Mary Ward Centre

Report and Financial Statements

for the Year Ended 31 July 2022

MARY WARD SETTLEMENT (A COMPANY LIMITED BY GUARANTEE)
COMPANY NUMBER 46188 CHARITY NUMBER 223066
TRADING AS MARY WARD CENTRE

MARY WARD CENTRE

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2022

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MARY WARD CENTRE

REPORT FROM THE CHAIR

Mary Ward Adult Education Centre ("the Centre") commenced the year under the belief that it would be the final year at Queen Square, where the Centre has been located for 40 years. The Centre's Property Strategy was well under way, with a plan to move into its new location, Queensway House, in the London Borough of Newham in time for the academic year 2022-23. Unfortunately, delays to the project, arising from several external factors, primarily planning and funding decisions, meant that key decisions essential to progressing the project in a timely and effective manner were pushed back. This impacted the critical path, culminating in a delay to the project completion date and increased costs. Subsequently, the opening date of the building was postponed and is now expected to be April 2023 which will provide us with a good lead in to the 2023-24 academic year.

In May 2022, we received confirmation that our bid to the ESFA's Further Education Capital Transformation Fund, (a key element of funding towards this project) had been successful. While this was welcome news, construction costs have risen significantly since the project was first priced. We continue to work with our funders to look for additional funding to minimise any reduction in scope resulting from higher costs. We were able to negotiate a one-year extension to our premises lease in Queen Square in Camden. This, alongside our existing plan to increase delivery at our Rushworth Street site, will enable us to mitigate the impact on delivery of courses and student numbers in the 2022-23 academic year. Despite these setbacks the new building, with its increased accessibility, improved specialist space and its highly visible high street location, will be a key asset.

The Centre continued to face a challenging time in its normal operations in 2021-22. This is due to the longer-term impact of the pandemic and the consequences on both our ability to run cost-effective class sizes, with restrictions on student numbers for part of the year, and on the changed behaviour of our students.

Although Covid restrictions were lifted for the start of term in September 2021, after considering learner feedback we took a cautious approach to curriculum planning for 2021-22, managing our plans for the expectations of students and staff. While we increased the number of face-to-face courses from September, some provision remained online, and we continued a 'blended' model for some other provision. We continued to follow social distancing for the first term, which resulted in continued reduced capacity. Although we increased capacity in the Spring term, we did not return to full capacity until the summer term of 2022. Unfortunately, we did not see student enrolment returning to pre covid levels during 2021-22 and it is clear that a return to pre-pandemic figures is going to take much longer. Areas such as ESOL, Literacy and Maths and Work Skills performed well and student numbers significantly increased compared to 2020-21. For example, in ESOL the number of learners exceeded that of 2019-20 which was mostly pre-pandemic. Many of these learners are fully funded and significantly contributed towards earning our funding allocation, including the additional Covid Recovery funding we received for this year.

Across the rest of the fee-paying provision, numbers improved on 2020-21, although not back to pre-pandemic levels. Many of our students, particularly at Queen Square, who are not local residents, were reluctant to use public transport. This contributed to people choosing not to return to face-to-face learning even after restrictions were lifted. We tried to put classes back online where we could but it was evident that online modes of learning were not as popular as they were in the first lockdown. In some cases, this split enrolment numbers, resulting in neither class being viable.

However, our strategy to move more provision to Blackfriars to support our move to Newham has been successful. The increases in student numbers this year can be attributed to this provision at Blackfriars. Numbers of enrolments at Blackfriars (1,360) exceeded enrolments in 2019-20 (1,040). 42% of students attending classes at Blackfriars are from Southwark or Lambeth illustrating that the programme appeals to, and is accessible to, those who live locally. The picture here is reflective of the overall picture with much of this increase in the funded areas of ESOL, English and Maths and Employability programmes.

(CONTINUED)

The late decision to remain at Queen Square for one more year allowed us to extend some provision in the Arts in the summer term and to deliver a small summer school provision there.

As part of our preparations to move to Newham we launched a small number of courses at School 21 in November. This allowed us to try different types of activity to determine what works best for when we launch classes at Queensway House. Unfortunately, the delays we experienced with the construction work on Queensway House, which meant we were unable to move as planned during the summer of 2022, led to the decision not to continue with these courses after February 2022.

Community Outreach continued to face challenges of delivering in the community at the start of the year with some community groups and venues still not coming back face-to-face. However, the situation improved as the year progressed and, since September 2021, Community Outreach has again started to deliver in the community. 95% of the work of the Community Outreach team is taking place in Newham and East London. They worked directly with community partners, including Newham Chinese Association in Beckton, Deafroots in Stratford, Bangladeshi communities with Jubilee Street GP Practice CIC in Shadwell and older communities in Mile End and Wapping. The team were also at the 'Great Get Together' and the 'Commonwealth Games Festival' at the Olympic Park in Stratford, delivering craft workshops and giving information and advice about Mary Ward as well as raising awareness about our move.

We successfully bid for funding from the government's Multiply initiative (to increase participation in maths) and were granted £195,000 over three years from 2022-23. Although this funding needs to be earned in a similar way to our main grant from the GLA, the rate of funding is slightly more generous than the AEB funding and we expect it to make some contribution to our core costs.

We successfully achieved the tolerance level of a minimum of 97% against our GLA and ESFA funding allocations which means that any clawback of income from these sources is unlikely.

Despite the challenges, we were able to support 2,613 learners on 5,916 course places with their learning throughout the year using a range of face-to-face, distance and online methods. Students on all accredited courses were supported to work towards their assessments and gain their qualifications. In addition, we saw a record number of ESOL qualifications being taken and an increase in English and Maths qualifications. We continued with some online courses with subjects including History, Philosophy, Economics, Keep Fit, Modern Foreign Languages, Singing, Psychology, Art, Community Interpreting and Pronunciation. Although it is likely that only a small amount of this type of provision will remain with us long term, our increasing expertise in the use of technology will offer alternative ways of learning to our students. This will help us to make learning more accessible and enhance the quality of classroom teaching and learning well beyond the current Covid-19 crisis.

Chair

MARY WARD CENTRE

REFERENCE AND ADMINISTRATIVE DETAILS

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 Centre's Senior Management Team and were represented by the following in 2021-22:

Warden, CEO; Accounting Officer	Suzanna Jackson
Director of Adult and Community Education	Sue Craggs
Director of Finance and Resources	Juliet Woodford

BOARD OF TRUSTEES

A full list of trustees is given on pages 17-18 of these Financial Statements.

Ms. Beverley Campbell acted as Clerk to the Board of 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

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 Centre for the year ended 31st July 2022.

LEGAL STATUS

Mary Ward Centre ("the Centre") is the trading name of Mary Ward Settlement, a registered charity (number 223066) and company limited by guarantee (number 46188), first registered in December 1895. It provides adult education and community services.

The Financial Statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and the Statement of Recommended Practice: Accounting for Higher and Further Education (FE and HE SORP 2015) in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102).

OBJECTS AND MISSION

The objects for which the Centre is established are the advancement of public education and the promotion of social service for the benefit of the community.

The Centre's Mission is to develop and provide excellent, innovative and wide ranging adult education and community services.

PUBLIC BENEFIT

In setting and reviewing the Centre'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 Centre 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 Centre's delivery of public benefit is covered throughout the Report of the Board of Trustees.

IMPLEMENTATION OF THE STRATEGIC PLAN

The Centre worked towards the objectives of the 2018-2022 Strategic Plan, of which a key element includes the implementation of the Property 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, 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 Centre and the Settlement, from 2022 onwards were significantly

IMPLEMENTATION OF THE STRATEGIC PLAN (continued)
impacted by the Covid-19 pandemic. Delays over the planning process, inflation in the construction sector and consequential uncertainty over funding the project to completion led, jointly, to a delay in signing the construction contract and to work starting on site and inevitably led to the completion date being pushed back. Instead of completion in time for a relocation during the summer of 2022, opening to students on site for the start of the 2022-23 academic year, construction is now expected to be substantially complete by April 2023, enabling the Centre to begin its relocation from that date, with a 'soft' opening for the summer term of 2022-23 and full opening in the autumn of 2023 for the start of the 2023-24 academic year.

As a result of this delay to the completion of the Property Strategy the trustees agreed to roll forward the 2018-2022 Strategic Plan to the end of the 2023-24 academic year, ensuring that the important elements of the existing Strategic Plan, inextricably linked with the redevelopment of the new premises, are complete before moving on to the next phase of the Centre's future.

