



MARY WARD CENTRE
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2025

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 2025**

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MARY WARD CENTRE
REPORT OF THE CHAIR
FOR THE YEAR ENDED 31 JULY 2025

While 2024-25 was the second academic year in which Mary Ward Adult Education Centre (“the Centre”) operated at The Mary Ward Centre, in Stratford, East London following its move from central London in September 2023, it was the first full year in which the Centre was able to operate without major disruption from the construction team. The work continued to establish the Centre in Stratford. The Community Outreach team continued building on the relationships established in the years before the Centre’s relocation to Stratford. The vast majority of the work of the Community Outreach team took place in Newham and East London, working directly with community partners, including Newham Chinese Association in Beckton, Deafroots in Stratford, Bangladeshi communities with Jubilee Street GP Practice CIC in Shadwell and communities in Mile End and Wapping.

Enrolments increased from 5,580 in 2023 -24 to 6,870 demonstrating demand for courses and meeting local need. Despite the increase in enrolments overall, tuition fee takings were not as strong as hoped, with the strongest levels of demand seen for fully funded areas of provision. This included the uptake of flexibility funding for a significant number of learners on accredited courses and a higher proportion of learners qualifying for fee concessions than seen in prior periods. The differential student demographics in Stratford underpinned the lower than planned fee income.

The combination of lower average tuition fee income and higher than expected costs of running the new premises led to financial difficulties during the period. This culminated in a request from the Centre to the Department for Education for financial support, which was granted in the form of an emergency loan and the requirement to embark on a Structure and Prospects Appraisal by the Further Education Commissioner. Trustees ensured that urgent measures were taken to protect the interests of creditors, beneficiaries and staff of the Mary Ward Settlement (which comprises the Centre, Mary Ward Legal Centre and Blackfriars Settlement). This included stopping or reducing certain services, negotiating interest free periods from lenders and restructuring the organisation. The SPA process has resulted in the identification of Newham College of Further Education being identified as a merger partner to provide stronger financial resilience.

Looking ahead, aside from continuing to work towards a merger and strengthening the financial position of the Mary Ward group as a whole, the Centre’s priorities for 2025-26 include continuing to work to ensure the best possible outcomes for its students.

Despite the challenges, the Centre was able to support 3,040 learners (2023-24: 2,606) on 6,780 course places (2023-24: 5,579) throughout the year. The majority of sessions are delivered face-to-face, including all Visual and Performing Arts, IT, Literacy and Maths classes. A small proportion of online and hybrid delivery remains demand led in other curriculum areas. For example, some ESOL courses continue with a blended approach to support development of digital skills as well as a small number of online courses with subjects, including community interpreting and mentorship.

Students on all accredited courses were supported to work towards their assessments and gain their qualifications. ESOL continues to be the largest proportion of exams taken across the curriculum, while Art has, by far, the highest volume of enrolments. Digital Skills enrolments, while a relatively small proportion of the whole, increased by 48% over 2023-24. Essential Skills courses such as ESOL, English and Maths and Digital Skills continued to recruit well at Blackfriars Settlement, where teaching is also provided. Over 50% of these students are from Southwark and its neighbouring boroughs of Lambeth and Lewisham. Overall, enrolment at this location declined by 5% in comparison to 2023-24 following a shift of focus away from paid-for provision which has proved unviable there.

This period ended with a review of the entirety of the business model to best ensure financial sustainability and the future success of the Centre; to maximise the value add and ability to achieve the charitable objectives of the Centre for the benefit of its students, staff and stakeholders.

**MARY WARD CENTRE
REPORT OF THE CHAIR
FOR THE YEAR ENDED 31 JULY 2025**

It has been a very challenging period for all at Mary Ward Settlement and my special thanks go to the Board of Trustees, many of whom remained beyond their retirement dates to help, and to the tireless efforts of the staff, including tutors. We have also greatly appreciated the support and confidence of our lenders, suppliers and regulators.

Veronica Daly

Veronica Daly (Mar 30, 2026 14:06:59 GMT+1)

Veronica Daly

Chair

30/03/2026

MARY WARD CENTRE
REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 JULY 2025

REFERENCE DETAILS

Charity number: 223066
Company number: 46188
Address and Registered Office: The Mary Ward Centre, 275-285 High Street, Stratford London
E15 2TF

KEY MANAGEMENT PERSONNEL

Key management personnel are defined as members of the Centre's Senior Management Team and were represented by the following in 2024-25:

Warden, CEO; Accounting Officer	Therese Reinheimer-Jones
Director of Adult and Community Education and Deputy CEO	Susan Craggs
Director of Finance and Resources	Juliet Woodford

BOARD OF TRUSTEES

A full list of trustees is given on pages 16-17 of these Financial Statements.

Ms. Beverley Campbell acted as Clerk to the Board of Trustees throughout the year under review until 31st July 2025.

PROFESSIONAL ADVISERS

FINANCIAL STATEMENTS AUDITOR AND REPORTING ACCOUNTANTS	Buzzacott Audit LLP 130 Wood Street London EC2V 6DL
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INTERNAL AUDITOR	Validera 30 Camp Road Farnborough Hants GU14 6EW
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BANKERS	The Co-operative Bank plc 3rd floor, St Paul's House 10 Warwick Lane London EC4M 7BP
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MARY WARD CENTRE
REPORT OF THE BOARD OF TRUSTEES
FOR THE YEAR ENDED 31 JULY 2025

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 2025.

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.

While the Centre trades as an Institute of Adult Learning, Mary Ward Settlement also comprises two subsidiary entities, Mary Ward Legal Centre (“the Legal Centre”) and Blackfriars Settlement (“Blackfriars”), together with the Centre, known as the Mary Ward Settlement Group (“MWS Group”). The Legal Centre and Blackfriars are both independently registered charities whose aims and objectives are integral to the wider aims and objectives of the MWS Group.

These Financial Statements, refer only to the activities of the Centre as an Institute of Adult Learning, and 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 2019) in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102).

The Consolidated Financial Statements of the MWS Group are prepared separately and filed in the name of Mary Ward Settlement.

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.

MARY WARD CENTRE
REPORT OF THE BOARD OF TRUSTEES
FOR THE YEAR ENDED 31 JULY 2025

IMPLEMENTATION OF THE STRATEGIC PLAN

The Centre worked towards the objectives of the Strategic Plan covering the period 2023-2028, of which a key element includes establishing the Centre at its new location in Stratford, known as The Mary Ward Centre. Supporting the aim of wider London reach, the Centre continued to offer classes from the home of Blackfriars in the London Borough of Southwark, and for the first time during 2024-25, offered a programme of specialist art classes from the Redbridge Institute in the London Borough of Redbridge.

CORE VALUES AND OBJECTIVES

The Centre is guided by the Core Values and Strategic Aims. Acknowledging the imminent completion of the new site at Stratford, at a Strategy Day in June 2023, the Board met to consider the Strategic Plan for the period 2023-28, and subsequently, the following Core Values and Strategic Aims were agreed across the Mary Ward Settlement group.

Core Values

- **PEOPLE:** we ensure the needs of students and service users are at the heart of everything we do
- **COMMUNITY:** we value and contribute positively to the communities we serve
- **LEARNING:** we provide access to learning that enriches people's lives, increases opportunities, and diminishes disadvantage
- **JUSTICE:** we are committed to social justice and provide access to secure legal rights
- **RESPECT:** we value and support staff, teams and volunteers, and develop their talents
- **EQUALITY:** we foster equality, seek to eliminate discrimination and improve inclusion
- **INTEGRITY:** we are honest, fair, accountable and financially responsible
- **SUSTAINABILITY:** we actively seek sustainable practices
- **EXCELLENCE:** we strive for excellence as individuals, teams and as an institution

Strategic Aims

- **Contribute to local and London economies**
We will contribute to social and economic prosperity by extending our work into new areas whilst supporting more vibrant, tolerant, safe and healthy communities where everyone has the opportunity for learning, to build skills and meet personal or professional goals.
- **Enrich and strengthen the communities we serve**
We will strengthen local communities' ability to access support, advice, learning and employment, reducing social isolation and improving life chances.
- **Provide flexible and outstanding, demand-led provision and services**
We will grow and maintain a diverse, agile and adaptable workforce delivering demand-led and co-created provision that can respond to the demands of its users, changing priorities and local needs.
- **Be a visible and valued partner and place**
We will be a well known, trusted and respected partner, a 'go to' for input, development and advice across all of the sectors that our work encompasses.
- **Ensure current and future stability**
We will ensure current and future organisational stability and sustainability through financial health, leadership, governance and a skilled work force.

