile to provide 100% level access to all areas and a wheelchair lift at the front entrance;
- the supply of specialist equipment for use by students with disabilities;
- the continuing investment in resources to support students with learning difficulties and/or disabilities; and
- the continuing programme of staff development to ensure the provision of a high level of appropriate support for students who have learning difficulties and/or disabilities.

In 2019-20 21% (2018-19: 21%) of the student body declared a disability or learning difficulty. This remains high in comparison with adult and further education colleges in general which is between 14% and 15%.

**MARY WARD SETTLEMENT
REPORT OF THE BOARD OF TRUSTEES
FOR THE YEAR ENDED 31 JULY 2020**

FUNDRAISING

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

During 2019-20, the Settlement received no complaints about its fundraising activities.

TRADE UNION FACILITY TIME

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

DISCLOSURE OF INFORMATION TO AUDITORS

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

Approved by order of the members of the Board on 16 March 2021 and signed on their behalf by:

Frances Bates

Frances Bates
Chair

MARY WARD SETTLEMENT
STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL
FOR THE YEAR ENDED 31 JULY 2020

STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL

The following statement is provided to enable readers of the Annual Report and Financial Statements of the Settlement to obtain a better understanding of its governance and legal structure. The statement covers the period from 1st August 2019 to 31st July 2020 and up to the date of the approval of the Annual Report and Financial Statements.

The Settlement endeavours to conduct its business:

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

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

In the opinion of the Board, the Settlement complies with all the provisions of the Code of Good Governance, and it has complied throughout the year ended 31st July 2020. The Board recognises that, as a body entrusted with both public and private funds, it has a particular duty to observe the highest standards of corporate governance at all times.

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

THE BOARD

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

Member	Date of appointment	Term of office	Date of leaving	Elected trustees	Position and Committees served
Ms F Bates	March 2015 Reappointed June 2019	4 years			Chair of Trustees; Governance and Nominations; Remuneration (Chair)
Ms R Brain***	October 2019	4 years			
Ms N Cartner	June 2017	4 years			Governance and Nominations; Quality Improvement Group (Chair)
Mr B Chandler	May 2018	4 years	November 2019		Finance
Mr G Collins	May 2018	4 years			Audit & Risk
Mr G Darby**	May 2018	3 years		Tutor	Quality Improvement Group
Ms K Duong	May 2018	4 years			Treasurer; Audit & Risk; Finance; Remuneration
Mr J Edwards*	July 2013 Reappointed May 2018	4 years			Finance (Chair); Governance and Nominations; Remuneration
Ms H Heathfield***	May 2018	4 years	April 2020		Quality Improvement Group

MARY WARD SETTLEMENT
STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL
FOR THE YEAR ENDED 31 JULY 2020

THE BOARD (continued)

Member	Date of appointment	Term of office	Date of leaving	Elected trustees	Committees served
Mr A Hill**	March 2015 Reappointed May 2018	3 years		Staff	Quality Improvement Group
Ms A Horsup	March 2014 Reappointed May 2017	4 years	April 2020		
Ms B Montoya	June 2017	4 years			
Mr P Nichols**	April 2020	Co-opted			
Ms P Nicholson**	November 2019	3 years		Student	Finance
Mr R Nadarajan*	July 2013 Reappointed May 2018	4 years			
Mr A Peck	March 2014 Reappointed May 2018	4 years			Audit and Risk (Chair); Governance and Nominations; Remuneration
Ms P Snow**	June 2019	3 years		Student	
Ms K Watters**	March 2015 Reappointed May 2018	4 years	April 2020		Quality Improvement Group
Baroness M Wheeler	May 2018	4 years	December 2020		Vice Chair
Ms A Williams**	February 2011 reappointed March 2014	4 years extended to October 2020			Vice Chair Governance and Nominations Quality Improvement Group
Ms E Wyatt	Oct 2016	4 years			Finance
Ms B Campbell acts as Clerk to the Board					

* Trustees of MWLC only

** Trustees of MWS only

*** Trustees of Blackfriars Settlement only

Ms K Duong was on maternity leave until October 2019.

Ms A Williams' appointment was extended to October 2020 to cover Vice Chair role during coronavirus period.

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

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

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

MARY WARD SETTLEMENT
STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL
FOR THE YEAR ENDED 31 JULY 2020

THE BOARD (CONTINUED)

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

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

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

ATTENDANCE

The table below summarises the attendance at Board and sub-committee meetings for the year to 31st July 2020. For trustees of subsidiary company boards, the number of meetings refers only to those meetings of the subsidiary represent.

Member	Board	Strategy days	Governance and Nominations	Finance	Audit and Risk	Quality Improvement Group
Ms F Bates	4 of 4	1 of 1	1 of 1	1 of 2	0 of 2	
Ms R Brain	3 of 3	1 of 1				
Ms N Cartner	4 of 4	1 of 1	1 of 1			2 of 2
Mr G Collins	4 of 4	1 of 1			2 of 2	
Mr G Darby	3 of 4	1 of 1				0 of 2
Ms K Duong	3 of 4	1 of 1		1 of 2	2 of 2	
Mr J Edwards	4 of 4	1 of 1	1 of 1	1 of 2		
Ms H Heathfield	2 of 2	0 of 1				1 of 2
Mr A Hill	4 of 4	1 of 1				0 of 2
Ms A Horsup	1 of 2	1 of 1				
Ms B Montoya	4 of 4	1 of 1				
Mr R Nadarajan	2 of 4	0 of 1				
Mr P Nichols	1 of 1					
Ms P Nicholson	3 of 3	1 of 1		1 of 1		
Mr A Peck	4 of 4	1 of 1	1 of 1		2 of 2	
Ms P Snow	3 of 4	1 of 1				
Ms K Watters	1 of 2	1 of 1				2 of 2
Baroness M Wheeler	0 of 4	0 of 1				
Ms A Williams	2 of 4	1 of 1	1 of 1			2 of 2
Ms E Wyatt	1 of 4	0 of 1		1 of 2		

The Remuneration Committee did not meet formally during 2019-20.

In addition to the committees shown above, a Property Working Group operated during the year, overseeing the sale of 10 Great Turnstile and the purchase of Queensway House. The Property Working Group was not operated as a formal committee with registers of attendance, nor was it formally clerked. However all significant discussions were reported back to the full Board, and a record of any decisions taken by the Board was formally noted as part of the full board minutes.