The key focus points of the 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 Centre'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 Centre's work, our move east and contributes to our plans for growth.

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

During 2021-22 the longer term effects of the Covid-19 pandemic continued to have a significant impact on the Centre and its operations. Following the national lockdowns of 2020 and 2021 the Centre prioritised planning ahead for 2021-22, ensuring that options would be available to preserve as much face to face provision as possible, with alternative arrangements for students unable to attend in person or should further lockdowns occur. Arrangements were made to prioritise accredited courses where students had been, or would be, working towards exams and other courses that could not be delivered online, for example literacy, maths and those using specialist rooms (e.g. glass, sculpture, computing). Some courses continued to use a blended approach to minimise the number of times students came into the building. A range of Covid safety measures continued to be implemented as necessary, such as restricting numbers in classes to allow for social distancing, staggered starts and mask wearing. However, by the spring of 2022 we were able to lift many of these restrictions, and begin a return to more normal patterns of delivery.

A combination of imposed restrictions for the first half of the year, and the pandemic experience in general, has had a longer term impact on student numbers. Although restrictions were removed completely by the summer term, many past, existing and potential students have changed their habits. For example

IMPLEMENTATION OF THE STRATEGIC PLAN (continued)
some have been reluctant to engage in group activities, or to travel on public transport. Others are no longer working in central London, and so the Centre is no longer on the commute home, and a convenient location for the evening classes.

This meant that student numbers, though higher than 2020-21, remained only a little above half of the usual (ie pre-pandemic) figure, with a knock-on impact to tuition fees. However, through managing direct costs the Centre has been able to mitigate losses. Furthermore, the Centre received all of its AEB grant funding despite the return to a minimum 97% funding requirement for its AEB grant allocation.

The most significant, longer term, impact arising from Covid-19 during 2021-22 was on the Centre's Property Strategy in an environment of greater uncertainty, rising costs and reduced grant funding. While the Centre's Senior Management Team prioritised actions aiming to ensure that construction continued as planned, it was not possible to complete the project in time for the original opening date, and completion has had to be delayed until April 2023. While this was disappointing, the Centre was nevertheless able to negotiate an affordable, new 1 year lease at its existing premises in Queen Square and has planned a programme of provision for 2022-23, across its premises at Queen Square and Rushworth Street, which prioritises accredited courses, basic skills and those other courses which directly meet our funding requirements.

CORE VALUES AND OBJECTIVES
The Centre is guided by the Core Values and Strategic Objectives jointly agreed across the Mary Ward Settlement group.
Core Values

- Putting the needs and aspirations of current and potential users at the centre of all that we do;
- Valuing our users as individuals and promoting inclusion through our friendly and accessible approach to service delivery;
- 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;
- Valuing our staff as our key asset and supporting them in delivering high professional standards across our servicesPromoting collaborative work, both across the Centre and with partner organisations;
- Advancing equality, eliminating discrimination, and fostering good relations among all our users;
- Maintaining an open, honest, accountable and fair approach in all our communications with all our service users, staff and other stakeholders.

Strategic Objectives

- To grow our existing services and extend our range of services to enhance the delivery of our Mission in ways that are relevant now and look to the future;
- To deliver excellent services;
- To further develop 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 Strategic Objectives;
- To secure the Centre in new premises that support a sustainable future 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 our move East and contributes to our plans for growth;
- To develop the use of technology to support and streamline our administrative processes and ensure effective multisite working.

ACHIEVEMENTS AND PERFORMANCE

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

FINANCIAL OBJECTIVES

The Centre'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 Centre's activities following the end of its current lease on 42 Queen Square.

The Covid-19 pandemic continued to have a significant impact on the Centre's operational results in 2021-22, however the Centre was able to meet its objective in relation to the minimum 1% operating surplus and all other financial objectives were met.

PERFORMANCE INDICATORS

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

Key Performance Indicator	Target 2021-22	Achieved 2021-22	Target 2020-21	Achieved 2020-21
Maximise the number of people who access adult education given Covid-19 restrictions	3,339	2613	2,700	2,182
Maximise the number of course enrolments given Covid-19 restrictions	6,443	5690	6,250	5,012
Maximise the average number of students per course given Covid-19 restrictions	10	9	10	9
Maintain high average level of student retention; AND Maintain high retention across ALL courses	90% +	94%	90% and No more than 5% of courses below 80%	95%
Maintain high level of student satisfaction	95%+	93%	95%+	94%
Maintain high level of average achievement on non-accredited courses; AND Maintain high level of achievement on ALL non-accredited courses	96% across all levels and lengths	96%	95%+	96% across all levels and lengths
Improved average success rates for students taking accredited courses	90%+	90% 8/40 course quals were below 80%	90%+	90%

PERFORMANCE INDICATORS (CONTINUED)

Improved success rates on ALL non - accredited qualifications	95%	94%	7 course quals out of 38 were below 80%	95%
The % of students reporting additional benefits is increasing		All students who return a questionnaire report at least one additional benefit to learning	75%+	All students who return a questionnaire report at least one additional benefit to learning

The Centre is committed to monitoring a range of key sector indicators and is required to complete the Annual Finance Record for the ESFA. The Centre's financial health grading is assessed by the ESFA as "Good" (2020-21: "Outstanding"). This fall in the financial health grade is primarily because of decisions made in relation to the Property Strategy, which have increased costs and reduced cash balances in the short term, and further pressure caused by the continuing impact of Covid on both the Property Strategy and ongoing operations during 2021-22.

FINANCIAL REVIEW

The Centre had an operating surplus of £151,000 (2020-21: £111,000). This was before the inclusion of a £159,000 (2020-21: £149,000) Local Government Pension Scheme ("LGPS") service cost; £41,000 (2020-21: £36,000) LGPS finance cost; and £5,000 (2020-21: £5,000) LGPS administration cost. The deficit for the year after inclusion of those costs was £54,000 (2020-21: deficit of £79,000). Additionally, an actuarial gain of £2,220,000 was made by the LGPS (2020-21: gain of £257,000). Overall, total comprehensive income for the year was £2,166,000 (2020-21: total comprehensive income £178,000).

The Centre's accumulated reserves rose to £8,827,000 (2020-21: £6,661,000). The Centre'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 £16,026,000 (2020-21: £10,452,000). Capital expenditure in the year totalled £5,719,000 (2020-21: £1,562,000), all except £31,000 of which (2020-21: £50,000) related to work towards the redevelopment of the freehold property, Queensway House, in Stratford, East London. This forms a key part of the Centre's Property Strategy which is to secure a location for its activities beyond July 2023 when the lease on 42 Queen Square expires. The depreciation charge for the year totalled £145,000 (2020-21: £141,000).

The Centre's operational income was £3,666,000 (2020-21: £3,416,000). ESFA funding increased by £125,000 in the period, primarily reflecting a one-off Covid recovery grant awarded by the GLA as well as an ongoing increase in the value of AEB funding relating to essential skills, partially outweighed by the loss of Covid support grants received in 2020-21.

Tuition fee income increased by £81,000, the result of a modest increase in student numbers after the very low volume in 2020-21. Donations and fundraising included a one-off grants totalling £90,000, received for the Queensway House redevelopment project. Most other income streams, including the AEB grant, were sustained at or close to, expected levels as the Centre was able to meet the funding targets set by the ESFA.

The value in kind of pro bono donations was £85,000 (2020-21: £51,000).

Costs of the Centre were £3,720,000 (2020-21: £3,495,000), an increase of £225,000, the result of the Centre's operational costs returning to more normal levels after the restrictions of lockdown, in addition to a number of one-off costs relating to the end of the long term leases at both Queen Square and Great Turnstile.

The 2021-22 Financial Statements and associated notes are set out on pages 31 to 53.

TREASURY MANAGEMENT

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

Short term borrowing for temporary revenue purposes is authorised by the Accounting Officer. Such arrangements are restricted by limits in the Centre'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 Centre of £1,866,000 to £465,000 (2020-21: increase of £863,000 to £2,331,000). The work towards the redevelopment of Queensway House was by far the most significant factor, generating net capital expenditure of approximately £2,291,000 (2020-21: net capital income of £788,000).

RESERVES POLICY

The Centre 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 Centre continues to ensure that it has adequate reserves to support its core activities.