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

MARY WARD CENTRE
REPORT OF THE BOARD OF TRUSTEES
FOR THE YEAR ENDED 31 JULY 2025

ACHIEVEMENTS AND PERFORMANCE

The Centre's second year in Stratford began strongly, with an increase in enrolments and tuition fees for 2024-25, both around 23% higher overall than for 2023-24, and over 30% higher than its final year in central London. The Centre also underwent an OFSTED inspection during January 2025 and secured a solid 'Good' with particular praise given for the positive environment that is created for learners and the demonstrable progress made since relocating. Specifically, the OFSTED report highlighted that "since relocating to east London, Leaders and Managers have successfully developed a wide range of new partnerships to ensure they understand the skills needs in the area" and that "Leaders and Managers have made sure that over a period of significant change in the organisation, students continue to receive a good quality education."

However, the costs of running the new Mary Ward Centre, including servicing the commercial debt which helped fund the construction work, were higher than anticipated. Even with the modest increase in student numbers, cash receipts overall were lower than cash outflows, putting severe pressure on cash balances.

Consequently, in January 2025, the Centre approached the Department for Education ("DfE") for financial assistance, accepting a loan facility of £500,000 to be drawn down between April and October 2025. The Centre has worked closely with the Further Education Commissioner's (FEC) team since January 2025 to put a financial Recovery Plan in place with the aim of re-building the Centre's finances to a sustainable level over a 4-year Recovery Period.

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 DfE and the Greater London Authority ("GLA");
- 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;
- To meet banking covenants, maintaining a minimum DfE Financial Health grade not less than the level defined immediately below 'Good'.

The operational plan to redevelop the Centre's depleted cash reserves and meant that going into the 2024-25 year, paid-for enrolments needed to be high in order to maintain a sustainable cashflow through the year. Enrolment numbers were 23% higher than for 2023-24, with increased enrolments particularly in essential skills and other courses eligible for funding, meaning that DfE and GLA funding targets were well above target. However, paid-for tuition fees, while comfortably exceeding the total for 2023-24, were below target. Costs also increased, including the rejection of a full-business rates rebate for the first time in the Centre's history. Consequently financial performance suffered, culminating in cash flow difficulties in the second half of the year and the need to approach the DfE for an emergency loan, to ensure the Centre could continue to operate and meet its financial obligations as they fell due.

PERFORMANCE INDICATORS

A series of performance indicators have been agreed to monitor the successful implementation of the Centre's Objectives.

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

MARY WARD CENTRE
REPORT OF THE BOARD OF TRUSTEES
FOR THE YEAR ENDED 31 JULY 2025

PERFORMANCE INDICATORS (continued)

Key Performance Indicator	Target 2024-25	Achieved 2024-25	Target 2023-24	Achieved 2023-24
Maximise the number of people who access adult education	2,750	3,040	2,500	2,606
Maximise the number of course enrolments	6,600	6,870	5,500	5,579
Maximise the average number of students per course	10	10.3	10	9
Maintain high average level of student retention; AND Maintain high retention across ALL courses	90%+	97%	90%+	96%
Maintain high level of student satisfaction	95%+	95%	95%+	96%
Maintain high level of average pass rates on accredited courses; AND Maintain high level of pass rates on ALL non-accredited courses	90%+	96% and 99%	90%+	96% and 96%
Improved average achievement rates for students taking accredited courses	90%+	90%	90%+	87%
Improved achievement rates on ALL non-accredited qualifications	90%+	100%	90%+	96%
The % of students reporting additional benefits is increasing	n/a	1All students who returned a questionnaire reported at least one additional benefit to learning	n/a	1All students who returned a questionnaire reported 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 DfE. The Centre’s financial health grading is assessed by the DfE as “Inadequate” (2023-24: “Requires Improvement”). The ‘Inadequate’ financial health grade is automatically applied following the acceptance of emergency financial assistance from the DfE.

FINANCIAL REVIEW

The Centre had an operating deficit of £556,000 (2023-24: £33,000). This was before the inclusion of a £59,000 (2023-24: £55,000) Local Government Pension Scheme (“LGPS”) service cost; £45,000 LGPS finance credit (2023-24: £47,000 credit); and £1,000 (2023-24: £1,000) LGPS administration cost. The deficit for the year after inclusion of those costs was £570,000 (2023-24: £42,000). Additionally, an actuarial gain of £14,000 was made by the LGPS (2023-24: £9,000). Overall, the total comprehensive expenditure for the year was £556,000 (2023-24: total comprehensive expenditure of £33,000).

The Centre’s accumulated reserves fell to £8,923,000, equivalent to 228% of annual income (2023-24: £9,479,000; 243% of annual income). 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 decreased to £24,130,000 (2023-24: £24,230,000). Capital expenditure in the year totalled £592,000 (2023-24: £806,000), of which £380,000 (2023-24: all of which) related to work towards completing the redevelopment or furnishing and fitting out of The Mary Ward Centre. £212,000 related to refurbishment work at the 1 Rushworth Street, to improve the functionality and layout of this site for education purposes, and financed by capital grant receipts.

MARY WARD CENTRE
REPORT OF THE BOARD OF TRUSTEES
FOR THE YEAR ENDED 31 JULY 2025

FINANCIAL REVIEW (continued)

The Centre's operational income was £3,921,000 (2023-24: £3,907,000) comprising Adult Education Budget ("AEB") funding, one-off grants for which matched expenditure was incurred during the period and the release of deferred capital grants used to partially fund the development of The Mary Ward Centre.

Tuition fee income rose by £130,000 to £690,000, a smaller increase than the Centre would have wished, and reflecting the Centre's relatively unknown, but growing reputation in Stratford, compared to its prior reputation in Central London. Donations and fundraising included regular grants totalling £10,000 received from a partner for the purpose of bursary funding and a Value in Kind donation of £10,000 (2023-24: £6,000) in professional legal fees. 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 DfE.

Costs of the Centre were £4,491,000 (2023-24: £3,949,000), an increase of £542,000, the result of higher level of operational provision during 2024-25 compared with 2023-24 and higher costs associated with operating the Mary Ward Centre in Stratford, including higher depreciation costs having charged a full year's depreciation for 2024-25 compared with a partial year's depreciation for 2023-24, following Practical Completion in November 2023.

The 2024-25 Financial Statements and associated notes are set out on pages 31 to 52.

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 DfE. All other borrowing requires the authorisation of the Board in order to comply with the Financial Memorandum, including the requirements of the Treasury's Managing Public Money (MPM) regulations.

There was a net decrease in the cash held by the Centre of £12,000 (2023-24: £727,000).

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 months' 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 £8,915,000 (2023-24: £9,470,000) including fixed assets less long-term creditors, of which £231,000 (2023-24: £143,000) being net current assets, excluding deferred income and deferred capital grants, representing free reserves available to meet the working capital needs of the Centre. This represents around 71% of the lower end of the target (2023-24: 59%). This position was broadly expected following the large investment of the Centre's reserves into The Mary Ward Centre over the period of construction, and it is the Board's intention to restore the Centre's reserves to at least the minimum target level as soon as practical.

Restricted reserves totalled £8,000 (2023-24: £9,000). The decrease in reserves at the balance sheet date reflects the reported total comprehensive expenditure for the period.

MARY WARD CENTRE
REPORT OF THE BOARD OF TRUSTEES
FOR THE YEAR ENDED 31 JULY 2025

CURRENT AND FUTURE DEVELOPMENTS AND PERFORMANCE

FINANCIAL HEALTH

In 2024-25 the Centre was rated “Inadequate” under the DfE financial health grading system, an automatic grading associated with the Centre’s request for emergency funding to support its operations (2023-24: “Requires Improvement”). Following this request, the DfE approved an emergency loan of £500,000, up to £400,000 to be drawn in April 2025, with the balance to be drawn between August and October 2025 should it be required

The financial difficulties of the Centre arose against the backdrop of the strategic activity taken to implement the Property Strategy over the past 7-8 financial years, which saw the cash balance and free reserves fluctuating, but ultimately falling over the whole of this extended period, as well as the drawdown of a commercial mortgage, needed to fund the development work at The Mary Ward Centre, Stratford.