MARY WARD SETTLEMENT
STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL
FOR THE YEAR ENDED 31 JULY 2020

ATTENDANCE (CONTINUED)

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

Mary Ward Settlement
42 Queen Square
London
WC1H 3AQ

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

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

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

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

APPOINTMENTS TO THE BOARD

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

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

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

BOARD PERFORMANCE

A review of the performance of individual trustees, including the Chair, took place during the year. Individual performance appraisals are also scheduled for 2020-21 and it is proposed that an overall self-assessment of the Board's performance should be derived from these.

REMUNERATION COMMITTEE

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

Details of remuneration for the year ended 31st July 2020 are set out in note 11 to the Financial Statements.

MARY WARD SETTLEMENT
STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL
FOR THE YEAR ENDED 31 JULY 2020

THE GOVERNANCE AND NOMINATIONS COMMITTEE

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

AUDIT AND RISK COMMITTEE

The Audit and Risk Committee comprises up to five members. No member of staff is permitted to serve on the Audit and Risk Committee. The Committee operates in accordance with written terms of reference approved by the Board.

The Audit and Risk Committee provides a forum for reporting by the Settlement's internal and financial statements auditors, who have access to the committee for independent discussion, without the presence of Settlement management.

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

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

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

THE FINANCE COMMITTEE

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

INTERNAL CONTROL

SCOPE OF RESPONSIBILITY OF INTERNAL CONTROL

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

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

MARY WARD SETTLEMENT
STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL
FOR THE YEAR ENDED 31 JULY 2020

THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Settlement policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place at the Settlement for the year ended 31st July 2020 and up to the date of approval of the Annual Report and Financial Statements.

CAPACITY TO HANDLE RISK

The Board has reviewed the key risks to which the Settlement is exposed, together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board is of the view that there is a formal ongoing process for identifying, evaluating and managing the Settlement's significant risks that has been in place for the year ended 31st July 2020 and up to the date of approval of the Annual Report and Financial Statements. This process is regularly reviewed by the Board.

THE RISK AND CONTROL FRAMEWORK

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

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

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

THE REVIEW OF EFFECTIVENESS

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

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

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

MARY WARD SETTLEMENT
STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL
FOR THE YEAR ENDED 31 JULY 2020

THE REVIEW OF EFFECTIVENESS (CONTINUED)

The Senior Management Team receives reports setting out key performance and risk indicators and considers possible control issues brought to their attention by early warning mechanisms, which are embedded within the departments and reinforced by risk awareness training. The Senior Management Team and the Audit and Risk Committee also receive regular reports from the internal auditor and other sources of assurance, which include recommendations for improvement. The Audit and Risk Committee's role in this area is confined to a high-level review of the arrangements for internal control. The Committee's agenda includes a regular item for consideration of risk and control and it receives reports thereon from the Senior Management Team. The emphasis is on obtaining the relevant degree of assurance and not merely reporting by exception. At its meeting on 17th November 2020 the Audit and Risk Committee carried out the annual assessment for the year ended 31st July 2020 by considering documentation from the Senior Management Team and internal audit service, as well as reviewing events since the year end.

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

GOING CONCERN

After making appropriate enquiries, the Board considers that the Settlement has adequate resources to continue in operational existence for the foreseeable future and until at least 31 March 2022. For this reason, it continues to adopt the going concern basis in preparing the financial statements.

Approved by order of the members of the Board on 16 March 2021 and signed on their behalf by

Frances Bates

S Jackson

Frances Bates
Chair

Suzanna Jackson
Accounting Officer

MARY WARD SETTLEMENT
STATEMENT OF RESPONSIBILITIES OF THE BOARD OF TRUSTEES
FOR THE YEAR ENDED 31 JULY 2020

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

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

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

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

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

Each of the trustees confirms that:

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

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

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

Approved by order of the members of the Board on 16 March 2021.

Frances Bates

Frances Bates
Chair

Opinion

We have audited the Financial Statements of Mary Ward Settlement and its subsidiaries (the 'group') for the year ended 31 July 2020 which comprise the group statement of comprehensive income, the group Statement of Changes in Reserves, the group and company Balance Sheets, the group Statement of Cash Flows, the principal accounting policies, and the Notes to the Financial Statements. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the Financial Statements:

- give a true and fair view of the state of the settlement and the group's affairs as at 31 July 2020 and of the group's income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the Financial Statements is not appropriate; or
- the trustees have not disclosed in the Financial Statements any identified material uncertainties that may cast significant doubt about the group's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the Financial Statements are authorised for issue.

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the trustees are responsible for the preparation of the Financial Statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of Financial Statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the Financial Statements

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

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

Use of our report

This report is made solely to the group'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 group'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 group's members as a body, for our audit work, for this report, or for the opinions we have formed.

Catherine Biscoe

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

Date: 25 March 2021

MARY WARD SETTLEMENT
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 JULY 2020

	Notes	Unrestricted Funds £'000	Restricted Funds £'000	Total 2020 £'000	Unrestricted Funds £'000	Restricted Funds £'000	Total 2019 £'000
INCOME							
Donations and fundraising	2	396	67	463	431	39	470
Income for generating funds	3	300	-	300	303	-	303
<i>Income from charitable activities:</i>							
Adult education	4	3,282	63	3,345	3,518	30	3,548
Community services	5	-	228	228	-	221	221
Legal services	5	15	811	826	28	880	908
Investment income	6	11	-	11	13	-	13
Other Income - CJRS grant	7	260	-	260	-	-	-
Total income		4,264	1,169	5,433	4,293	1,170	5,463
EXPENDITURE							
<i>Cost of raising funds:</i>							
Generating donations and grants	8	58	-	58	78	-	78
<i>Expenditure on charitable activities:</i>							
Adult education		3,839	24	3,863	3,846	62	3,908
Community services		-	702	702	78	620	698
Legal services		-	1,175	1,175	-	1,262	1,262
Total expenditure	9/10	3,897	1,901	5,798	4,002	1,944	5,946
Surplus / (deficit) before other gains/losses		367	(732)	(365)	291	(774)	(483)
Gain / (loss) on investments		2	-	2	(7)	-	(7)
Surplus / (Deficit) before tax		369	(732)	(363)	284	(774)	(490)
Taxation		-	-	-	-	-	-
Surplus / (Deficit) for the year		369	(732)	(363)	284	(774)	(490)
Actuarial (loss) in respect of pension schemes	26	-	(839)	(839)	-	(85)	(85)
Transfers between funds		(1,492)	1,492	-	(858)	858	-
Total Comprehensive Income for the year		(1,123)	(79)	(1,202)	(574)	(1)	(575)