As at the balance sheet date, the Centre's unrestricted reserves were £8,827,000, (2020-21: £6,661,000) of which £1,576,000 (2020-21: £1,714,000) are immediately available, or at short notice and can be drawn upon, to meet the working capital needs of the Centre. This represents around 177% of the target (2020-21: 196%). Restricted reserves totaled £9,000 (2020-21: £9,000).

The increase in reserves at the balance sheet date reflects the reported total comprehensive surplus for the period.

The expected costs of implementing the Property Strategy during 2022-23 is likely to result in the Centre's reserves falling below target in the next financial year. Should this happen as expected, it is the Board's intention to restore the Centre's reserves to at least the minimum target level as soon as practicable.

CURRENT AND FUTURE DEVELOPMENTS AND PERFORMANCE

FINANCIAL HEALTH

In 2021-22 the Centre achieved a "Good" ESFA financial health grading (2020-21: "Outstanding"). This financial health rating was achieved notwithstanding the combination of the following factors which had an adverse impact on the financial position:

(i) the long-term impact of Covid-19, which resulted in the loss around 45% of the tuition fee income that might have otherwise been expected pre-pandemic. During 2021-22, as for 2020-21 the Centre was able to plan for an equivalent reduction in costs, which included altering the mix and balance of provision

(ii) the result of strategic activity taken by the Centre to secure its future through a restructuring of its operational property portfolio which has led to increased operating costs in the short term and following the restructuring, until 2021-22, also resulted in decreased cash balances. It is expected that these higher costs will be sustained as the Property Strategy is completed over the next financial year, while the cash balance gradually falls and that the ESFA financial health grading will continue to fall under pressure.

FINANCIAL HEALTH (continued)
The Property Strategy was agreed by the Board because the Centre's main building at Queen Square was approaching the end of a long lease in July 2022, that has been on beneficial terms for many years. The landlord 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 Centre.

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 Newham, which completed in July 2018. A fundraising programme was commenced which, together with a portion of the existing reserves and a commercial loan, is enabling the redevelopment and refurbishment of this building with the original expectation that most of the Centre's service offering would operate from Queensway House from the financial year 2022-23. As a result of the pandemic the redevelopment programme has experienced delays and has not been completed within the expected timeframe. Consequently the Board has revised its plans, including negotiating a new, 1 year lease at Queen Square on favourable terms, with the expectation of relocating to Queensway House during the spring-summer of 2023 once the redevelopment is complete.

The premises at 1 Rushworth Street will be retained, enabling the Centre to operate from two permanent sites in two London boroughs.

In the short to medium term, the implementation of the Property Strategy will continue to put pressure on operating surpluses and cash balances and, in turn, on the ESFA financial health grade. This will mean a return to a consistent "Good", or better, financial health grading unlikely until the completion of the Property Strategy.

Based on our forecasts the "Good" and better, financial health grading achieved in recent years was always expected to fall to during the execution of the final phase of the Property Strategy. Consequently, given the challenges faced over 2021-22, the "Good" outcome reported for the period is an expected result.

STUDENT NUMBERS
The Centre is funded according to the levels of activity that it generates. In 2021-22, the Centre generated a funding value of £2,384,000 (2020-21: £2,287,000). The total number of students enrolled onto courses was 2,616 (2020-21: 2,181). Student retention was 94% (2020-21: 95%).

STUDENT ACHIEVEMENTS
In 2021-22 there were 453 examination entries of which 407 were successful (2020-21: 392 and 351 respectively). Overall success is 96% (2020-21: 96%). Student achievement in non-accredited courses is 94% (2020-21: 92%), which is assessed using the Recognising and Rewarding Progress and Achievement (RARPA) strategy.

CURRICULUM DEVELOPMENTS
Curriculum planning at the Centre combines a needs analysis of local communities with a broader perspective of its contribution to adult education across London. The Centre has been effective in reviewing and realigning its curriculum to meet changing priorities and funding constraints, whilst retaining the distinctive characteristics of the curriculum and patterns of learning. In 2021-22 the Centre continued to offer courses within the curriculum financed entirely from student fees and successfully ran such courses across the curriculum. In response to the Covid-19 pandemic, the Centre's strategy was to change the mix and balance

CURRICULUM DEVELOPMENTS (CONTINUED)

of the curriculum, maximising both the amount of fully funded and paid-for provision that could be delivered within the constraints of space and cost of resourcing. Improvements have been made on the previous year. Enrolments rose to 70% of that of 2019-20 (2020-21: 60%), and the proportion of the value of tuition fees rose from to 71% (2020-21: 67%).

Community Outreach continue to be successful at providing courses for the over 60's and hard to reach communities to reduce social isolation particularly during the pandemic. 95% of their work now takes place in Stratford and East London.

Partnerships with external agencies such as Job Centre Plus and charities such as Helen Bamber Foundation and Care for Calais continue to develop to provide referrals to meet students' needs to learn English and help them get work. In Work Skills and Employability, Level 1 and Level 2 courses continue to be offered; these offer transferrable work skills including ICT Users, Payroll and Bookkeeping qualifications and, new this year, a Level 2 Accountancy qualification as well as non-accredited options such as Excel and MS Office Essentials for Work. Non-accredited short courses were also offered to support people getting jobs and coping with work such as Managing Stress, Career Kick Starter and Confidence Building. 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.

PAYMENT PERFORMANCE

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

The target set by the Treasury for payment to suppliers within 30 days is 95%. During the accounting period 1st August 2021 to 31st July 2022, the Centre paid 95% of its invoices within 30 days. The Centre incurred no interest charges in respect of late payment for this period.

EVENTS AFTER THE END OF THE REPORTING PERIOD

Significant post-balance sheet events are set out in Note 19.

FUTURE DEVELOPMENTS

At a strategy day in June 2018, the following Strategic Objectives were agreed for the period 2018-22, and following the impact of the Covid-19 pandemic on operations and in particular, the Property strategy, trustees agreed to roll forward these Strategic Objectives to the end of the 2023-24 financial period:

- 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 Centre'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;

FUTURE DEVELOPMENTS (continued)

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

The Centre 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. The long term impact of Covid-19 on the habits and expectations of students continues to be a major factor in the immediate plans for the Centre and, consequently, the 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.

The implementation of the Property Strategy will see Queensway House, in the London Borough of Newham, being opened in 2023. Newham was identified at an early stage of research as an area where there is under provision of adult education and where it is thought likely that the 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 Centre will be establishing its new base.

The Centre will continue to manage its costs effectively, mindful that staff costs represent more than two thirds of total expenditure. 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 Centre.

GOING CONCERN

As part of our redevelopment project and in the development of our strategy for its move to Stratford the Centre has developed detailed financial projections which include modelling the long term impact of Covid-19 and wider, current, economic challenges on its plans for growth, and the impact of risks and uncertainties associated with the redevelopment project. This work has supported the Board’s ability to consider the financial impact of the challenges and economic uncertainties in the aftermath of the Covid-19 pandemic and those of the redevelopment project. As such it considers that the Centre has adequate resources to continue in operational existence for the foreseeable future and until at least February 2024. For this reason, it continues to adopt the going concern basis in preparing the financial statements.

RESOURCES

The Centre 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 and remaining term of the lease of 42 Queen Square, the Centre’s main site for adult education.

RESOURCES (CONTINUED)

Financial

The Centre has £8,827,000 of net assets (2020-21: £6,661,000), having taken in to account the FRS102 pension liability of £576,000 (2020-21: £2,591,000). The balance owing to the Social Investment Business was £436,000 as at 31st July 2022 (2020-21: £540,000).

People

The Senior Management Team comprises three members of staff, and is expected to remain at this level. The staff team of the Centre is settled, with a low turnover. The Centre employs a wide range of sessional tutors, many of whom have taught at the Centre for many years.

Reputation

The Centre has a very well established reputation and draws students and clients from across London and beyond. The 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.

PRINCIPAL RISKS AND UNCERTAINTIES

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

Based on the strategic plan, the Senior Management Team regularly undertakes a comprehensive review of the risks to which the Centre is exposed. They identify systems and procedures, including specific preventable actions which should mitigate any potential impact on the Centre. The internal controls are then implemented and their effectiveness and progress against mitigating actions is reviewed. In addition to the annual review, the Senior Management Team will also consider any risks that may arise as a result of a new area of work being undertaken by the Centre.