Following acceptance of the emergency DfE funding the Centre has been obliged to set out a Recovery Plan which includes financial targets for enrolments, tuition fees and financial health, monitored on a weekly or monthly basis. The DfE are providing additional support through regular meetings and have initiated a Structure and Prospects Appraisal (‘SPA’) process to identify the most appropriate means of managing the Centre as a going concern. The SPA process has resulted in the identification of Newham College of Further Education being identified as a merger partner to provide stronger financial resilience..

Looking ahead, aside from continuing to work towards a merger and strengthening the financial position of the Mary Ward group as a whole, the Centre’s priorities for 2025-26 include continuing to work to ensure the best possible outcomes for students.

It is accepted that in the short term, the Centre’s relocation to this new area of London has required significantly more than anticipated investment in the curriculum, marketing and resources, while growth of paid-for enrolments has been slower. These, combined with strong demand for fully funded provision, has led to the current financial pressures. Our expectation is that in the short term, the Centre will work towards a merger with Newham College of Further Education, and that in the medium to long term, operations from The Mary Ward Centre in Stratford should ultimately see a return to much stronger financial sustainability, with the support of the merger partner and with corresponding careful budgetary management, increased student enrolments and higher average class sizes.

STUDENT NUMBERS

The Centre is funded according to the levels of activity that it generates. In 2024-25, the Centre generated a funding value of £2,598,161 (2023-24: £2,447,267). The total number of students enrolled onto courses was 3,040 (2023-24: 2,606). Student retention was 97% (2023-24: 96%).

STUDENT ACHIEVEMENTS

In 2024-25 there were 462 examination entries of which 383 were successful (2023-24: 323 and 280 respectively). The overall achievement rate was 96% (2023-24: 96%), which is assessed using the Recognising and Rewarding Progress and Achievement (RARPA) strategy.

CURRICULUM DEVELOPMENTS

In 2024-25, the Centre successfully navigated changes in funding rules, including the expanded eligibility for loans and the introduction of free courses for jobs. These adjustments were managed effectively, allowing the Centre to maintain a balanced and responsive curriculum offer.

MARY WARD CENTRE
REPORT OF THE BOARD OF TRUSTEES
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CURRICULUM DEVELOPMENTS (CONTINUED)

Building on insights from the first year of delivery, the curriculum underwent significant refinement. Evidence and data were used to identify popular and less popular courses, enabling a strategic shift in provision. The timing of learning was also reconsidered to better suit working adults, with increased demand for shorter, bite-sized courses offered on weekends and evenings. While maintaining a mix and balance across the curriculum, the Centre reduced offerings that saw lower enrolment, even though they were part of the initial pilot year.

These changes led to measurable improvements compared to the previous year, including:

- Enhanced engagement with small businesses for training opportunities.
- Securing a partnership with a national employer who invested in several accredited courses, contributing to increased revenue.

Curriculum planning continues to be informed by a robust needs analysis of local communities, alongside a broader view of adult education across London. The Centre has demonstrated agility in reviewing and realigning its curriculum to reflect shifting priorities and funding constraints, while preserving its distinctive character and learning patterns.

In 2024-25, the Centre sustained its commitment to offering courses funded entirely by student fees, successfully delivering these across the curriculum. The strategic approach focused on optimising the mix of fully funded and paid-for provision, ensuring maximum delivery within the constraints of space and resource costs. These efforts have resulted in continued improvement and impact. In 2024-25 enrolments rose by 23% and fee income by 23%

Community Outreach continued to be successful at providing courses for older people, minority groups and hard-to-reach communities to reduce social isolation and access to education. Due to financial pressures and the need to reduce costs, however, the Centre closed its community outreach programme.

Partnerships with external agencies such as Waltham Forest LA and Newham Works and charities such as Helen Bamber Foundation and Just Homes continue to develop to provide referrals to meet students' needs to learn English and help them into work. In Work Skills and Employability, Level 1 and Level 2 courses continue to be offered; these offer transferrable work skills including Functional Skills, ICT Users, Digital Skills for Work as well as non-accredited options such as Excel and "Making a Start To Support You with Your Computer". The review and redevelopment of this area has proved successful and seen an increase in enrolments.

A partnership with Birkbeck University resulting in a co-designed and co-delivered number of Pathways workshops to offer advice and guidance to progress into education and work continues to be offered. Although 24+ Loan funding continues to be offered in Community Interpreting, Counselling and Art and Design, the take up of student loans has declined because some students are now eligible for full funding on some of these courses at Level 3 and level 4 following a change in the GLA's Funding Flexibilities (ref "GLA Adult Skills Fund 2025-26: Funding and Performance Management Rules for Grant Funded Providers"). 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 was delivered in partnership with a national employer.

PAYMENT PERFORMANCE

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

MARY WARD CENTRE
REPORT OF THE BOARD OF TRUSTEES
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PAYMENT PERFORMANCE (CONTINUED)

The target set by the Treasury for payment to suppliers within 30 days is 95%. During the accounting period 1st August 2024 to 31st July 2025, following the financial difficulties referred to elsewhere in this Report, the Centre fell short of this target, with an estimated 75% of its invoices paid within 30 days. An improvement in the cash position following the year-end, has enabled the Centre to improve its payment performance with the aim of meeting the 95% target for the second half of 2025-26. The Centre incurred no interest charges in respect of late payment for this period.

GOING CONCERN

While 2024-25 began strongly, with an increase in enrolments and tuition fees for 2024-25 around 20% higher overall, than for 2023-24, and up to 30% higher than its final year in central London, the costs of running the new Mary Ward Centre, were higher than expected. Even with the modest increase in student numbers, cash receipts overall were lower than cash outflows, putting severe pressure on cash balances.

Consequently, in January 2025, the Centre approached the Department for Education (DfE) for financial assistance, accepting a loan facility of £500,000 to be drawn down between April and October 2025. The Centre has worked closely with the Further Education Commissioner's (FEC) team to put a financial Recovery Plan in place with the aim of re-building the Settlement's finances to a sustainable level over a 4 year Recovery Period.

As part of its financial Recovery Plan, the Centre has developed detailed financial projections which include targets for its focus on existing core provision and modelling the impact of risks and uncertainties associated with those plans and those of its ongoing operations. Additionally, as part of the SPA process the Board actively considered merger opportunities with other compatible Further Education ("FE") Institutions in order to provide a more financially robust future for the Centre, and has identified Newham College of Further Education as a merger partner, able to provide stronger financial resilience to enable the work of the Centre to continue. The merger is subject to a process of due diligence and formal approval by the Board.

Notwithstanding any merger, the Centre's challenge for the next few years, will be to bring the ratio of tuition fee income and curriculum delivery costs to a sustainable level, enabling the Centre to rebuild its operational cash. Cashflows and budgets to March 2027 and beyond include the following assumptions:

- A certain level of tuition fee income vs costs of delivery
- Delivery of the full adult education budget
- Careful management of the costs of running the Centre's estate
- Careful management of the costs and operations of the subsidiaries
- Confirmation from the DfE that repayment of the emergency loan of £500,000 will not be required in October 2026 and the agreement of affordable terms following an affordability review due in July 2026
- Support from commercial lenders, specifically in relation to action over potential breach(es) of covenants during the Recovery Period

As the most likely outcome in response to the particular challenges that have been facing the Settlement in the immediate aftermath of its relocation to Stratford, is a merger with Newham College of Further Education with the transfer of net assets and activities to another entity (although there is a possibility that the legal entity remains), the Board has approved these financial statements on a basis other than Going Concern, following an assessment at its meeting in March 2026. No adjustments to book values have been made as a result of this.

MARY WARD CENTRE
REPORT OF THE BOARD OF TRUSTEES
FOR THE YEAR ENDED 31 JULY 2025

FUTURE DEVELOPMENTS

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 improve from the “Inadequate” financial status as measured by the DfE within the life of the 4 year Recovery Plan.