MARY WARD SETTLEMENT
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 JULY 2020

	Unrestricted funds £'000	Restricted funds £'000	Total 2020 £'000	<i>Unrestricted</i> <i>funds</i> £'000	<i>Restricted</i> <i>funds</i> £'000	<i>Total</i> <i>2019</i> £'000
Represented by:						
Restricted comprehensive income	-	(79)	(79)	-	(1)	(1)
Unrestricted comprehensive income	(1,123)	-	(1,123)	(574)	-	(574)
	<u>(1,123)</u>	<u>(79)</u>	<u>(1,202)</u>	<u>(574)</u>	<u>(1)</u>	<u>(575)</u>

In 2019-20, £822,000 of income and £1,175,000 expenditure from legal services was restricted; all other income and expenditure was unrestricted (2018-19: £880,000 of income and £1,262,000 expenditure was restricted). In 2019-20 £55,000 (2017-18: £30,000) adult education income, £67,000 (2018-19: £39,000) donations and fundraising income and £236,000 (2018-19: £221,000) community services income was restricted. £24,000 (2018-19: £62,000) adult education expenditure and £702,000 (2018-19: £620,000) community services expenditure, before other gains and losses, was restricted. All other income and expenditure was unrestricted.

MARY WARD SETTLEMENT
CONSOLIDATED AND CENTRE STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 JULY 2020

	Notes	2020 Group £'000	2020 Centre £'000	2019 Group £'000	2019 Centre £'000
INCOME					
Funding body grants	4	2,431	2,431	2,289	2,289
Tuition fees and education contracts	4	914	906	1,259	1,230
Other income from charitable activities	5	1,054	-	1,129	-
Other income - rent receivable	3	300	120	303	114
Investment income	6	11	10	13	4
Donations and fundraising	2	463	113	470	104
Other income - CJRS grant		260	191	-	-
Total income		5,433	3,771	5,463	3,741
EXPENDITURE					
Staff costs	12	4,170	2,817	4,098	2,759
Other operating expenses	11	1,334	1,068	1,550	1,055
Depreciation	14	220	141	218	141
Interest and other finance costs	13	74	66	80	73
Total expenditure		5,798	4,092	5,946	4,028
(Deficit) before other gains and losses		(365)	(321)	(483)	(287)
Gain (loss) on investments		2	-	(7)	-
Deficit before tax		(363)	(321)	(490)	(287)
Taxation		-	-	-	-
Deficit for the year		(363)	(321)	(490)	(287)
Actuarial loss in respect of pension schemes	26	(839)	(839)	(85)	(85)
Total Comprehensive Income for the year		(1,202)	(1,160)	(575)	(372)
Represented by:					
Restricted comprehensive income		(79)	5	(1)	(1)
Unrestricted comprehensive income		(1,123)	(1,165)	(574)	(371)
		(1,202)	(1,160)	(575)	(372)

MARY WARD SETTLEMENT
CONSOLIDATED STATEMENT OF CHANGES IN RESERVES
FOR THE YEAR ENDED 31 JULY 2020

	Group Income and expenditure account £'000	Centre Income and expenditure account £'000
Balance as at 1st August 2018, as originally stated		
Opening funds adjustment		
Balance as at 1st August 2018, as restated	11,228	8,015
Deficit from the income and expenditure account	(490)	(287)
Other comprehensive income	(85)	(85)
Total comprehensive income for the year	<u>(575)</u>	<u>(372)</u>
Balance as at 31st July 2019	10,653	7,643
Deficit from the income and expenditure account	(363)	(321)
Other comprehensive income	(839)	(839)
Total comprehensive income for the year	<u>(1,202)</u>	<u>(1,160)</u>
Balance as at 31st July 2020	<u>9,451</u>	<u>6,483</u>

MARY WARD SETTLEMENT
CONSOLIDATED AND CENTRE BALANCE SHEET
AS AT 31 JULY 2020

	Notes	2020 Group £'000	2020 Centre £'000	2019 Group £'000	2019 Centre £'000
Non current assets					
Tangible fixed assets	14	12,029	9,031	11,227	8,164
Investments	15	27	-	25	-
Long term loan to group undertaking		-	-	-	124
		<u>12,056</u>	<u>9,031</u>	<u>11,252</u>	<u>8,288</u>
Current assets					
Work in Progress		122	-	108	-
Trade and other receivables	16	1,112	1,073	557	478
Cash and cash equivalents	21	1,723	1,468	2,958	2,675
		<u>2,957</u>	<u>2,541</u>	<u>3,623</u>	<u>3,153</u>
Less: Creditors - amounts falling due within one year	17	(1,285)	(931)	(1,208)	(921)
		<u>1,672</u>	<u>1,610</u>	<u>2,415</u>	<u>2,232</u>
Net current assets		<u>1,672</u>	<u>1,610</u>	<u>2,415</u>	<u>2,232</u>
Total assets less current liabilities		13,728	10,641	13,667	10,520
Creditors - amounts falling due after more than one year	18	(1,619)	(1,500)	(1,340)	(1,203)
Provisions					
Defined benefit obligations	20/26	(2,658)	(2,658)	(1,674)	(1,674)
		<u>9,451</u>	<u>6,483</u>	<u>10,653</u>	<u>7,643</u>
Total net assets		<u>9,451</u>	<u>6,483</u>	<u>10,653</u>	<u>7,643</u>
Restricted reserves					
Income and expenditure account					
Other Restricted Reserves		11	9	14	12
Unrestricted reserves					
Income and expenditure account		2,387	3,237	3,508	3,289
Other Unrestricted Reserves		4,068	3,237	4,068	4,342
Designated Reserves:					
Fixed Asset Reserve		2,985	-	3,063	-
Total reserves		<u>9,451</u>	<u>6,483</u>	<u>10,653</u>	<u>7,643</u>

The Financial Statements on pages 33 to 66 were approved and authorised for issue by the Board on 16 March 2021 and signed on its behalf on that date by:

Frances Bates

Frances Bates
Chair

S Jackson

Suzanna Jackson
Accounting Officer

MARY WARD SETTLEMENT
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 JULY 2020