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 may affect the Centre. Not all the factors are within the Centre's control:

- Destabilisation as a result of combined and continued unprecedented change
- Risks in connection with the implementation of the Property Strategy
- The ongoing effects of Covid-19; for example a reduction in student numbers and / or falling average class sizes, have a greater impact than planned
- Failures resulting from ineffective communication with key stakeholders over completion of the Property Strategy
- Increasing mismatch between work demands and the capacity of staff to deliver

STAKEHOLDER RELATIONSHIPS

The Centre has many stakeholders including:

- students;
- clients;
- funding bodies;
- staff;
- local employers (with specific links);
- our local authority;

STAKEHOLDER RELATIONSHIPS (CONTINUED)

- the Mayor of London's office;
- local community and voluntary organisations; and
- other colleges, in particular other AECs.

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

EQUAL OPPORTUNITIES AND EMPLOYMENT OF DISABLED PERSONS

The Centre 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.

DISABILITY STATEMENT

A single Equality Policy is in place and is published on the Centre's website. The Centre 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 Centre also undertakes equality impact assessments on policies and procedures as appropriate.

The Centre considers all applications from disabled persons, bearing in mind the aptitudes of the individuals concerned. Where an existing employee becomes disabled, every effort is made to ensure that employment with the Centre continues. The Centre's policy is to provide training, career development and opportunities for promotion, which are, as far as possible, identical to those for other employees.
The Centre seeks to achieve the objectives set down in the Disability Discrimination Act 1995 as amended by the Special Educational Needs and Disability Acts 2001 and 2005 and the Equality Act of 2010 by:

- having a management structure bringing together the support for learners with disabilities and learning difficulties and the provision of additional learning support;
- the supply of specialist equipment for use by students with disabilities;
- the continuing investment in resources to support students with learning difficulties and/or disabilities; and
- 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 2021-22 22% (2020-21: 20%) of the student body declared a disability or learning difficulty. This remains high in comparison with adult and further education colleges in general which is between 14% and 15%.

FUNDRAISING

The Centre 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 Centre manages its own fundraising activities. The Centre undertakes to react to and investigate any complaints regarding its fundraising activities and to learn from them and improve its service.

During 2021-22, the Centre 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 Centre's auditors are unaware; and each member has taken all the steps that he or she ought to have taken to be aware of any relevant audit information and to establish that the Centre's auditors are aware of that information.

Approved by order of the members of the Board on 07/02/2023 and signed on their behalf by:

Christine Cryne

Christine Cryne
Chair

STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL

The following statement is provided to enable readers of the Annual Report and Financial Statements of the Centre to obtain a better understanding of its governance and legal structure. The statement covers the period from 1st August 2021 to 31st July 2022 and up to the date of the approval of the Annual Report and financial statements.

The Centre 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 the further education sector.

The Centre 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 Centre complies with all the provisions of the Code of Good Governance, and it has complied throughout the year ended 31st July 2021. 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 Centre is a registered charity. The Board confirms that it has had due regard for the Charity Commission's guidance on public benefit and that the required statements appear elsewhere in these financial statements.

STRUCTURE GOVERNANCE AND MANAGEMENT

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
Mr M Bassett	December 2020	4 years	November 2021		
Ms N Cartner	June 2017	4 years			Governance & Nominations, Remuneration, Quality Improvement Group (Chair)
Mr G Collins	May 2018	4 years			Audit & Risk (Chair), Remuneration, Governance & Nominations
Mr J Collins	September 2020	4 years			Quality Improvement Group
Ms C Cryne	May 2021	4 years			Chair of Trustees, Governance & Nominations (Chair), Marketing & Communications, Remuneration (Chair)
Mr G Darby	May 2018	3 years extended to June 2022	June 2022	Tutor	

THE BOARD (continued)

Member	Date of appointment	Term of office	Date of leaving	Elected trustees	Committees served
Ms K Duong	May 2018	4 years			Treasurer; Audit & Risk; Finance (Chair); Remuneration; Governance & Nominations
Ms F DelGuidice	June 2022	4 years		Student	
Mr A Hill	March 2015 Reappointed May 2018	3 years extended to June 20212	June 2022	Staff	Quality Improvement Group
Ms E Henry	June 2022	4 years		Staff	
Mr T Hucker	June 2022	4 years		Student	Finance
Ms B Montoya	June 2017	4 years			Marketing & Communications
Mr P Nichols	April 2020	Co-opted	December 2021		Finance
Ms P Nicholson	November 2019	3 years	June 2022	Student	
Mr A Peck	March 2014 Reappointed May 2018	4 years	June 2022		Audit and Risk (Chair); Governance and Nominations; Remuneration
Ms S Selzer	September 2020	4 years			Marketing & Communications
Ms P Snow	June 2019	3 years	September 2021	Student	
Ms S Todd	September 2020	4 years			Marketing & Communications (Chair)
Ms E Wyatt	October 2016 Reappointed June 2021	4 years	November 2021		Finance
Ms B Campbell acts as Clerk to the Board					

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
Ms R Brain	October 2019		MWS Board Representative	Audit & Risk, Marketing & Communications
Mr F Martins	September 2020		MWS Board Representative	Quality Improvement Group, Governance & Nominations
Mr P Nichols	December 2021		MWS Board Representative	Finance
Ms E Wyatt	November 2021		MWS Board Representative	Finance

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

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

THE BOARD (continued)
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, Audit and Risk and Quality Improvement.

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.

Member	Board	Strategy days	Governance and Nominations	Finance	Audit and Risk	Marketing and Communications	Quality and Improvement
Mr M Bassett	1 of 1	0 of 0					
Ms R Brain	2 of 4	2 of 2		0 of 2		1 of 5	
Ms N Cartner	3 of 4	1 of 2	3 of 3			3 of 5	4 of 4
Mr G Collins	3 of 4	1 of 2	3 of 3		3 of 4		
Mr J Collins	3 of 4	1 of 2					2 of 4
Ms C Cryne	3 of 4	2 of 2	3 of 3			2 of 5	
Mr G Darby	3 of 4	1 of 1	3 of 3				
Ms F DelGuidice	0 of 0	0 of 1					
Ms K Duong	2 of 4	2 of 2	2 of 3	4 of 4	4 of 4		
Ms E Henry	0 of 1	0 of 1					
Mr A Hill	1 of 3	0 of 1					3 of 4
Mr T Hucker	0 of 1	1 of 1		1 of 1			
Mr F Martins	2 of 4	2 of 2	2 of 3				3 of 4
Ms B Montoya	3 of 4	1 of 2	2 of 3			4 of 5	
Mr P Nichols	1 of 4	2 of 2		4 of 4			
Ms P Nicholson	1 of 3	1 of 2					3 of 4
Mr A Peck	1 of 3	1 of 2		4 of 4	2 of 2		
Ms S Selzer	4 of 4	2 of 2				4 of 5	
Ms P Snow	0 of 2						
Ms S Todd	4 of 4	2 of 2	2 of 3			5 of 5	
Ms E Wyatt	0 of 4	0 of 2		3 of 4			
Ms F Stormer					3 of 4		

The Remuneration Committee did not meet formally during 2021-22.

ATTENDANCE (continued)
In addition to the committees shown above, the following working groups operated during the year:

Property - overseeing the sale of 10 Great Turnstile and the purchase of Queensway House
Friends Alumni and Fundraising – overseeing relationships with friends and alumni, reviewing and seeking fundraising opportunities
Mission – tasked with reviewing and updating the Centre's Mission ahead of developing the next phase of the Centre's Strategic Plan

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

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

Mary Ward Settlement
42 Queen Square
London
WC1H 3AQ

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

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

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

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

APPOINTMENTS TO THE BOARD
With the exception of ex-officio appointments, trustees 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 trustees 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 trustees.

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

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

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

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

BOARD PERFORMANCE
As part of its annual self assessment process for the year ended 31st July 2022, the Centre carried out a review of its own performance in Leadership and Management and graded itself as “Good” on the Ofsted scale. The Board is committed to development and in addition to 2 strategy days during the year, the Chair has held one-on-one reviews with individual trustees as well as induction sessions with new trustees. The Board has considered DfE guidance on board reviews and has commenced an audit of governance in other IALs. It has plans to carry out its own internal audit of governance once this work is completed and a new 5 year strategy determined to ensure any governance changes meets future needs. It also has plans to commission and external reviewer in future but did not cary out a formal review in 2021-22.

ORGANISATION
The Board of Mary Ward Settlement is also the Board of the Centre.

Day-to-day operational management of the Centre is delegated to the Warden who is supported by a small Senior Management Team who include the Director of Adult and Community Education and the Director of Finance and Resources.