The Centre’s Recovery Plan sets out targets for steady growth over the 4 year Recovery Period which, if targets are met, will enable the Centre to begin repayment of the DfE emergency funding following the end of the 2025-26 year, with full repayment by 2028-29. It is expected that there will be continuing development of a range of courses funded by using flexibilities, student loans and Free Courses For Jobs, as well as expanding Tailored Learning provision into new and innovative areas. The long-term impact of Covid-19 combined with domestic financial pressures has had an on-going impact on the habits and expectations of students. . Consequently, the Centre is continually reviewing the appropriateness and viability of its provision, alongside its marketing and communications strategy, in order to remain relevant and attractive to students.

Alongside the Recovery Plan, as part of the SPA process and as noted above, the Centre has actively considered merger opportunities with other compatible Further Education (“FE”) Institutions in order to provide a more financially robust future. Following the year-end date a number of FE providers were asked to provide Expressions of Interest, and shortlisted parties were invited to present detailed plans for a merger. At the date of signing, the Board has identified Newham College of Further Education as the preferred partner and has begun due diligence, to be completed to both parties’ satisfaction prior to agreement of terms.

RESOURCES

The Centre has a variety of resources that it can deploy in pursuit of its Strategic Objectives.

Tangible resources include the freehold of the newly redeveloped Mary Ward Centre on Stratford High Street in the London Borough of Newham, from 2023-24, the Centre’s main site for adult education.

Financial

The Centre has £8,923,000 of net assets (2023-24: £9,479,000). At 31st July 2025 the Centre had a long term loan balance of £3,260,000 with The Charity Bank Ltd, secured on the freehold of The Mary Ward Centre and repayable over 23 years from 2025, a loan balance of £100,000 owing to the Social Investment Business as at (2023-24: £214,000) and a balance of £400,000 owing to the DfE from a facility totalling £500,000 available to be drawn on or before 31st October 2025.

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 work during the year to review and develop 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

MARY WARD CENTRE
REPORT OF THE BOARD OF TRUSTEES
FOR THE YEAR ENDED 31 JULY 2025

PRINCIPAL RISKS AND UNCERTAINTIES (CONTINUED)

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, including the Centre 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
- The ongoing effects of the current economic environment, including difficulties in retaining and recruiting staff as a result of being unable to keep pace with salary inflation
- Risks in connection with the relocation to a new area of London, and the operation of a newly developed site
- Increasing mismatch between work demands and the capacity of staff to deliver
- Risks in relation to the use of ageing IT solutions
- The combination of slow growth and rising costs leading to cashflow pressures

STAKEHOLDER RELATIONSHIPS

The Centre has many stakeholders including:

- students;
- Subsidiaries - the Mary Ward Legal Centre and Blackfriars Settlement;
- suppliers;
- funding bodies;
- staff;
- local employers (with specific links);
- our local authority;
- the Mayor of London's office;
- local community and voluntary organisations; and
- other colleges, in particular other AECs.

The 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, work and engage with us. 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 is 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

MARY WARD CENTRE
REPORT OF THE BOARD OF TRUSTEES
FOR THE YEAR ENDED 31 JULY 2025

DISABILITY STATEMENT (CONTINUED)

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 continuing investment in resources to support students with learning difficulties and/or disabilities;
- the supply of specialist equipment for use by students with 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 2024-25 22% (2023-24: 23%) 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 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 2024-25, 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

and signed on their behalf by:

Veronica Daly
Chair


Veronica Daly (Mar 30, 2026 14:06:59 GMT+1)

30/03/2026

MARY WARD CENTRE
STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROLS
FOR THE YEAR ENDED 31 JULY 2025

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 2024 to 31st July 2025 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.

There was a period during the year when the Clerk to the Board was not fully available and consequently the Register of Interests was not kept fully up to date. Board members and other key members of staff declared their interests as required, at all meetings during this time, and following the appointment of a new Clerk to the Board after the year end date, this matter has been remedied.

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 2025. 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 OF TRUSTEES

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

Member	Date of appointment	Term of office	Date of leaving	Elected trustees	Position and Committees served
Ms A Akande Pierre-Noel	June 24	4 years			Finance
Ms F Bates*	March 2024		Dec 2024		Chair (until date of resignation), Governance & Nominations (Chair)
Ms N Cartner	Reappointed June 2022	4 years	June 2025		Quality Improvement Group (Chair), Governance & Nominations, Marketing & Communications
Mr G Collins	Reappointed June 2023	4 years			Vice Chair, Audit & Risk, Finance (Chair), Governance and Nominations

MARY WARD CENTRE
STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROLS
FOR THE YEAR ENDED 31 JULY 2025

THE BOARD OF TRUSTEES (continued)

Member	Date of appointment	Term of office	Date of leaving	Elected trustees	Committees served
Ms V Daly	Dec 2024	4 years			Chair, Governance & Nominations (Chair)
Ms F Del Guidice	June 2022	4 years		Student	
Ms K Duong	May 2018	4 years	October 2024		
Mr M Ellis**	December 2025	4 years			
Ms E Henry	June 2022	4 years		Staff	Quality Improvement Group
Mr T Hucker	June 2022	4 years		Student	Finance, Quality Improvement Group
Mr N Janmohamed	June 2024	4 years			Audit Risk (Chair), Governance & Nominations
Ms B Montoya	Reappointed June 2022	4 years			Governance & Nominations,
Ms V Taylor**	September 2025	4 years			Treasurer, Finance, Governance & Nominations
Ms S Todd	September 2020	4 years	October 2024		Governance & Nominations,
Ms B Campbell acted as Clerk to the Board during the period under review					

*Ms F Bates was appointed as interim Chair to the Board on 1st March 2024 and acted in that capacity until the date of her resignation on 10th December 2024.

**Mr M Ellis and Ms V Taylor were appointed after the end of the financial year but before the date of signing the financial statements.

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	Reappointed June 2023		External representative	Audit & Risk
Ms R Brain	Reappointed June 2023		MWS Board Representative	Audit & Risk, Quality Improvement Group
Mr F Martins	Reappointed July 2024		MWS Board Representative	Governance & Nominations
Mr P Nichols	Reappointed July 2024		MWS Board Representative	Finance
Ms E Wyatt	Reappointed July 2024		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 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.

MARY WARD CENTRE
STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROLS
FOR THE YEAR ENDED 31 JULY 2025

THE BOARD OF TRUSTEES (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, Marketing and Communications and Quality Improvement.

Full minutes of all meetings except those deemed to be confidential are available from the Clerk clerk@marywardcentre.ac.uk or by writing to the Registered Office address.

ATTENDANCE

The table below summarises the attendance at Board and sub-committee meetings for the year to 31st July.

Member	Board	Finance	Audit & Risk	Quality & Improvement
Ms A Akande Pierre-Noel	3 of 4	2 of 4		
Ms F Bates	2 of 2	2 of 2	1 of 2	
Ms R Brain	3 of 4		2 of 3	4 of 4
Ms N Cartner	2 of 3			4 of 4
Mr G Collins	3 of 4	3 of 4	3 of 3	
Ms V Daly	3 of 3	2 of 2	1 of 1	
Ms F DelGuidice	1 of 4			
Ms K Duong	0 of 0		1 of 1	
Mr M Ellis	0 of 0			
Ms E Henry	3 of 4			0 of 4
Mr T Hucker	4 of 4	2 of 4		4 of 4
Mr N Janmohamed	4 of 4		3 of 3	
Mr F Martins	3 of 4			
Ms B Montoya	4 of 4			
Mr P Nichols	3 of 4	4 of 4		
Ms V Taylor	0 of 0			
Ms S Todd	0 of 0			
Ms E Wyatt	2 of 4	2 of 4		
Ms F Stormer			1 of 3	

The Remuneration Committee, Marketing and Communications Committee and Governance and Nominations Committee did not meet during the year.

In addition to the committees shown above, the following working groups operated during the year:

- Friends & Alumni - overseeing relationships with friends and alumni, reviewing and seeking fundraising opportunities
- Restructure - tasked with reviewing the group structure of the Mary Ward Settlement group following the ONS Reclassification of Colleges in November 2022
- Chair Recruitment - tasked with the appointment of the new, permanent Chair of Trustees

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.

MARY WARD CENTRE
STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROLS
FOR THE YEAR ENDED 31 JULY 2025

ATTENDANCE (continued)

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

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. Formal agendas, papers and reports are supplied to members 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. 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 if it is considered necessary in the circumstances.