	Notes	2020	2019
		£'000	£'000
Cash flow from operating activities			
Deficit for the year		(363)	(483)
Adjustment for non cash items			
Depreciation	14	220	218
Provision of deferred income		353	59
Release of deferred gain		(272)	(278)
(Increase) in work in progress		(14)	(50)
(Increase) in debtors	16	(555)	(46)
Increase / (decrease) in creditors due within one year	17	77	(37)
Increase / (decrease) in creditors due after one year	18	279	-
Pension costs less contributions payable (including administration cost)	26	145	163
Adjustment for investing activities			
Investment income	6	(11)	(13)
Interest payable	13	40	80
(Gains) losses on investments		(2)	7
Net cash flow from operating activities		<u>(103)</u>	<u>(380)</u>
Cash flows from investing activities			
Disposal of non-current asset investments	15	-	95
Investment income	6	11	13
Payments made to acquire fixed assets	14	(1,022)	(510)
		<u>(1,011)</u>	<u>(402)</u>
Cash flows from financing activities			
Interest paid		(40)	(80)
Repayments of amounts borrowed		(81)	(114)
		<u>(121)</u>	<u>(194)</u>
(Decrease) in cash and cash equivalents in the year		<u>(1,235)</u>	<u>(976)</u>
Cash and cash equivalents at the beginning of the year		2,958	3,934
Cash and cash equivalents at the end of the year		1,723	2,958

MARY WARD SETTLEMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020

1 ACCOUNTING POLICIES

Statement of accounting policies and estimation techniques

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

Basis of preparation

These Financial Statements have been prepared in accordance with the *Statement of Recommended Practice: Accounting for Further and Higher Education 2015* (the 2015 FE HE SORP), the *College Accounts Direction for 2018/19* and in accordance with Financial Reporting Standard 102 - “*The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS102)*”. The Settlement is a public benefit entity and has therefore applied the relevant public benefit requirements of FRS102.

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

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

Basis of accounting

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

Basis of consolidation

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

Going concern

The activities of the Settlement, together with the factors likely to affect its future development and performance are set out in the Report of the Board of Trustees. The financial position of the Settlement, its cash flow, liquidity and borrowings are described in the Financial Statements and accompanying Notes.

As part of our redevelopment project and in the development of our strategy for our move to Stratford we have developed detailed financial projections which include modelling the potential impact of COVID 19 on our original plans for growth. This work has supported the Board’s ability to consider the financial impact of the challenges and uncertainties created by the Covid-19 pandemic, and as such it considers that the Centre has adequate resources to continue in operational existence for the foreseeable future and until at least 31 March 2022. For this reason, it continues to adopt the going concern basis in preparing the financial statements.

Recognition of income

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

MARY WARD SETTLEMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020

Revenue funding

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

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

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

Capital grant funding

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

Fee income

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

Investment income

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

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

Other income

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

MARY WARD SETTLEMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020

Agency arrangements

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

Accounting for post-employment benefits

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

Teachers' Pension Scheme

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

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

The London Pension Fund Authority

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

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

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

Short term Employment benefits

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

MARY WARD SETTLEMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020

Non-current assets - Tangible fixed assets

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

Land and buildings

Freehold buildings are depreciated on a straight line basis over their expected useful economic life of 40 years.

Freehold land is not depreciated as it is considered to have an infinite useful life.

The Settlement has a policy of depreciating major adaptations to freehold buildings over the period of their useful economic life of 40 years. Leasehold buildings are amortised over the term of the lease as are major adaptations to leasehold buildings.

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

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

On adoption of FRS102, the Settlement followed the transitional provision to retain the book value of land and buildings, which were revalued in 1996, as deemed cost but not to adopt a policy of revaluation of these properties in the future.

Subsequent expenditure on existing fixed assets

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

Equipment

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

All equipment, including fixtures and fittings, is depreciated over 5 years on a straight line basis.

Borrowing costs

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

Leased assets

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

The Settlement has 2 years remaining on an operating lease, until July 2022, with Meraki Holdings on the property occupied by the Legal Centre at 10 Great Turnstile. The amount payable by the Settlement under the lease (exclusive of rates and service charge) is £425,000 per annum.

MARY WARD SETTLEMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020

Investments

Listed investments held as non-current assets and current asset investments, which may include listed investments, are stated at fair value, with movements recognised in the Statement of Comprehensive Income. Investments comprising unquoted equity instruments are measured at fair value, estimated using a valuation technique.

Cash and cash equivalents

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

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

Financial liabilities and equities

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

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

Taxation

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

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

Provisions and contingent liabilities

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

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

MARY WARD SETTLEMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020

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

Contingent liabilities are not recognised in the Balance Sheet but are disclosed in the Notes to the Financial Statements.

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

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

- To determine whether leases entered into by the Settlement, either as a lessor or a lessee are operating or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis.

- To determine whether there are indicators of impairment of the Settlement's tangible assets. Factors taken in to consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and, where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit.

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

Other key sources of estimation uncertainty

- Tangible fixed assets

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

- Local Government Pension Scheme

The present value of the LGPS defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 25, will impact the carrying amount of the pension liability. Furthermore, a roll forward approach which projects results from the latest full actuarial valuation performed at 31st March 2016, has been used by the actuary in valuing the pension liability at 31st July 2010. Any difference between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

MARY WARD SETTLEMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020

- Sale and Leaseback

The Settlement sold a property in 2017-18 under a sale and leaseback agreement. The sale price was above fair value and so the excess over fair value has been treated as a gain deferred over the life of the lease. Fair value has been determined by the trustees, taking into account an independent professional valuation report from its property advisers, Gryphon Property Partners, and adjusting the value shown in the report based on current market rental values and the future use of the property.

The amortisation of the deferred gain over the life of the lease is being charged on a straight line basis to rental expenditure. No legal right to set off exists, as would normally be required for this treatment under FRS102, but the trustees believe that one of the purposes of the agreement is to give rise to a gain that partly represents the rent to be paid over the term of the lease. It is therefore considered true and fair to set off the gain against the rent.