The Warden and her Senior Management Team oversee the smooth running of the Centre and its staff who are divided into teams in accordance with Centre activities and projects.

RELATED PARTIES AND CO-OPERATION WITH OTHER ORGANISATIONS
None of the trustees receive remuneration or other benefit from their work with the Centre, unless they are separately employed by the Centre as a member of staff. For the year under review, no trustees received remuneration in the year for their role as a trustee. There were no expenses and no related party transactions for the year ended 31st July 2022 (2020-21: none).

Any connection between a trustee or senior manager of the Centre and any organisation associated with the Centre must be disclosed to the Board in the same way as any contractual relationship with a related party. In the current year no such related party transactions were reported.

The Centre has built up strong positive relationships over many years with a range of agencies in both the public, private and charity sector. The Centre continues its outreach activities to financially and socially excluded communities within London boroughs. As such, the Centre enjoys good co-operative working relations with an ever-growing number of partners and stakeholders in relation to a range of borough-based projects and activities that meet core charitable objectives.

PAY POLICY FOR KEY MANAGEMENT PERSONNEL
The trustees and the Senior Management Team comprise the key management personnel of the Centre in charge of directing and controlling, running and operating the Centre on a day to day basis.

The pay of the Senior Management Team is reviewed annually by the Remuneration Committee, which then makes recommendations to the full Board. The employment costs of the Senior Management Team for their work in relation to the Centre are allocated to the Centre.

INTERNAL CONTROL

SCOPE OF RESPONSIBILITY OF INTERNAL CONTROL

The Board is ultimately responsible for the Centre's system of internal control and for reviewing its effectiveness. 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 Centre's policies, aims and objectives, whilst safeguarding the public funds and assets for which she is personally responsible, in accordance with the responsibilities assigned to her in the financial memorandum/financial agreement between the 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.

THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Centre policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place at the Centre for the year ended 31st July 2022 and up to the date of approval of the annual report and financial statements.

RISK MANAGEMENT

CAPACITY TO HANDLE RISK

The Board has reviewed the key risks to which the Centre is exposed, together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board is of the view that there is a formal ongoing process for identifying, evaluating and managing the Centre's significant risks that has been in place for the year ended 31st July 2022 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 Board;
- regular reviews by the Board 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 Centre 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 Centre is exposed, and annual internal audit plans are based on this analysis. The analysis of risks and the internal audit plans are endorsed by the Centre's governing body on the recommendation of the Audit and Risk Committee. At least annually, the internal audit service provides the Board with a report on internal audit activity in the Centre. The report includes the internal audit service's independent opinion on the adequacy and effectiveness of the Centre's system of risk management, controls and governance processes.

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

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

The Senior Management Team receives reports setting out key performance and risk indicators and considers possible control issues brought to their attention by early warning mechanisms, which are embedded within the departments and reinforced by risk awareness training. The Senior Management Team and the Audit and Risk Committee also receive regular reports from the internal audit 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 November meeting, the Audit and Risk Committee carried out the annual assessment for the year ended 31st July 2022 by considering documentation from the Senior Management Team and internal audit, and taking account of events since 31st July 2021.

Based on the advice of the Audit and Risk Committee and the Warden, the Board is of the opinion that the Centre 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

As part of the Centre's redevelopment project and in the development of the strategy for its move to Stratford the Centre has developed detailed financial projections which include modelling the impact of Covid-19 and wider, current, economic challenges on its plans for growth, and the impact of risks and uncertainties associated with the redevelopment project. This work has supported the Board's ability to consider the financial impact of the challenges and uncertainties in the aftermath of the Covid-19 pandemic, the redevelopment project. As such it considers that the Centre has adequate resources to continue in operational existence for the foreseeable future and until at least February 2024. 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 07/02/2023 and signed on their behalf by:

Christine Cryne

Chair

Christine Cryne

Suzanna Jackson

Accounting Officer

Suzanna Jackson

07/02/2023

MARY WARD CENTRE

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

The Board of Trustees has considered its responsibility to notify the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of funding, under the grant funding agreement and contracts between the Centre and the ESFA. As part of our consideration we have had due regard to the requirements of the grant funding agreements and contracts with the ESFA.

We confirm on behalf of the Board that after due enquiry, and to the best of our knowledge, we are able to identify any material irregular or improper use of funds by the Centre, or material non-compliance with the terms and conditions of funding, under the grant funding agreements and contracts with the ESFA, or any other public funder.

We confirm that no instances of material irregularity, impropriety or funding non-compliance have been discovered to date. If any instances are identified after the date of this statement, these will be notified to the ESFA.

Suzanna Jackson	
Accounting Officer	Chair
Suzanna Jackson	Christine Cryne
07/02/2023	07/02/2023

MARY WARD CENTRE

STATEMENT OF RESPONSIBILITIES OF THE BOARD OF TRUSTEES

FOR THE YEAR ENDED 31 JULY 2022

The Board of Trustees is required to present audited financial statements for each financial year.

Within the terms and conditions of the grant funding agreements and contracts with ESFA, the Board – through its Accounting Officer – is required to prepare financial statements and an operating and financial review for each financial year in accordance with:

- the Statement of Recommended Practice – Accounting for Further and Higher Education,
- ESFA's college accounts direction
- and the UK's Generally Accepted Accounting Practice,

and which give a true and fair view of the state of affairs of the Centre and the result for that period.

In preparing the financial statements, the Board of Trustees is required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess whether the Centre is a going concern, noting the key supporting assumptions qualifications or mitigating actions as appropriate; and
- prepare financial statements on the going concern basis, unless it is inappropriate to assume that the Centre will continue in operation.

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

The Board is responsible for keeping proper accounting records which disclose, with reasonable accuracy at any time, the financial position of the Centre and which enable it to ensure that the financial statements are prepared in accordance with relevant legislation including the Further and Higher Education Act 1992 and Charities Act 2011, and relevant accounting standards. It is responsible for taking steps that are reasonably open to it to safeguard its assets and to prevent and detect fraud and other irregularities.

The Board of Trustees are responsible for the maintenance and integrity of the Centre's website; the work carried out by auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The Board of Trustees are responsible for ensuring that expenditure and income are applied for the purposes intended by Parliament and that the financial transactions conform to the authorities that govern them. In addition, they are responsible for ensuring that funds from the ESFA and any other public funds are used only in accordance with the ESFA's grant funding agreements and contracts and any other conditions that may be prescribed from time to time by the ESFA or any other public funder. The Board of Trustees must ensure that there are appropriate financial and management controls in place to safeguard public and other funds and ensure they are used properly. In addition, The Board of Trustees are responsible for securing economical, efficient and effective management of the Centre's resources and expenditure so that the benefits that should be derived from the application of public funds from the ESFA and other public bodies are not put at risk.

Approved by order of the members of the Board on 07/02/2023 and signed on its behalf by:

Christine Cryne

Chair

Christine Cryne

Opinion
We have audited the financial statements of Mary Ward Centre (the 'Centre') for the year ended 31 July 2022 which comprise the statement of comprehensive income, the statement of changes in reserves, the balance sheet, the 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 Centre's affairs as at 31 July 2022 and of its deficit of income under expenditure for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice.

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 Centre 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
In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Centre's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information
The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. 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.

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

Matters on which we are required to report by exception
We have nothing to report in respect of the following matters in relation to which the Post 16 Code of Practice issued by the Education and Skills Funding Agency requires us to report to you if, in our opinion:

- proper accounting records have not been kept;
- the financial statements are not in agreement with the accounting records and returns; or
- all the information and explanations required for the audit were not received.

Responsibilities of the trustees
As explained more fully in the trustees' statement of responsibilities, 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 Centre'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 Centre 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.

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

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

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the Centre through discussions with management, and from our knowledge and experience of the sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the Centre, including the Further and Higher Education Act 1992, funding agreements with the ESFA and associated funding rules, ESFA regulations, data protection legislation, anti-bribery, safeguarding, employment, health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

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

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

Auditor's responsibilities for the audit of the financial statements (continued)
To address the risk of fraud through management bias and override of controls, we:

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

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

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of trustee meetings;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing available correspondence with HMRC and the Centre's legal advisors.

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

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

A further description of our responsibilities is available 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 Centre's members, as a body, in accordance with the Centre's Articles of Government. Our audit work has been undertaken so that we might state to the Centre'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 Centre and the Centre's members as a body, for our audit work, for this report, or for the opinions we have formed.