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.

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 the Centre commissioned an external review of its governance practices during the 2023-24 financial year, following which a report and plan of action was agreed. The next external review is scheduled for the 2026-27 financial year.

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 comprising the Director of Adult and Community Education and the Director of Finance and Resources. Staff are divided into teams in accordance with Centre activities and projects including freelance tutors. During the reporting period there were 32 permanent members of staff and 23 freelance tutors.

MARY WARD CENTRE
STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROLS
FOR THE YEAR ENDED 31 JULY 2025

RELATED PARTIES AND CO-OPERATION WITH OTHER ORGANISATIONS

None of the trustees receive remuneration or other benefit from their work with the Centre. 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 2025 (2023-24: none) other than donated legal services valued at £10,000, provided by a trustee, Mr N Janmohammed on behalf of the legal firm Charles Russell Speechlys LLP. This transaction has been treated as a Value in Kind donation.

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. See note 17 for details of related party transactions.

The Centre has built up strong positive relationships over many years with a range of agencies in 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 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 DfE. 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 2025 and up to the date of approval of the annual report and financial statements. Following the reclassification of colleges by the ONS as notified in the "Dear accounting officer" letter of 29th November 2022, was updated to ensure policies, procedures and approval processes are compliant with the Treasury's Managing Public Money requirements.

MARY WARD CENTRE
STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROLS
FOR THE YEAR ENDED 31 JULY 2025

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 2025 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 DfE's *College Financial Handbook*. 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

MARY WARD CENTRE
STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROLS
FOR THE YEAR ENDED 31 JULY 2025

THE REVIEW OF EFFECTIVENESS (CONTINUED)

emphasis is on obtaining the relevant degree of assurance and not merely reporting by exception. At its December meeting, the Audit and Risk Committee carried out the annual assessment for the year ended 31st July 2025 by considering documentation from the Senior Management Team and internal audit, and taking account of events since 31st July 2025.

GOING CONCERN

While 2024-25 began strongly, with an increase in enrolments and tuition fees for 2024-25 around 20% higher overall, than for 2023-24, and up to 30% higher than its final year in central London, the costs of running the new Mary Ward Centre, were higher than expected. Even with the modest increase in student numbers, cash receipts overall were lower than cash outflows, putting severe pressure on cash balances.

Consequently, in January 2025, the Centre approached the DfE for financial assistance, accepting a loan facility of £500,000 to be drawn down between April and October 2025. The Centre has worked closely with the Further Education Commissioner's (FEC) team to put a financial Recovery Plan in place with the aim of re-building the Settlement's finances to a sustainable level over a 4 year Recovery Period.

As part of its financial Recovery Plan, the Centre has developed detailed financial projections which include targets for its focus on existing core provision and modelling the impact of risks and uncertainties associated with those plans and those of its ongoing operations. Additionally, as part of the SPA process the Board actively considered merger opportunities with other compatible Further Education ("FE") Institutions in order to provide a more financially robust future for the Centre, and has identified Newham College of Further Education as a merger partner, able to provide stronger financial resilience to enable the work of the Centre to continue. The merger is subject to a process of due diligence and formal approval by the Board.

Notwithstanding any merger, the Centre's challenge for the next few years, will be to bring the ratio of tuition fee income and curriculum delivery costs to a sustainable level, enabling the Centre to rebuild its operational cash. Cashflows and budgets to March 2027 and beyond include the following assumptions:

- A certain level of tuition fee income vs costs of delivery
- Delivery of the full adult education budget
- Careful management of the costs of running the Centre's estate
- Careful management of the costs and operations of the subsidiaries
- Confirmation from the DfE that repayment of the emergency loan of £500,000 will not be required in October 2026 and the agreement of affordable terms following an affordability review due in July 2026
- Support from commercial lenders, specifically in relation to action over potential breach(es) of covenants during the Recovery Period

As the most likely outcome in response to the particular challenges that have been facing the Settlement in the immediate aftermath of its relocation to Stratford, is a merger with Newham College of Further Education with the transfer of net assets and activities to another entity, (although there is a possibility that the legal entity remains), the Board has approved these financial statements on a basis other than Going Concern, following an assessment at its meeting in March 2026. No adjustments to book values have been made as a result of this.

Approved by order of the members of the Board on

and signed on their behalf by:

Veronica Daly
Veronica Daly (Mar 30, 2026 14:06:59 GMT+1)
Veronica Daly
Chair

30/03/2026

Susan Craggs
Susan Craggs (Mar 30, 2026 14:34:27 GMT+1)
Susan Craggs
Deputy Chief Executive Officer

22

30/03/2026

MARY WARD CENTRE
STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE
FOR THE YEAR ENDED 31 JULY 2025

As interim accounting officer of Mary Ward Centre I confirm that I have had due regard to the framework of authorities governing regularity, priority and compliance, including the Centre's accountability agreement with DfE, and the requirements of the college Financial Handbook. I have also considered my responsibility to notify the Centre's Board of Trustees and DfE of material irregularity, impropriety and non-compliance with terms and conditions of all funding.

I confirm that I, and the Board of Trustees, are able to identify any material irregular or improper use of funds by the Centre, or material non-compliance with the framework of authorities.

I confirm that the following instances of material irregularity, impropriety or non-compliance have been discovered to date, and have been notified to the Board of Trustees and DfE. If any further instances are identified after the date of this statement these will be notified to the Board of Trustees and DfE:

- Declarations of interest relating to trustees, members of staff and other parties with the potential to influence financial decisions made by the Centre were not fully maintained throughout the period;
- Post year end, one contract was entered into that was not in line with the usual procurement processes and the scheme of delegation in place

Following the appointment of a new Clerk to the Board in March 2026, steps were taken to improve the necessary record keeping and to ensure future compliance.

Susan Craggs
Interim Accounting Officer
Date

Susan Craggs
Susan Craggs (Mar 30, 2026 14:34:27 GMT+1)

30/03/2026

MARY WARD CENTRE
STATEMENT OF RESPONSIBILITIES OF THE BOARD OF TRUSTEES
FOR THE YEAR ENDED 31 JULY 2025

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

Within the terms and conditions of the Centre's accountability agreement, funding agreements and contracts with DfE, the Board is required to prepare financial statements which give a true and fair view of the financial performance and position of the Centre for the relevant period. The Board must also prepare a strategic report which includes an operating and financial review for the year. The bases for the preparation of the financial statements and strategic report are:

- the Statement of Recommended Practice - Accounting for Further and Higher Education,
- DfE's College Accounts Direction; and
- UK Generally Accepted Accounting Practice

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 (which must be consistent with other disclosures in the accounts and auditor's report); 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 strategic report, in accordance with paragraphs 3.23 to 3.27 of the FE and HE SORP, that 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 (as amended), 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 is 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 is responsible for ensuring that expenditure and income are applied for the purposes intended by Parliament and that the financial transactions conform to the authorities that govern them. In addition, they are responsible for ensuring that funds from the DfE and any other public funds are used only in accordance with the accountability agreement, funding agreements and contracts and any other conditions that may be prescribed from time to time by the DfE or any other public funder, including that any transactions entered into by the Centre are within the delegated authorities set out in the College Financial Handbook. On behalf of the Centre, the Chair of Trustees is responsible for discussing the accounting officer's Statement of Regularity, Propriety and Compliance with the accounting officer.

MARY WARD CENTRE
STATEMENT OF RESPONSIBILITIES OF THE BOARD OF TRUSTEES
FOR THE YEAR ENDED 31 JULY 2025

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 economic, 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 DfE and other public bodies are not put at risk.

Approved by order of the members of the Board on

and signed on its behalf by:

Veronica Daly, Chair

30/03/2026

Veronica Daly

Veronica Daly (Mar 30, 2026 14:06:59 GMT+1)

MARY WARD CENTRE
INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF MARY WARD CENTRE
FOR THE YEAR ENDED 31 JULY 2025

Opinion

We have audited the financial statements of Mary Ward Centre ('the Centre') for the year ended 31 July 2025 which comprise the statement of comprehensive income and expenditure, 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) and the College Accounts Direction 2024 to 2025 issued by the Department for Education (DfE).