- Gifts in Kind

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

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

MARY WARD SETTLEMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020

2 DONATIONS AND FUNDRAISING

	2020 Group	2020 Centre	2019 Group	2019 Centre
	£'000	£'000	£'000	£'000
Income from general fundraising and donations	274	68	216	41
Income from fund raising and donations for bursary fund	18	18	11	11
Value in kind donations	171	27	243	52
Total	<u>463</u>	<u>113</u>	<u>470</u>	<u>104</u>

3 ACTIVITIES FOR GENERATING FUNDS

	2020 Group	2020 Centre	2019 Group	2019 Centre
	£'000	£'000	£'000	£'000
Rent from group company	-	-	-	2
Rent received	300	120	303	112
Total	<u>300</u>	<u>120</u>	<u>303</u>	<u>114</u>

4A ADULT EDUCATION

	2020 Group	2020 Centre	2019 Group	2019 Centre
	£'000	£'000	£'000	£'000
Grants receivable	2,431	2,431	2,289	2,289
Tuition fees	906	906	1,228	1,228
Education contracts	8	-	31	2
Total	<u>3,345</u>	<u>3,337</u>	<u>3,548</u>	<u>3,519</u>

4B FUNDING BODY GRANTS

	Group and Centre	Group and Centre
	2020 £'000	2019 £'000
ESFA recurrent grant	2,243	2,182
ESFA non recurrent grants	156	75
Releases of deferred capital grants	32	32
Total	<u>2,431</u>	<u>2,289</u>

MARY WARD SETTLEMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020

4c TUITION FEES AND EDUCATION CONTRACTS

	2020 Group £'000	2020 Centre £'000	2019 Group £'000	2019 Centre £'000
Adult education fees	764	764	1,065	1,065
Fees for FE loan supported courses	142	142	163	163
Education contracts	8	-	31	2
Total	<u>914</u>	<u>906</u>	<u>1,259</u>	<u>1,230</u>

5 OTHER INCOME FROM CHARITABLE ACTIVITIES

	2020 Group £'000	2020 Centre £'000	2019 Group £'000	2019 Centre £'000
Legal fees and disbursements	361	-	494	-
Grants receivable - Legal Centre	464	-	414	-
Total - Legal Services	826	-	908	-
Other Grants receivable	228	-	221	-
Total	<u>1,054</u>	<u>-</u>	<u>1,129</u>	<u>-</u>

6 INVESTMENT INCOME

	2020 Group £'000	2020 Centre £'000	2019 Group £'000	2019 Centre £'000
Bank interest received	10	10	8	4
Other investment income	1	-	5	-
Total	<u>11</u>	<u>10</u>	<u>13</u>	<u>4</u>

7 OTHER INCOME

Other income is comprised of receipts from the government's Coronavirus Job Retention Scheme.

MARY WARD SETTLEMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020

8 COST OF RAISING FUNDS

	2020 Group £'000	2019 Group £'000
Adult education – staff costs	28	28
Adult education – support costs	-	15
Legal services – staff costs	12	11
Legal services – support costs	11	17
Other – staff costs	7	7
Total	58	78

9 TOTAL EXPENDITURE

	Grant funding £'000	Direct costs £'000	Support Costs £'000	Total 2020 Group £'000
Adult education	28	1,947	1,916	3,891
Legal services	23	768	407	1,198
Other	7	226	476	709
	<u>58</u>	<u>2,941</u>	<u>2,799</u>	<u>5,798</u>

	Grant funding £'000	Direct costs £'000	Support costs £'000	Total 2019 Group £'000
<i>Adult education</i>	42	1,913	1,995	3,950
<i>Legal services</i>	28	798	464	1,290
<i>Other</i>	8	389	309	706
	<u>78</u>	<u>3,100</u>	<u>2,768</u>	<u>5,946</u>

MARY WARD SETTLEMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020

10 SUPPORT COSTS

	Other	Adult education	Legal services	Total 2020 Group
	£'000	£'000	£'000	£'000
Staff costs	252	1,202	230	1,684
Travel and subsistence	5	1	1	7
Publicity	-	36	1	37
Premises costs	89	104	110	303
Administration	23	201	42	266
Audit fee	4	34	11	49
Legal and professional fees	16	128	11	155
Bank charges	-	3	1	4
Interest payable	8	66	-	74
Amortisation and depreciation	79	141	-	220
	<u>476</u>	<u>1,916</u>	<u>407</u>	<u>2,799</u>

	Other	Adult education	Legal services	Total 2019 Group
	£'000	£'000	£'000	£'000
Staff costs	196	1,249	269	1,714
Travel and subsistence	-	2	1	3
Publicity	-	37	-	37
Premises costs	-	152	112	264
Administration	102	200	57	359
Audit fee	12	39	10	61
Legal and professional fees	-	98	14	112
Bank charges	-	3	1	4
Interest payable	-	73	-	73
Amortisation and depreciation	-	141	-	141
	<u>310</u>	<u>1,994</u>	<u>464</u>	<u>2,768</u>

Support costs include:

	2020 Group	2020 Centre	2019 Group	2019 Centre
	£'000	£'000	£'000	£'000
Auditor's remuneration:				
Financial Statements audit	38	21	37	19
Regularity audit	2	2	2	2
Internal audit	9	9	12	12
Other services	-	-	-	-

MARY WARD SETTLEMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020

11 OTHER OPERATING EXPENSES

	2020 Group £'000	2020 Centre £'000	2019 Group £'000	2019 Centre £'000
Teaching costs	103	103	151	151
Non-teaching costs	723	555	762	392
Premises costs	508	410	637	512
Total	<u>1,334</u>	<u>1,068</u>	<u>1,550</u>	<u>1,055</u>

12 STAFF COSTS

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

	2020		2019	
	No.	fte	No.	fte
Adult Education Centre staff	164	61	174	71
Legal Centre staff	24	18	24	20
Blackfriars staff	15	10	12	7
	<u>203</u>	<u>89</u>	<u>210</u>	<u>98</u>

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

	2020		2019	
	No.	fte	No.	fte
Adult Education Centre:				
Teaching staff	124	30	136	38
Non-teaching staff	40	31	38	33
	<u>164</u>	<u>61</u>	<u>174</u>	<u>71</u>

Staff costs for the above persons

	2020 £'000	2019 £'000
Adult Education Centre staff	2,817	2,759
Legal Centre staff	916	990
Blackfriars staff	437	349
	<u>4,170</u>	<u>4,098</u>

MARY WARD SETTLEMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020

12 STAFF COSTS (continued)

	2020 Group	2020 Centre	2019 Group	2019 Centre
	£'000	£'000	£'000	£'000
Wages and salaries	3,302	2,118	3,301	2,122
Social security costs	272	170	267	170
Other pension costs (including LGPS adjustments of £123,000; 2018-19 £123,000)	596	529	530	467
	<u>4,170</u>	<u>2,817</u>	<u>4,098</u>	<u>2,759</u>

Key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Settlement and are represented by the Senior Management Team, which comprised the Warden (who is also the Accounting Officer), the Assistant Chief Executive Officer (until his retirement on 31st March 2020), the Director of Community and Adult Education, the Director of Mary Ward Legal Centre, the Director of Blackfriars Settlement and the Director of Finance and Resources.