Buzzacott LLP

Buzzacott LLP
Statutory Auditor
130 Wood Street
London
EC2V 6DL

Date: 8 February 2023

To: The Board of Trustees of Mary Ward Centre and Secretary of State for Education, acting through Education and Skills Funding Agency (the ESFA)

In accordance with the terms of our engagement letter dated 9 August 2021 and further to the requirements and conditions of funding in the ESFA's grant funding agreements and contracts, or those of any other public funder, we have carried out an engagement to obtain limited assurance about whether anything has come to our attention that would suggest, in all material respects, the expenditure disbursed and income received by Mary Ward Centre ('the Centre') during the period 1 August 2021 to 31 July 2022 have not been applied to the purposes identified by Parliament and the financial transactions do not conform to the authorities which govern them.

The framework that has been applied is set out in the Post-16 Audit Code of Practice (the Code) issued by the ESFA and in any relevant conditions of funding concerning adult education notified by a relevant funder. In line with this framework, our work has specifically not considered income received from the main funding grants generated through the Individualised Learner Record data returns, for which the ESFA has other assurance arrangements in place.

This report is made solely to the Board of Trustees of the Centre and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the Board of Trustees of the Centre and the ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept, or assume, responsibility to anyone other than the Board of Trustees of the Centre and the ESFA for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of the Board of Trustees and the reporting accountant

The Board of Trustees is responsible, under the requirements of the Further & Higher Education Act 1992, subsequent legislation and related regulations and guidance, for ensuring that expenditure disbursed, and income received, are applied for the purposes intended by Parliament, and the financial transactions conform to the authorities that govern them. Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Code. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received, during the period 1 August 2021 to 31 July 2022 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Code issued by the ESFA. We performed a limited assurance engagement as defined in that framework. The objective of a limited assurance engagement is to perform such procedures as to obtain information and explanations in order to provide us with sufficient appropriate evidence to express a negative conclusion on regularity. A limited assurance engagement is more limited in scope than a reasonable assurance engagement and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, we do not express a positive opinion. Our engagement includes examination, on a test basis, of evidence relevant to the regularity of the Centre's income and expenditure.

Approach (continued)
The work undertaken to draw to our conclusion includes:

- An assessment of the risk of material irregularity and impropriety across all of the Centre's activities;
- Further testing and review of the areas identified through the risk assessment including enquiry, identification of control processes and examination of supporting evidence across all areas identified as well as additional verification work where considered necessary; and
- Consideration of evidence obtained through the work detailed above and the work completed as part of our financial statements audit in order to support the regularity conclusion.

Conclusion
In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 August 2021 to 31 July 2022 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Signed: Buzzacott LLP

Buzzacott LLP
Reporting Accountants

Date : 8 February 2023

130 Wood Street
London
EC2V 6DL

MARY WARD CENTRE

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 JULY 2022

	Notes	2022	*2021*
		£'000	*£'000*
INCOME			
Funding body grants	2	2,622	*2,497*
Tuition fees and education contracts	3	624	*543*
Other income	4	217	*270*
Investment income	5	1	*2*
Donations and fundraising	6	202	*104*
Total income		**3,666**	***3,416***
EXPENDITURE			
Staff costs	7	2,119	*2,175*
Other operating expenses	8	1,392	*1,113*
Depreciation	10	145	*141*
Interest and other finance costs	9	64	*66*
Total expenditure		**3,720**	***3,495***
(Deficit) before tax		**(54)**	***(79)***
Taxation		-	-
Deficit for the year		**(54)**	***(79)***
Actuarial gain in respect of pension schemes	20	2,220	*257*
Total Comprehensive Income for the year		**2,166**	***178***
Represented by:			
Restricted comprehensive income		-	-
Unrestricted comprehensive income		2,166	*178*
		2,166	***178***

MARY WARD CENTRE
STATEMENT OF CHANGES IN RESERVES
FOR THE YEAR ENDED 31 JULY 2022

	Income and expenditure Account
	£'000
Balance as at 1st August 2020	**6,483**
Deficit from the income and expenditure account	(79)
Other comprehensive income	257
Total comprehensive income for the year	178
Balance as at 31st July 2021	**6,661**
Ddeficit from the income and expenditure account	(54)
Other comprehensive income	2,220
Total comprehensive income for the year	2,166
Balance as at 31st July 2022	**8,827**

MARY WARD CENTRE

BALANCE SHEET

AS AT 31 JULY 2022

	Notes	2022	*2021*
		£'000	*£'000*
Non current assets			
Tangible fixed assets	10	16,026	10,452
		16,026	10,452
Current assets			
Trade and other receivables	11	2,342	542
Cash and cash equivalents		465	2,331
		2,807	2,873
Less: Creditors - amounts falling due within one year	12	(2,017)	(1,169)
Net current assets		**790**	**1,704**
Total assets less current liabilities		16,816	12,156
Creditors - amounts falling due after more than one year	13	(7,413)	(2,904)
Provisions			
Defined benefit obligations	15/20	(576)	(2,591)
Total net assets		**8,827**	**6,661**
Restricted reserves			
Income and expenditure account		9	9
Unrestricted reserves			
Income and expenditure account		3,596	3,300
Other Unrestricted Reserves		5,222	3,352
Total reserves		**8,827**	**6,661**

The Financial Statements on pages 31 to 53 were approved and authorised for issue by the Board on and signed on its behalf on that date by:

Christine Cryne

Suzanna Jackson

Chair

Christine Cryne

07/02/2023

Accounting Officer

Suzanna Jackson

07/02/2023

MARY WARD CENTRE

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 JULY 2022

	Notes	2022 £'000	*2021* *£'000*
Cash flow from operating activities			
Deficit for the year		(54)	(79)
Adjustment for non-cash items			
Depreciation	10	145	141
Provision of deferred income	12,13	4,618	1,762
Release of deferred gain	12	(265)	(272)
(Increase) / decrease in debtors	11	(1,800)	531
Increase in other creditors due within one year	12	1,108	249
Pension costs less contributions payable (including administration cost)	20	200	190
Adjustment for investing activities			
Investment income	5	(1)	(2)
Interest payable	9	23	30
Net cash flow from operating activities		**3,974**	**2,550**
Cash flows from investing activities			
Investment income	5	1	2
Payments made to acquire fixed assets	10	(5,714)	(1,562)
		(5,713)	(1,560)
Cash flows from financing activities			
Interest paid	9	(23)	(30)
Repayments of amounts borrowed	12,13	(104)	(97)
		(127)	(127)
(Decrease) / increase in cash and cash equivalents in the year		**(1,866)**	**863**
Cash and cash equivalents at the beginning of the year		2,331	1,468
Cash and cash equivalents at the end of the year		465	2,331

1 ACCOUNTING POLICIES

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

Basis of preparation
These Financial Statements have been prepared in accordance with the *Statement of Recommended Practice: Accounting for Further and Higher Education 2019* (the 2019 FE HE SORP), the *College Accounts Direction for 2021 to 2022* and in accordance with Financial Reporting Standard 102 – *"The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS102)"*. The Centre 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 Centre'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.

Going concern
The activities of the Centre, 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 Centre, its cash flow, liquidity and borrowings are described in the Financial Statements and accompanying notes.

As part of the Centre's redevelopment project and in the development of the strategy for its move to Stratford the Centre has developed detailed financial projections which include modelling the long term impact of Covid-19 and wider, current, economic challenges on its plans for growth, and the impact of risks and uncertainties associated with the redevelopment project. This work has supported the Board's ability to consider the financial impact of the challenges and uncertainties in the aftermath of the Covid-19 pandemic and those of the redevelopment project. As such it considers that the Centre has adequate resources to continue in operational existence for the foreseeable future and until at least February 2024. For this reason it continues to adopt the going concern basis in preparing the financial statements.

Recognition of income

Revenue grant 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.

Recognition of income (continued)

Revenue grant funding (continued)
Grants from non-government sources are recognised in income when the Centre is entitled to the income and any performance related conditions have been met. Income received in advance of performance related conditions being met is recognised as deferred income within creditors on the Balance Sheet and released to income as the conditions are met.

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 Centre 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.

Agency arrangements
The Centre 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 Centre, where the Centre 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 Centre are provided by the Teachers' Pension Scheme (TPS) and the Local Government Pension Scheme (LGPS). These are defined benefit schemes, which are externally funded and contracted out of the State Second Pension (For men born on or before 6th April 1951 and women born on or before 6th April 1953).