In our opinion, the financial statements:

- give a true and fair view of the state of the Centre's affairs as at 31 July 2025 and of its financial performance and cash flows for the year then ended; and
- have been prepared in accordance with UK Generally Accepted Accounting Practice, the Statement of Recommended Practice: Accounting for Further and Higher Education and the College Accounts Direction 2024 to 2025 issued by the DfE.

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.

Emphasis of matter - financial statements prepared on a basis other than going concern

We draw attention to the information contained in note 1 'Going concern' on pages 35 and 36 of the financial statements, which indicates that the financial statements have been prepared on a basis other than going concern as the expectation is that the Centre will merge with Newham College of Further Education, subject to due diligence. No adjustments to book values have been made as a result of this. Our opinion is not modified in respect of this matter.

Other information

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

MARY WARD CENTRE
INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF MARY WARD CENTRE
FOR THE YEAR ENDED 31 JULY 2025

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Centre and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the trustees.

We have nothing to report in respect of the following matters in relation to which the Framework and guide for external auditors and reporting accountants of colleges issued by the DfE requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us;
- 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 it 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.

The extent to which the audit was considered capable of detecting irregularities, including fraud

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 Further Education 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 College Accounts Direction 2024 to 2025 issued by the DfE, the Further and Higher Education Act 1992, funding agreements with the DfE and associated funding rules, DfE 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
-

MARY WARD CENTRE
INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF MARY WARD CENTRE
FOR THE YEAR ENDED 31 JULY 2025

Auditor's responsibilities for the audit of the financial statements (continued)

- 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.

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 trustees' meetings;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing any 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 trustees, 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 trustees 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 trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Buzzacott Audit LLP
Chartered Accountants and Registered Auditor
130 Wood Street
London
EC2V 6DL
30 March 2026

Buzzacott Audit LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

MARY WARD CENTRE
REPORTING ACCOUNTANT'S REPORT ON REGULARITY
FOR THE YEAR ENDED 31 JULY 2025

Independent Reporting Accountant's Report on Regularity to the Trustees of Mary Ward Centre and the Secretary of State for Education

In accordance with the terms of our engagement letter dated 29 September 2025 and further to the requirements of the Department for Education (DfE) as included in the extant Framework and Guide for External Auditors and Reporting Accountants of Colleges, 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 2024 to 31 July 2025 have not been applied to the purposes identified by Parliament and the financial transactions do not conform to the authorities which govern them.

This report is made solely to the Centre and the Secretary of State for Education in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the Centre and the Secretary of State 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 Centre and the Secretary of State for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of the Accounting Officer of Mary Ward Centre and the reporting accountant

The Accounting Officer is responsible, under the requirements of the Centre's accountability agreement with the Secretary of State for Education and the College Financial Handbook, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament, and that the financial transactions conform to the authorities which 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 extant Framework and Guide for External Auditors and Reporting Accountants of Colleges. 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 2024 to 31 July 2025 have not been applied for the 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 Framework and Guide for External Auditors and Reporting Accountants of Colleges issued by DfE, which requires a limited assurance engagement, as set out in our engagement letter.

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 and propriety of the corporation's income and expenditure.

MARY WARD CENTRE
REPORTING ACCOUNTANT'S REPORT ON REGULARITY
FOR THE YEAR ENDED 31 JULY 2025

Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the corporation's income and expenditure.

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, except for the matters listed below and referred to on page 23 , nothing has come to our attention which suggests that in all material respects, the expenditure disbursed and income received during the period 1 August 2024 to 31 July 2025 has not been applied to purposes intended by Parliament, and the financial transactions do not conform to the authorities that govern them.

- Declarations of interest relating to trustees, members of staff and other parties with the potential to influence financial decisions made by the Centre were not fully maintained throughout the period;
- Post year end, one contract was entered into that was not in line with the usual procurement processes and the scheme of delegation in place.

Buzzacott Audit LLP

Buzzacott Audit LLP
Chartered Accountants
130 Wood Street
London
EC2V 6DL

Date: 30 March 2026

MARY WARD CENTRE
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 JULY 2025

	Notes	2025 £'000	2024 £'000
INCOME			
Funding body grants	2	3,151	3,156
Tuition fees and education contracts	3	690	560
Other income	4	57	28
Donations and fundraising	5	23	163
Total income		3,921	3,907
EXPENDITURE			
Staff costs	6	2,478	2,156
Other operating expenses	7	1,111	1,127
Depreciation	9	692	426
Interest and other finance costs	8	210	240
Total expenditure		4,491	3,949
Deficit before tax		(570)	(42)
Taxation		-	-
Deficit for the year		(570)	(42)
Actuarial gain in respect of pension schemes	16	14	9
Total Comprehensive Expenditure for the year		(556)	(33)
Represented by:			
Restricted comprehensive expenditure		(1)	-
Unrestricted comprehensive expenditure		(555)	(33)
		(556)	(33)

MARY WARD CENTRE
STATEMENT OF CHANGES IN RESERVES
FOR THE YEAR ENDED 31 JULY 2025

	Unrestricted Income and expenditure Account £'000	Restricted Income and expenditure Account £'000	Total £'000
Balance as at 31st July 2023	9,503	9	9,512
Deficit from the income and expenditure account	(42)	-	(42)
Other comprehensive income	9	-	9
Total comprehensive expenditure for the year	(33)	-	(33)
Balance as at 31st July 2024	9,470	9	9,479
Deficit from the income and expenditure account	(569)	(1)	(570)
Other comprehensive income	14	-	14
Total comprehensive expenditure for the year	(555)	(1)	(556)
Balance as at 31st July 2025	8,915	8	8,923

**MARY WARD CENTRE
BALANCE SHEET
AS AT 31 JULY 2025**

	Notes	2025 £'000	2024 £'000
Non current assets			
Tangible fixed assets	9	24,130	24,230
		<u>24,130</u>	<u>24,230</u>
Current assets			
Trade and other receivables	10	371	436
Cash and cash equivalents		400	412
		<u>771</u>	<u>848</u>
Less: Creditors - amounts falling due within one year	11	(1,382)	(1,245)
Net current liabilities		<u>(611)</u>	<u>(397)</u>
Total assets less current liabilities		23,519	23,833
Creditors - amounts falling due after more than one year	12	(14,596)	(14,354)
Provisions			
Defined benefit obligation	16	-	-
Total net assets		<u>8,923</u>	<u>9,479</u>
Restricted reserves		8	9
Unrestricted reserves		8,915	9,470
Total reserves		<u>8,923</u>	<u>9,479</u>

The Financial Statements on pages 31 to 52 were approved and authorised for issue by the Board on 24th March 2026 and signed on its behalf by:

Veronica Daly

Veronica Daly (Mar 30, 2026 14:06:59 GMT+1)

Veronica Daly
Chair

30/03/2026

Susan Craggs

Susan Craggs (Mar 30, 2026 14:34:27 GMT+1)

Susan Craggs
Deputy Chief Executive Officer

30/03/2026

MARY WARD CENTRE
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 JULY 2025

	Notes	2025 £'000	2024 £'000
Cash flow from operating activities			
Deficit for the year		(570)	(42)
Adjustment for non-cash items			
Depreciation	9	692	426
Release of deferred income	2	(343)	(207)
Decrease in debtors	10	65	292
Decrease in other creditors due within one year	11	(82)	(491)
Pension costs less contributions payable (including administration cost and interest)	16	14	9
Adjustment for investing activities			
Interest payable	8	254	287
Net cash flow from operating activities		<u>30</u>	<u>274</u>
Cash flows from investing activities			
Capital Grants received		558	141
Payments made to acquire fixed assets	9	<u>(592)</u>	<u>(742)</u>
		<u>(34)</u>	<u>(601)</u>
Cash flows from financing activities			
Interest paid	8	(254)	(287)
Drawdown of new borrowings		400	-
Repayments of amounts borrowed	11,12	<u>(154)</u>	<u>(113)</u>
		<u>(8)</u>	<u>(400)</u>
Decrease in cash and cash equivalents in the year		(12)	(727)
Cash and cash equivalents at the beginning of the year		<u>412</u>	<u>1,139</u>
Cash and cash equivalents at the end of the year		<u>400</u>	<u>412</u>

MARY WARD CENTRE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2025

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 2024 to 2025* 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

While 2024-25 began strongly, with an increase in enrolments and tuition fees for 2024-25 around 20% higher overall, than for 2023-24, and up to 30% higher than its final year in central London, the costs of running the new Mary Ward Centre, were higher than expected. Even with the modest increase in student numbers, cash receipts overall were lower than cash outflows, putting severe pressure on cash balances.