	2020 Group	2020 Centre	2019 Group	2019 Centre
	No.	No.	No.	No.
The number of key management personnel	<u>6</u>	<u>4</u>	<u>6</u>	<u>4</u>

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

	2020 Group	2020 Centre	2019 Group	2019 Centre
	£'000	£'000	£'000	£'000
£30,001 to £35,000 p.a.	-	-	1	-
£45,001 to £50,000 p.a.	2	1	1	-
£55,001 to £60,000 p.a.	1	-	-	-
£60,001 to £65,000 p.a.	-	-	1	1
£70,001 to £75,000 p.a.	1	1	1	1
£75,001 to £80,000 p.a.	1	1	1	1
£80,0001 to £90,000 p.a.	1	1	1	1
	<u>6</u>	<u>4</u>	<u>6</u>	<u>4</u>

MARY WARD SETTLEMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020

12 STAFF COSTS (continued)

Key management personal emoluments are made up as follow:

	2020 Group £'000	2020 Centre £'000	2019 Group £'000	2019 Centre £'000
Salaries	389	268	380	281
Employers National Insurance	47	33	46	34
Pension contributions	58	49	47	39
Total key management emoluments	<u>494</u>	<u>350</u>	<u>473</u>	<u>354</u>

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

	2020 Group and Centre £'000	2019 Group and Centre £'000
Salaries	85	89
	<u>85</u>	<u>89</u>
Pension contributions	<u>16</u>	<u>15</u>

Relationship of Accounting Officer pay and remuneration expressed as a multiple

	2020	2019
Accounting Officer's basic salary as a multiple of the median of all staff	2.5	2.9
Accounting Officer's total remuneration as a multiple of the median of all staff	<u>2.6</u>	<u>2.9</u>

No trustees received any payment from the Settlement, making no claims for travel and subsistence or any other expenses (2019 – none).

MARY WARD SETTLEMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020

13 INTEREST AND OTHER FINANCE COSTS

	2020 Group	2020 Centre	2019 Group	2019 Centre
	£'000	£'000	£'000	£'000
On bank and government agency loans	40	32	44	37
			44	37
Pension finance costs (note 25)	34	34	36	36
Total	74	66	80	73

14 TANGIBLE FIXED ASSETS - THE SETTLEMENT

	Land and buildings		Equipment	Total
	Freehold	Leasehold	£'000	£'000
	£'000	£'000	£'000	£'000
Cost				
As at 1 st August 2019	7,750	5,517	533	13,800
Additions	1,008	-	14	1,022
As at 31st July 2020	8,758	5,517	547	14,822
Depreciation				
At 1 st August 2019	-	2,105	468	2,573
Charge for the year	-	201	19	220
At 31st July 2020	-	2,306	487	2,793
Net book value as at 31st July 2020	8,758	3,211	60	12,029
<i>Net book value as at 31st July 2019</i>	<i>7,750</i>	<i>3,412</i>	<i>65</i>	<i>11,227</i>

MARY WARD SETTLEMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020

14 TANGIBLE FIXED ASSETS - ADULT EDUCATION CENTRE

	Land and buildings		Equipment	Total
	Freehold	Leasehold		
	£'000	£'000	£'000	£'000
Cost				
As at 1 st August 2019	7,750	2,143	420	10,313
Additions	1,008	-	-	1,008
As at 31st July 2020	8,758	2,143	420	11,321
Depreciation				
At 1 st August 2019	-	1,745	404	2,149
Charge for the year	-	132	9	141
At 31st July 2020	-	1,877	413	2,290
Net book value as at 31st July 2020	8,758	266	7	9,031
<i>Net book value as at 31st July 2019</i>	<i>7,750</i>	<i>398</i>	<i>16</i>	<i>8,164</i>

In 2017-18 the Settlement sold a property for sale proceeds of £9,460,000, under a sale and leaseback agreement. As stated in the accounting policies, the sale price was above fair value and so the excess over fair value has been deferred over the life of the lease. Fair value has been determined by the trustees, taking into account an independent professional valuation report from Gryphon property partners, and adjusting this based on the current market rental values and the future use of the property. The total gain on the sale was £5,319,000. Of this, £4,068,000 was recognised as a gain on disposal in 2017-18, and the remaining gain of £1,081,000 was recognised as deferred income, to be released in equal amounts over the life of the lease. The amortisation of the gain credited to rental expenditure in 2019-20 was £272,000 (2018-19: £272,000).

15 INVESTMENTS

	2020	2020	2019	2019
	Group	Centre	Group	Centre
	£'000	£'000	£'000	£'000
Listed investments				
Market value as at 1 st August 2019	25	-	127	-
Disposals	-	-	(95)	-
Loss on disposal	-	-	(7)	-
Introduced on acquisition	-	-	-	-
Net unrealised investment gains	2	-	-	-
Total value of portfolio as at 31st July 2020	27	-	25	-
Cost of listed investments at 31 st July 2019	3	-	3	-

MARY WARD SETTLEMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020

15 INVESTMENTS (continued)

Listed investments held at 31st July 2020 comprised the following:

	2020	2019
	Group only	Group and Centre
	£'000	£'000
UK fixed interest		-
UK equities	26	24
Unlisted investments	1	1
Total	<u>27</u>	<u>25</u>

At 31st July 2020 the Settlement held no individual holdings that were material relative to the market value of the total listed investments portfolio held at that date.

16 DEBTORS

	2020	2020	2019	2019
	Group	Centre	Group	Centre
	£'000	£'000	£'000	£'000
Amounts falling due within one year:				
Trade receivables	122	41	200	9
Other debtors	12	10	4	2
Amounts owed by group undertakings	-	179	-	193
VAT recoverable	14	6	17	12
Prepayments and accrued income	951	837	336	262
	<u>1,112</u>	<u>1,073</u>	<u>557</u>	<u>478</u>

17 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020	2020	2019	2019
	Group	Centre	Group	Centre
	£'000	£'000	£'000	£'000
Bank loans and overdrafts	132	107	119	94
Trade payables	107	102	2	-
Other taxation and social security	72	45	107	66
Accrual for untaken annual leave	94	80	88	66
Other accruals and deferred income	576	245	490	293
Deferred income - government capital grants	32	32	130	
Deferred income - profit on disposal of property (note 13)	272	272	272	
Total	<u>1,285</u>	<u>931</u>	<u>1,208</u>	<u>921</u>

MARY WARD SETTLEMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020

18 CREDITORS: AMOUNTS FALLING DUE AFTER ONE YEAR	2020 Group £'000	2020 Centre £'000	2019 Group £'000	2019 Centre £'000
Bank loans	659	530	743	743
Deferred income - government capital grants	705	705	64	64
Deferred income - profit on disposal of property	265	265	533	533
Total	<u>1,619</u>	<u>1,500</u>	<u>1,340</u>	<u>1,203</u>

19 MATURITY OF DEBT

Bank loans and overdrafts are repayable as follows:

	2020 Group £'000	2020 Centre £'000	2019 Group £'000	2019 Centre £'000
In one year or less	124	99	117	94
Between two and five years	571	452	540	429
Over five years	86	86	205	177
Total	<u>781</u>	<u>637</u>	<u>862</u>	<u>700</u>

A loan to the Adult Education Centre, at 5%, repayable by instalments, falling due December 2025, is secured by a fixed charge on the freehold property.