Teachers' Pension Fund
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 Centre in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by qualified actuaries on the basis of 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.

Accounting for post-employment benefits (continued)

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 Centre. Any unused benefits are accrued and measured as the additional amount the Centre expects to pay as a result of the unused entitlement.

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

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

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

The Centre 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 Centre 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.

Tangible fixed assets (continued)
On adoption of FRS102, the Centre 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 Centre, 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 Centre had a 4 and a half year 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 Centre under the lease (exclusive of rates and service charge) is £359,000 per annum.

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 Centre 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 Centre 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 Centre 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 Centre 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 Centre 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 Centre has a present legal or constructive obligation as a result of a past event, it is probable that a transfer of economic benefit will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

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

A contingent liability arises from a past event that gives the Centre 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 Centre. 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 Centre, 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 Centre'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.

- To estimate future income and expenditure flows of the Centre and on its short to medium term financial stability in assessing going concern.

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 2022. 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.

- Sale and Leaseback

The Centre sold a property in the year 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 (4 years) 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 Centre has control over them, any conditions associated with the donated service having been met, the receipt of economic benefit from the use by the Settlement of the item is probable and that the economic benefit can be measured reliably. In accordance with the FE/HE SORP (FRS102), the time of general volunteers is not recognised.

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

2 FUNDING BODY GRANTS

	2022	*2021*
	£'000	*£'000*
GLA/ESFA recurrent grant	2,442	*2,299*
GLA/ESFA non recurrent grants	148	*166*
Releases of deferred capital grants	32	*32*
Total	2,622	*2,497*

3 TUITION FEES AND EDUCATION CONTRACTS

	2022	*2021*
	£'000	*£'000*
Adult education fees	507	*409*
Fees for FE loan supported courses	117	*134*
Total	624	*543*

4 OTHER INCOME

	2022	*2021*
	£'000	*£'000*
Other rent received	217	*208*
Coronavirus Job Retention Scheme grant	-	*62*
Total	217	*270*

5 INVESTMENT INCOME

	2022	2021
	£'000	£'000
Bank interest received	1	*2*
Total	1	*2*

6 DONATIONS AND FUNDRAISING

	2022	*2021*
	£'000	*£'000*
Income from general fundraising and donations	11	*38*
Income from capital fundraising	90	*-*
Income from fundraising and donations for bursary fund	16	*15*
Value in kind donations	85	*51*
Total	202	*104*

7 STAFF COSTS

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

	2022		*2021*	
	No.	fte	*No.*	*fte*
Teaching staff	120	23	*80*	*19*
Non-teaching staff	30	24	*36*	*27*
	150	47	*116*	*46*

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

Staff costs for the above persons	2022	*2021*
	£'000	*£'000*
Wages and salaries	1,552	*1,536*
Social security costs	121	*125*
Other pension costs (including LGPS adjustments of £159,000 (2020-21: £149,000)	446	*429*
Payroll Sub-Total	2,119	*2,090*
Restructuring costs:		
Contractual	-	*44*
Non-contractual	-	*41*
Total payroll costs	2,119	*2,175*

Key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Centre and are represented by the Senior Management Team, which comprises the Warden (who is also the Accounting Officer), the Director of Community and Adult Education and the Director of Finance and Resources.

7 STAFF COSTS (continued)

Key management personnel (continued)

	2022	***2021***
	No.	***No.***
The number of key management personnel	**3**	*3*

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:

	2022	***2021***
	No.	***No.***
£45,001 to £50,000 p.a	**-**	-
£70,001 to £75,000 p.a.	**-**	-
£75,001 to £80,000 p.a.	**2**	2
£85,001 to £90,000 p.a.	**1**	1
	3	3

There were no other members of staff whose earnings exceeded £60,000 in the period.

Key management personal emoluments are made up as follow:

	2022	***2021***
	£'000	***£'000***
Salaries	**231**	*229*
Employers National Insurance	**29**	*28*
Pension contributions	**50**	*49*
Total key management emoluments	**310**	*306*

7 STAFF COSTS (continued)

Key management personnel (continued)

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

	2022	*2021*
	£'000	*£'000*
Salaries	90	*89*
	90	*89*
Pension contributions	21	*21*

Relationship of Accounting Officer/Warden /Chief Executive pay and remuneration expressed as a multiple:

	2022	*2021*
	£'000	*£'000*
Accounting Officer's basic salary as a multiple of median of all staff	2.0	*2.0*
Accounting Officer's total remuneration as a multiple of median of all staff	2.4	*2.4*

The multiple is based on total staff costs divided by the median full time equivalent number of staff.

No other trustees received any payment from the Centre, making no claims for travel and subsistence or any other expenses (2020-21: none).

8 OTHER OPERATING EXPENSES

	2022	*2021*
	£'000	*£'000*
Teaching costs	141	*146*
Non-teaching costs	513	*567*
Premises costs	738	*400*
Total	1,392	*1,113*

Other operating expenses include:

	2022	*2021*
	£'000	*£'000*
Auditor's remuneration:		
Financial statements audit	26	*24*
Regularity audit	2	*2*
Internal audit	9	*9*

9 INTEREST AND OTHER FINANCE COSTS

	2022 £'000	*2021* *£'000*
On bank and government agency loans	**23**	*30*
Pension finance costs (note 20)	**41**	*36*
Total	**64**	*66*

10 TANGIBLE FIXED ASSETS

	Land and buildings			Equipment	Total
	Freehold	Leasehold	Assets Under Construction		
	£'000	£'000	£'000	£'000	£'000
Cost					
As at 1st August 2021	7,252	2,143	3,018	472	**12,885**
Additions	-	-	5,688	31	**5,719**
As at 31st July 2022	7,252	2,143	8,706	503	**18,604**
Depreciation					
At 1st August 2021	-	2,011	-	422	**2,433**
Charge for the year		132		13	**145**
At 31st July 2022		2,143	-	435	**2,578**
Net book value as at 31st July 2022	7,252	-	8,706	68	**16,026**
Net book value as at 31st July 2021	7,252	132	3,018	50	**10,452**

11 TRADE AND OTHER RECEIVABLES

	2022	*2021*
	£'000	*£'000*
Amounts falling due within one year:		
Trade receivables	150	*84*
Amounts owed by group undertakings	152	*220*
VAT recoverable	94	*38*
Prepayments and accrued income	1,946	*200*
Total	2,342	*542*

12 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022	*2021*
	£'000	*£'000*
Bank loans and overdrafts	108	*103*
Trade payables	902	*107*
Bursary creditor (note 22)	79	*77*
Other taxation and social security	72	*98*
Accrual for untaken annual leave	53	*68*
Other accruals and deferred income	803	*362*
Amounts due to ESFA	-	*57*
Deferred income - government capital grants	-	*32*
Deferred income - profit on disposal of property	-	*265*
Total	2,017	*1,169*

13 CREDITORS: AMOUNTS FALLING DUE AFTER ONE YEAR

	2022	*2021*
	£'000	*£'000*
Bank loans	328	*437*
Deferred income - government capital grants	7,085	*2,467*
Total	7,413	*2,904*

14 MATURITY OF DEBT

	2022 £'000	*2021 £'000*
In one year or less	108	*103*
Between two and five years	328	*437*
Total	436	*540*

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

On 24th February 2022 the Centre entered into an agreement to borrow £3,000,000 from The Charity Bank Ltd, repayable over 23 years from the second anniversary of the agreement. Interest is payable at 3.65% above the Bank of England base rate ("base") on the outstanding balance in the first 2 years and thereafter at 2.45% above base. The loan is secured by a fixed charge on the freehold property. As at the balance sheet date, no drawdown had been made on this facility. Drawdowns totalling £2,593,000 have been made post-year end (see note 19).

15 PROVISIONS

	Defined benefit obligations £'000	Other £'000	Total £'000
At 1st August 2021	2,591	-	**2,591**
Movement in the period	(2,015)	-	**(2,015)**
As at 31st July 2022	576	-	**576**

Defined Benefit Obligations relate to the liabilities under the Centre's membership of the Local Government Pension Scheme. Further details are given in note 20.

16 CAPITAL AND OTHER COMMITMENTS

	2022 £'000	*2021 £'000*
Commitments contracted for at 31st July	4,480	-

On 19th January 2022 the Centre entered into a Design and Build contract for the redevelopment of Queensway House in the London borough of Newham.