Consequently, in January 2025, the Centre approached the Education & Skills Funding Agency (ESFA) for financial assistance, accepting a loan facility of £500,000 to be drawn down between April and October 2025. The Centre has worked closely with the Further Education Commissioner’s (FEC) team to put a financial Recovery Plan in place with the aim of re-building the Settlement’s finances to a sustainable level over a 4 year Recovery Period.

As part of its financial Recovery Plan, the Centre has developed detailed financial projections which include targets for its focus on existing core provision and modelling the impact of risks and uncertainties associated with those plans and those of its ongoing operations. Additionally, as part of the SPA process the Board actively considered merger opportunities with other compatible Further Education (“FE”) Institutions in order to provide a more financially robust future for the Centre, and has identified Newham College of Further Education as a merger partner, able to provide stronger financial resilience to enable the work of the Centre to continue. The merger is subject to a process of due diligence and formal approval by the Board.

Notwithstanding any merger, the Centre’s challenge for the next few years, will be to bring the ratio of tuition fee income and curriculum delivery costs to a sustainable level, enabling the Centre to rebuild its operational cash. Cashflows and budgets to March 2027 and beyond include the following assumptions:

- A certain level of tuition fee income vs costs of delivery
- Delivery of the full adult education budget
- Careful management of the costs of running the Centre’s estate
- Careful management of the costs and operations of the subsidiaries

MARY WARD CENTRE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2025

Going concern (continued)

- Confirmation from the DfE that repayment of the emergency loan of £500,000 will not be required in October 2026 and the agreement of affordable terms following an affordability review due in July 2026
- Support from commercial lenders, specifically in relation to action over potential breach(es) of covenants during the Recovery Period

As the most likely outcome in response to the particular challenges that have been facing the Settlement in the immediate aftermath of its relocation to Stratford, is a merger with Newham College of Further Education with the transfer of net assets and activities to another entity (although there is a possibility that the legal entity remains), the Board has approved these financial statements on a basis other than Going Concern, following an assessment at its meeting in March 2026. No adjustments to book values have been made as a result of this.

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.

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.

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).

MARY WARD CENTRE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2025

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.

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 payable / receivable 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.

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

On adoption of FRS102, the 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 recognised as expenditure 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.

MARY WARD CENTRE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2025

Non-current assets - Tangible fixed assets (continued)

Plant, Fixtures and Fittings and Equipment

Plant and 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.

Plant and equipment is depreciated as follows:

Fixtures and fittings	over 5 years on a straight line basis
IT equipment	over 10 years on a straight line basis
Mechanical Plant	over 20 years on a straight line basis

Treatment of Government Capital Grants

Where land and buildings or other assets are acquired with the aid of specific government grants, they are capitalised and depreciated as above. Government grants used in the acquisition of a combination of capital asset categories are amortised in proportion with the total capital spend to which the grant contributed. 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.

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.

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.

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 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 that are payable 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.

MARY WARD CENTRE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2025

Taxation (continued)

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 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 the proportion of TPS grant income to recognise where that grant income is received or receivable in relation to specific categories of costs.
- To estimate future income and expenditure flows of the Centre and on its short to medium term financial stability in assessing going concern.

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.

MARY WARD CENTRE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2025

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

- 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 16, will impact the carrying amount of the pension asset or liability. Furthermore, a roll forward approach which projects results from the latest full actuarial valuation performed at 31st March 2022, has been used by the actuary in valuing the pension liability at 31st July 2025. 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.

- 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 Centre which is the amount that the Centre would have been willing to pay to obtain those services on the open market; a corresponding amount is then recognised in expenditure in the same period as the receipt.

MARY WARD CENTRE
NOTES TO THE FINANCIAL STATEMENTS
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2 FUNDING BODY GRANTS

	2025 £'000	2024 £'000
GLA/DfE recurrent grant	2,687	2,700
GLA/DfE non recurrent grants	121	249
Releases of deferred capital grants	343	207
Total	<u>3,151</u>	<u>3,156</u>

3 TUITION FEES AND EDUCATION CONTRACTS

	2025 £'000	2024 £'000
Adult education fees	652	517
Fees for FE loan supported courses	38	43
Total	<u>690</u>	<u>560</u>

4 OTHER INCOME

	2025 £'000	2024 £'000
Rent receivable	<u>57</u>	<u>28</u>
Total	<u>57</u>	<u>28</u>

5 DONATIONS AND FUNDRAISING

	2025 £'000	2024 £'000
Income from general fundraising and donations	1	9
Income from capital fundraising	-	147
Income from fundraising and donations for bursary fund	12	1
Value in kind donations	<u>10</u>	<u>6</u>
Total	<u>23</u>	<u>163</u>

MARY WARD CENTRE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2025

6 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:

	2025		2024	
	No.	fte	No.	fte
Teaching staff	123	20	126	22
Non-teaching staff	<u>32</u>	<u>23</u>	<u>30</u>	<u>23</u>
	<u>155</u>	<u>43</u>	<u>156</u>	<u>45</u>

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

Staff costs for the above persons	2025	2024
	£'000	£'000
Wages and salaries	1,869	1,691
Social security costs	173	136
Other pension costs (including LGPS adjustments of £59,000) (2023-24: £55,000)	372	329
Restructuring costs	<u>64</u>	<u>-</u>
Total payroll costs	<u>2,478</u>	<u>2,156</u>

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.

	2025	2024
	No.	No.
The number of key management personnel	<u>3</u>	<u>3</u>

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

	2025	2024
	No.	No.
£80,001 to £85,000 p.a.	1	1
£85,001 to £90,000 p.a.	<u>2</u>	<u>2</u>
	<u>3</u>	<u>3</u>

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

MARY WARD CENTRE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2025

6 STAFF COSTS (continued)

Key management personnel (continued)

Key management personnel emoluments excluding recharges to group entities are made up as follows:

	2025	2024
	£'000	£'000
Salaries	242	237
Employers National Insurance	32	29
Pension contributions	39	35
Total key management emoluments	<u><u>313</u></u>	<u><u>301</u></u>

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

	2025	2024
	£'000	£'000
Salaries	89	87
Pension contributions	<u><u>7</u></u>	<u><u>7</u></u>

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

	2025	2024
	£'000	£'000
Accounting Officer's basic salary as a multiple of median of all staff	2.1	1.8
Accounting Officer's total remuneration as a multiple of median of all staff	<u><u>2.0</u></u>	<u><u>1.7</u></u>

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 (2023-24: none).

7 OTHER OPERATING EXPENSES

	2025	2024
	£'000	£'000
Teaching costs	178	202
Non-teaching costs	487	392
Premises costs	446	533
Total	<u><u>1,111</u></u>	<u><u>1,127</u></u>

MARY WARD CENTRE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2025

7 OTHER OPERATING EXPENSES (continued)

	2025 £'000	2024 £'000
Auditor's remuneration:		
Financial statements audit	30	29
Regularity audit	3	3
Internal audit	8	6
TPS audit	2	2

8 INTEREST AND OTHER FINANCE COSTS

	2025 £'000	2024 £'000
On bank and government agency loans	254	286
Pension finance income (note 16)	(44)	(46)
Total	210	240

9 TANGIBLE FIXED ASSETS

	Freehold land and buildings £'000	Plant £'000	Equipment £'000	Total £'000
Cost				
As at 1 st August 2024	22,233	2,044	416	24,693
Additions	220	41	331	592
As at 31st July 2025	22,453	2,085	747	25,285
Depreciation				
At 1 st August 2024	300	88	75	463
Charge for the year	505	103	84	692
At 31st July 2025	805	191	159	1,155
Net book value as at 31st July 2025	21,648	1,894	588	24,130
<i>Net book value as at 31st July 2024</i>	21,933	1,956	341	24,230

MARY WARD CENTRE
NOTES TO THE FINANCIAL STATEMENTS
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10 TRADE AND OTHER RECEIVABLES