A loan to Blackfriars at 5%, repayable by instalments, falling due December 2024, is secured by a fixed charge on the leasehold property.

20 PROVISIONS

	Group and Centre		
	Defined benefit obligations £'000	Other £'000	Total £'000
At 1 st August 2019	1,674	-	1,674
Expenditure in the period	984	-	984
As at 31st July 2020	<u>2,658</u>	<u>-</u>	<u>2,658</u>

Defined Benefit Obligations relate to the liabilities under the Settlement's membership of the Local Government Pension Scheme. Further details are given in note 25.

MARY WARD SETTLEMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020

21 CASH AND CASH EQUIVALENTS

	Group			At 31 July 2020 £'000
	At 1 August 2019 £'000	Cash flows £'000	Other changes £'000	
	Cash and cash equivalents	2,958	1,235	
	<u>2,958</u>	<u>1,235</u>	<u>-</u>	<u>1,723</u>

22 CAPITAL AND OTHER COMMITMENTS

	Group and Centre	
	2020	2019
	£'000	£'000
Commitments contracted for at 31 st July	-	-

23 LEASE OBLIGATIONS

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

	2020 Group £'000	2020 Centre £'000	2019 Group £'000	2019 Centre £'000
Land and buildings				
Not later than one year	426	359	425	359
Later than one year and not later than five years	214	148	599	507
Later than five years	-	-	-	-
	<u>640</u>	<u>507</u>	<u>1,024</u>	<u>866</u>

	2020 Group £'000	2020 Centre £'000	2019 Group £'000	2019 Centre £'000
Equipment				
Not later than one year	3	-	3	-
Later than one year and not later than five years	3	-	6	-
Later than five years	-	-	-	-
	<u>6</u>	<u>-</u>	<u>9</u>	<u>-</u>

**MARY WARD SETTLEMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020**

24 CONTINGENT LIABILITIES

There are no contingent liabilities.

25 EVENTS AFTER THE REPORTING PERIOD

There are no events after the reporting period that would have a material impact on these Financial Statements.

26 DEFINED BENEFIT OBLIGATIONS

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

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest formal actuarial valuation of the TPS was 31 March 2016 and of the LGPS 31 March 2016.

Total pension cost for the year	2020	2019
	£'000	£'000
Teachers' Pension Scheme: contributions paid	328	187
Local Government Pension Scheme:		
Contributions paid	88	129
FRS102 (s28) charge	107	123
	<hr/>	<hr/>
Charge to the Statement of Comprehensive Income	195	252
Enhanced pension charge to Statement of Comprehensive Income	24	37
	547	476
Total Pension Cost for Year within staff costs	<hr/> <hr/>	<hr/> <hr/>

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

The employees of the Legal Centre and Blackfriars belong to defined contribution pension schemes operated by the National Employers Savings Trust (NEST) and Aviva, respectively. The costs are therefore not included above.

Teachers' Pension Scheme

The Teachers' Pension Scheme ("TPS") is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations 2010, and, from 1st April 2014, by the Teachers' Pension Scheme Regulations 2014. These regulations apply to teachers in schools and other educational establishments, including academies, in England and Wales that are maintained by local authorities. In addition, teachers in many independent and voluntary-aided schools, and teachers and lecturers in establishments of further and higher education, may be eligible for membership. Membership is automatic for full-time teachers and lecturers and from 1st January 2007 automatic too for teachers and lecturers in part-time employment following appointment or a change of contract. Teachers and lecturers are able to opt out of the TPS.

MARY WARD SETTLEMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020

26 DEFINED BENEFIT OBLIGATIONS (continued)

The Teachers' Pension Budgeting and Valuation Account

Although members may be employed by various bodies, their retirement and other pension benefits are set out in the regulations made under the Superannuation Act 1972 and are paid by public funds provided by Parliament. The TPS is an unfunded scheme and members contribute on a 'pay-as-you-go' basis - these contributions, along with those made by employers, are credited to the Exchequer under arrangements governed by the above Act. Retirement and other pension benefits are paid by public funds provided by Parliament.

The Teachers' Pensions Regulations 2010 require an annual account, the Teachers' Pension Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pension increases).

From 1st April 2001, the Account has been credited with a real rate of return, which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return.

Valuation of the Teachers' Pension Scheme

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

As a result of the valuation, new employer contribution rates were set at 23.68% of pensionable pay from September 2019 onwards (compared to 16.48% during 2018/19). The Department for Education has agreed to pay a teacher pension employer contribution grant to cover the additional costs during the 2019/20 academic year.

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

Scheme changes

Following the Hutton report in March 2011, and the subsequent consultations with trade unions and other representative bodies on reform of the TPS, the Department published a Proposed Final Agreement, setting out the design for a reformed TPS which was implemented from 1st April 2015.

The key provisions of the reformed scheme include: a pension based on career average earnings, an accrual rate of 1/57th; and a Normal Pension Age equal to State Pension Age, but with options to enable members to retire earlier or later than their Normal Pension Age. Importantly, pension benefits built up before 1st April 2015 will be fully protected.

MARY WARD SETTLEMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020

26 DEFINED BENEFIT OBLIGATIONS (continued)

Scheme changes (continued)

In addition, the Proposed Final Agreement includes a Government commitment that those within 10 years of Normal Pension Age on 1st April 2012 will see no change to the age at which they can retire, and no decrease in the amount of pension they receive when they retire. There will also be further transitional protection, tapered over a three and a half year period, for people who would fall up to three and a half years outside of the 10 year protection.

Regulations giving effect to a reformed Teachers' Pension Scheme came into force on 1st April 2014 and the reformed scheme commenced on 1st April 2015.

The employer's pension costs paid to TPS in the period amounted to £328,000 (2018-19: £187,000).