17 LEASE OBLIGATIONS

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

	2022 £'000	*2021 £'000*
Land and buildings		
Not later than one year	-	*269*
	-	*269*

18 CONTINGENT LIABILITIES

There are no contingent liabilities.

19 EVENTS AFTER THE REPORTING PERIOD

In order to address rising costs of construction for elements of the redevelopment work not captured by the Design and Build contract of 19th January 2022, a Deed of Variation was negotiated and signed on 17th October 2022 for a total committed sum of £11,420,000.

During August 2022, in order to fund rising costs of construction, an agreement was reached with The Charity Bank Ltd, to extend the loan facility to £3,300,000 from £3,000,000. During August 2022, December 2022 and January 2023, drawdowns of £929,000, £789,000 and £875,000, respectively, were made against this loan facility.

On 29 November 2022, the Office for National Statistics reclassified all college corporations to Central Government sector with immediate effect. This will mean that colleges, including the Centre, will now be subject to the framework for financial management set out in Managing Public Money (MPM) and the Department for Education will introduce new rules for colleges, some of which will take effect immediately.

20 DEFINED BENEFIT OBLIGATIONS

The Centre'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 2019.

Total pension cost for the year		**2022**		***2021***
		£'000		***£'000***
Teachers' Pension Scheme: contributions paid		178		*232*
Local Government Pension Scheme:				
Contributions paid	79		*79*	
FRS102 (s28) charge	159		*149*	
Charge to the Statement of Comprehensive Income		**238**		*228*
Enhanced pension charge to the Statement of Comprehensive Income		**-**		*-*
Total Defined Benefit Pension Cost for year within staff costs		**416**		*460*

20 DEFINED BENEFIT OBLIGATIONS (continued)
The total defined benefit pension cost for the year includes £11,000 recharged to group entities (2020-21: £11,000). 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.

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

The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – these contributions, along with those made by employers, are credited to the Exchequer under arrangements governed by the above Act. Retirement and other pension benefits are paid by public funds provided by Parliament.
Under the definitions set out in FRS 102 (28.11), the TPS is a multi-employer pension plan. The Centre is unable to identify its share of the underlying assets and liabilities of the plan.

Accordingly, the Centre has taken advantage of the exemption in FRS 102 and has accounted for its contributions to the scheme as if it were a defined-contribution plan. The Centre has set out above the information available on the plan and the implications for the Centre in terms of the anticipated contribution rates.

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

The latest actuarial review of the TPS was carried out as at 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.

The valuation, set employer contribution rates 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 2021-22 academic year.

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

The employer's pension costs paid to TPS in the period amounted to £178,000 (2020-21: £232,000).

FRS102 (Section 28)
Under the definitions set out in FRS102 (28.11), the TPS is a multi-employer pension plan. The Centre is unable to identify its share of the underlying assets and liabilities of the scheme.

Accordingly, the Centre 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 Centre has set out above the information available on the scheme and the implications for the Centre in terms of the anticipated contribution rates.

20 DEFINED BENEFIT OBLIGATIONS (continued)

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 2022 was £123,000 (2020-21: £122,000), of which employer's contributions totalled £79,000 (2020-21: £79,000) and employees' contributions totalled £44,000 (2020-21: £43,000). The agreed contribution rates for future years are 16.6% 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 2019 updated to 31st July 2022 by a qualified independent actuary.

	At 31st July 2022	***At 31st July 2021***
Rate of increase in salaries	**3.75%**	*3.80%*
Rate of increase for pensions in payment / inflation	**2.75%**	*2.80%*
Discount rate for scheme liabilities	**3.40%**	*1.60%*
Inflation assumption (CPI)	**2.90%**	*2.80%*
Commutation of pensions to lump sums	**-**	-

Due to high periods of inflation up to 31 July 2022, an adjustment has been made to the year end valuation to account for the estimated impact on the Pension Order Increase due to be implemented from 1 April 2023. The estimated impact of the defined benefit obligation has been recognised as an experience loss of £226,000. This charge has been made against Other Comprehensive Income, however is not directly reflected within the listed actuarial assumptions above.

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 2022	***At 31st July 2021***
Retiring today		
Males	**20.7**	*20.6*
Females	**24.5**	*24.5*
Retiring in 20 years		
Males	**23.0**	*22.9*
Females	**25.6**	*25.5*

Sensitivity analysis

Present value of defined benefit obligation	**At 31st July 2022** £'000	***At 31st July 2021 £'000***
Discount rate +0.1%	**4,904**	*6,566*
Discount rate -0.1%	**5,106**	*6,841*
Mortality assumption – 1 year increase	**5,161**	*6,986*
Mortality assumption – 1 year decrease	**4,852**	*6,430*

20 DEFINED BENEFIT OBLIGATIONS (continued)

The Centre'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 2022	***Value as at 31st July 2021***
	£'000	***£'000***
Equities	**2,513**	*2,307*
Target Return Portfolio	**961**	*888*
Infrastructure	**466**	*360*
Property	**435**	*343*
Cash	**53**	*213*
Total fair value of plan assets	**4,428**	*4,111*

Weighted average expected long term rate of return 5.0%

The amount included in the balance sheet in respect of the defined benefit pension plan is as follows:

	2022	***2021***
	£'000	***£'000***
Fair value of plan assets	**4,428**	4,111
Present value of plan liabilities	**(5,004)**	(6,702)
Net pensions liability (Note 15)	**(576)**	(2,591)

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

	2022	***2021***
	£'000	***£'000***
Amounts included in staff costs		
Employer service cost (net of employee contributions)	**238**	*228*
Past service cost	**-**	*-*
Total operating charge	**238**	*228*
Amounts included in interest and other finance costs		
Expected return on pension scheme assets	**-**	*-*
Interest on pension liabilities net of interest on assets	**41**	*36*
Administrative charge	**5**	*5*
Pension finance costs	**46**	*41*
Amounts recognised in Other Comprehensive Income		
Return on assets	**201**	*434*
Experience (loss) / gain arising on defined benefit obligations	**(342)**	*104*
Changes in assumptions	**2,361**	*(281)*
Amounts recognised in Other Comprehensive Income	**2,220**	*257*

20 DEFINED BENEFIT OBLIGATIONS (continued)

Movement in net defined liability during the year

	2022	*2021*
	£'000	*£'000*
Deficit in scheme at 1st August	(2,591)	*(2,658)*
Movement in year:		
Employer service cost (net of employee contributions)	(238)	*(228)*
Employer contributions	79	*79*
Net interest on liabilities	(41)	*(36)*
Administration charge	(5)	*(5)*
Actuarial gain / (loss)	2,220	*257*
Deficit in scheme at 31st July	**(576)**	*(2,591)*

Asset and Liability reconciliation	**2022**	***2021***
	£'000	***£'000***
Changes in the present value of defined benefit obligations		
Defined benefit obligations at start of period	6,702	*6,202*
Current service cost	238	*228*
Interest cost	107	*84*
Contributions by Scheme participants	44	*43*
Experience loss / (gain) on defined benefit obligations	342	*(104)*
Change in financial assumptions	(2,361)	*355*
Change to demographic assumptions	-	*(74)*
Estimated benefits paid	(68)	*(32)*
Curtailments and settlements	-	-
Defined benefit obligations at end of period	5,004	*6,702*
Changes in the fair value of plan assets		
Fair value of plan assets at start of period	4,111	*3,544*
Interest on plan assets	66	*48*
Return on plan assets	201	*434*
Other actuarial gains	-	-
Administration cost	(5)	*(5)*
Employer contributions	79	*79*
Contributions by Scheme participants	44	*43*
Benefits paid	(68)	*(32)*
Fair value of plan assets at end of period	4,428	*4,111*

21 RELATED PARTY TRANSACTIONS

Owing to the nature of the Centre'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 Centre's financial regulations and normal procurement procedures.

As disclosed in note 7, £nil expenses were paid to or on behalf of the trustees during the year (2020-21: £nil).

No trustee has received any remuneration or waived any payments from the Centre, except in their capacity as a member of staff (2020-21: £nil).

22 AMOUNTS DISBURSED AS AGENT

	2022	*2021*
	£'000	*£'000*
Funding body grants - hardship support	30	*33*
Funding body grants - childcare	-	*4*
Funding body grants - 24+ advanced learning loans	76	*117*
	106	*154*
Disbursed to students	(77)	*(76)*
Administration costs	(1)	*(1)*
Balance unspent as at 31st July, included in creditors	28	*77*

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