FRS102 (Section 28)

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

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

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate funds administered by the London Pension Fund Authority. The total contribution made for the year ended 31st July 2020 was £150,000 (2018-19: £174,000), of which employer's contributions totalled £112,000 (2018-19: £129,000) and employees' contributions totalled £38,000 (2018-19: £45,000). The agreed contribution rates for future years are 14.30% for employers and range from 5.5% to 12.5% for employees, depending on salary. In addition there is an agreed, annual, contribution designed to eliminate the actual deficit.

Principal Actuarial Assumptions

The following information is based upon a full actuarial valuation of the fund at 31st March 2016 updated to 31st July 2020 by a qualified independent actuary

	At 31st July 2020	At 31st July 2019
Rate of increase in salaries	3.25%	3.9%
Rate of increase for pensions in payment / inflation	2.25%	2.4%
Discount rate for scheme liabilities	1.35%	2.1%
Inflation assumption (CPI)	2.25%	2.4%
Commutation of pensions to lump sums	50%	50%

MARY WARD SETTLEMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020

26 DEFINED BENEFIT OBLIGATIONS (continued)

Principal Actuarial Assumptions (continued)

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

	At 31st July 2020	At 31st July 2019
Retiring today		
Males	21.3	19.9
Females	23.9	23.3
Retiring in 20 years		
Males	22.7	21.7
Females	25.4	25.2

Sensitivity analysis

Present value of defined benefit obligation	At 31st July 2020 £'000	At 31st July 2019 £'000
Discount rate +0.1%	6,076	4,970
Discount rate -0.1%	6,331	5,166
Mortality assumption - 1 year increase	6,410	5,248
Mortality assumption - 1 year decrease	6,001	4,893

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

	Value as at 31st July 2020 £'000	Value as at 31st July 2019 £'000
Equities	1,946	1,849
Target Return Portfolio	806	862
Infrastructure	245	194
Property	329	309
Cash	218	179
Total fair value of plan assets	<u>3,544</u>	<u>3,393</u>
Weighted average expected long term rate of return	5.0%	10.0%

MARY WARD SETTLEMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020

26 DEFINED BENEFIT OBLIGATIONS (continued)

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

	2020	2019
	£'000	£'000
Fair value of plan assets	3,544	3,393
Present value of plan liabilities	<u>(6,202)</u>	<u>(5,067)</u>
Net pensions liability (Note 19)	<u>(2,658)</u>	<u>(1,674)</u>

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

	2020	2019
	£'000	£'000
Amounts included in staff costs		
Employer service cost (net of employee contributions)	219	217
Past service cost	-	35
Total operating charge	<u>219</u>	<u>252</u>

Amounts included in interest and other finance costs

Expected return on pension scheme assets	-	153
Interest on pension liabilities	34	(117)
Administrative charge	4	4
Pension finance costs	<u>38</u>	<u>40</u>

	2020	2019
	£'000	£'000

Amounts recognised in Other Comprehensive Income

Return on assets	(111)	(220)
Experience gain arising on defined benefit obligations	41	-
Changes in assumptions	909	305
Amounts recognised in Other Comprehensive Income	<u>839</u>	<u>525</u>

Movement in net defined liability during the year

	2020	2019
	£'000	£'000
Deficit in scheme at 1 st August	(1,674)	(1,426)
Movement in year:		
Employer service cost (net of employee contributions)	(219)	(252)
Employer contributions	112	129
Net interest on liabilities	(34)	(36)
Administration charge	(4)	(4)
Actuarial gain	(839)	(85)
Deficit in scheme at 31st July	<u>(2,658)</u>	<u>(1,674)</u>

MARY WARD SETTLEMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020

26 DEFINED BENEFIT OBLIGATIONS (continued)

Asset and Liability reconciliation	2020	2019
	£'000	£'000
Changes in the present value of defined benefit obligations		
Defined benefit obligations at start of period	5,067	4,418
Current service cost	219	217
Interest cost	106	117
Contributions by Scheme participants	38	45
Change in financial assumptions	41	558
Change to demographic assumptions	668	(253)
Estimated benefits paid	117	(70)
Curtailments and settlements	(54)	35
Defined benefit obligations at end of period	6,202	5,067
Changes in the fair value of plan assets		
Fair value of plan assets at start of period	3,393	2,992
Interest on plan assets	72	81
Return on plan assets	111	220
Other actuarial gains	124	-
Administration cost	(4)	(4)
Employer contributions	112	129
Contributions by Scheme participants	38	45
Benefits paid	(54)	(70)
Fair value of plan assets at end of period	3,792	3,393

Other information

Under the LPFA's credit scoring system a charge against assets enables the Settlement to be classified in the lowest risk category with the lowest contribution rates. Following the 2019 triennial valuation, the agreed employer's contribution rate was increased to 16.6% with effect from 1st April 2020 (previously 14.3% plus an annual lump sum payment of £35,692). The requirement for an annual lump sum payment was removed with effect from 1st April 2020.

MARY WARD SETTLEMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020

27 RELATED PARTY TRANSACTIONS

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

Other than those disclosed in note 11, there were no expenses paid to or on behalf of the trustees during the year (2018-19: £nil).

No trustee has received any remuneration or waived any payments from the Settlement, except in their capacity as a member of staff (2018-19: £nil).

28 AMOUNTS DISBURSED AS AGENT

	Group and Centre	
	2020	2019
	£'000	£'000
Funding body grants - hardship support	33	36
Funding body grants - childcare	4	10
Funding body grants - 24+ advanced learning loans	105	26
	142	72
Disbursed to students	(93)	(71)
Administration costs	(1)	(1)
Balance unspent as at 31 st July, included in creditors	48	-

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

**MARY WARD SETTLEMENT
SUMMARY OF RESULTS
FOR THE YEAR ENDED 31 JULY 2020**

This page does not form part of the audited Financial Statements

	Unrestricted funds £'000	Restricted funds £'000	Total 2020 £'000	<i>Unrestricted funds £'000</i>	<i>Restricted funds £'000</i>	<i>Total 2019 £'000</i>
Adult Education Centre	(1,165)	5	(1,160)	(371)	(1)	(372)
Holding Company Surplus/(Deficit)	(1,165)	5	(1,160)	(287)	(1)	(372)
Legal Centre Blackfriars	34 (76)	- -	34 (76)	(159) (44)	- -	(159) (44)
Group Surplus/(Deficit)	<u>(1,207)</u>	<u>5</u>	<u>(1,202)</u>	<u>(574)</u>	<u>(1)</u>	<u>(575)</u>