	2025	2024
	£'000	£'000
Amounts falling due within one year:		
Trade receivables	50	97
Amounts owed by group undertakings	161	137
Prepayments and accrued income	148	196
Other debtors	12	6
Total	<u>371</u>	<u>436</u>

11 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2025	2024
	£'000	£'000
Bank loans and overdrafts	168	160
Trade payables	132	39
Amounts owed to group undertakings	43	41
Bursary creditor (note 18)	22	10
VAT creditor	4	6
Other taxation and social security	86	40
Accrual for untaken annual leave	65	59
Other payroll creditors	19	50
Other accruals and deferred income	320	529
Other creditors	1	-
Deferred income - government capital grants	522	311
Total	<u>1,382</u>	<u>1,245</u>

12 CREDITORS: AMOUNTS FALLING DUE AFTER ONE YEAR

	2025	2024
	£'000	£'000
Bank loans	3,592	3,354
Deferred income - government capital grants	11,004	11,000
Total	<u>14,596</u>	<u>14,354</u>

13 MATURITY OF DEBT

	2025	2024
	£'000	£'000
In one year or less	168	160
Between two and five years	719	357
After five years	2,873	2,997
Total	<u>3,760</u>	<u>3,514</u>

MARY WARD CENTRE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2025

13 MATURITY OF DEBT (continued)

The Centre has three loans, two of which are repayable by instalments, and secured by a fixed charge on a freehold property, as follows:

With the Social Investment Business, with interest payable at 5%, falling due by March 2026.

With The Charity Bank Ltd, repayable over 23 years from February 2025. Interest is payable at 2.45% above base.

£400,000 drawn down from a facility of £500,000 with the DfE is repayable on 31st October 2026, subject to an affordability review. Interest is payable at the Public Sector Loan Rate.

14 CAPITAL AND OTHER COMMITMENTS

	2025	2024
	£'000	£'000
Commitments contracted for at 31 st July	-	170

15 LEASE OBLIGATIONS

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

	2025	2024
	£'000	£'000
Equipment		
Not later than one year	16	16
Between 1 and 5 years	-	16
	16	32

16 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 contributions are assessed in accordance with the advice of independent qualified actuaries. The latest formal actuarial valuation of the TPS was 31st March 2020 and of the LGPS 31st March 2022.

MARY WARD CENTRE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2025

16 DEFINED BENEFIT OBLIGATIONS (CONTINUED)

Total pension cost for the year	2025	2024
	£'000	£'000
Teachers' Pension Scheme: contributions paid	243	227
Local Government Pension Scheme:		
Contributions paid	66	45
FRS102 (s28) adjustment	59	55
Charge to the Statement of Comprehensive Income	<u>125</u>	<u>100</u>
Defined Contribution costs	<u>27</u>	<u>26</u>
Total Pension Cost for year	<u>395</u>	<u>353</u>

The total pension cost for the year includes £23,000 recharged to group entities (2023-24: £24,000). 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.

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 31st March 2020. The valuation report was published by the Department for Education (DfE) in October 2023. The valuation reported total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £262 billion, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £222 billion, giving a notional past service deficit of £40 billion.

As a result of the valuation employer contribution rates were increased from 23.68% of pensionable pay to 28.68% from 1st April 2024.

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 £263,000 (2023-24: £227,000).

MARY WARD CENTRE
NOTES TO THE FINANCIAL STATEMENTS
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16 DEFINED BENEFIT OBLIGATIONS (CONTINUED)

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.

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 2025 was £99,000 (2023-24: £94,000), of which employer's contributions totalled £66,000 (2023-24: £45,000) and employees' contributions totalled £33,000 (2023-24: £49,000). The agreed contribution rates for future years are 8.9% for employers and range from 5.5% to 12.5% for employees, depending on salary.

Principal Actuarial Assumptions

The following information is based upon a full actuarial valuation of the fund at 31st March 2022 updated to 31st July 2025 by a qualified independent actuary.

	At 31st July 2025	At 31st July 2024
Rate of increase in salaries	3.80%	3.85%
Rate of increase for pensions in payment / inflation	2.80%	2.85%
Discount rate for scheme liabilities	5.70%	5.05%
Inflation assumption	3.10%	3.20%

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

	At 31st July 2025	At 31st July 2024
Retiring today		
Males	20.4	20.1
Females	23.9	23.8

MARY WARD CENTRE
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16 DEFINED BENEFIT OBLIGATIONS (CONTINUED)
Local Government Pension Scheme (continued)

	At 31 st July 2025 £'000	At 31 st July 2024 £'000
Retiring in 20 years		
Males	21.2	20.9
Females	24.6	24.5

Sensitivity analysis

	At 31 st July 2025 £'000	At 31 st July 2024 £'000
Present value of defined benefit obligation		
Discount rate +0.1%	3,694	3,830
Discount rate -0.1%	3,803	3,950
Mortality assumption - 1 year increase	3,843	3,997
Mortality assumption - 1 year decrease	3,655	3,784

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 31 st July 2025 £'000	Value as at 31 st July 2024 £'000
Equities	2,980	2,892
Target Return Portfolio	1,024	785
Infrastructure	570	515
Property	453	429
Cash	104	155
Total fair value of plan assets	<u>5,131</u>	<u>4,776</u>

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

	2025 £'000	2024 £'000
Fair value of plan assets	5,131	4,776
Present value of plan liabilities	<u>(3,748)</u>	<u>(3,889)</u>
	1,383	887
Asset restriction (see note below)	<u>(1,383)</u>	<u>(887)</u>
Net pensions asset / (liability)	<u>-</u>	<u>-</u>

As the LGPS asset is irrecoverable, recognition of the its value on the balance sheet has been restricted to Enil by limiting the value of the actuarial gain.

MARY WARD CENTRE
NOTES TO THE FINANCIAL STATEMENTS
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16 DEFINED BENEFIT OBLIGATIONS (CONTINUED)
Local Government Pension Scheme (continued)

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

	2025	2024
	£'000	£'000
Amounts included in staff costs:		
Employer service cost (net of employee contributions)	124	100
Total operating charge	124	100
Amounts included in interest and other finance costs:		
Net interest income on the defined benefit asset	(45)	(47)
Administrative charge	1	1
Pension finance income	(44)	(46)

	2025	2024
	£'000	£'000
Amounts recognised in Other Comprehensive Income		
Return on assets	135	62
Experience (loss) / gain arising on defined benefit obligations	(35)	16
Changes in assumptions	410	(82)
Asset restriction movement	(496)	13
Amounts recognised in Other Comprehensive Income	14	9

	2025	2024
	£'000	£'000
Movement in net defined liability during the year		
Deficit in scheme at 1 st August	-	-
Movement in year:		
Employer service cost (net of employee contributions)	(124)	(100)
Employer contributions	66	45
Net interest income on assets and liabilities	45	47
Administration charge	(1)	(1)
Actuarial gain	14	9
Deficit in scheme at 31st July	-	-

MARY WARD CENTRE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2025

16 DEFINED BENEFIT OBLIGATIONS (CONTINUED)

Local Government Pension Scheme (continued)

	2025	2024
	£'000	£'000
Asset and liability reconciliation		
 Changes in the present value of defined benefit obligations		
Defined benefit obligations at start of period	3,889	3,673
Current service cost	92	100
Past service costs	32	-
Interest cost	196	186
Contributions by Scheme participants	33	49
Experience loss / (gain) on defined benefit obligations	35	(16)
Change in financial assumptions	(426)	89
Change to demographic assumptions	16	(7)
Estimated benefits paid	(119)	(185)
Defined benefit obligations at end of period	3,748	3,889

	2025	2024
	£'000	£'000

Changes in the fair value of plan assets

Fair value of plan assets at start of period	4,776	4,573
Interest on plan assets	241	233
Return on plan assets	135	62
Administration cost	(1)	(1)
Employer contributions	66	45
Contributions by Scheme participants	33	49
Benefits paid	(119)	(185)
Fair value of plan assets at end of period	5,131	4,776

17 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.

The only related party transactions during the year took the form of recharges to group entities for services provided, totalling £402,912 (2023-24: £340,838) and for services received, totalling £117,655 (2023-24: £100,000), and for professional legal services totalling £10,000, provided pro bono by Charles Russell Speechlys LLC, with whom a board member had an interest through their employment.

MARY WARD CENTRE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2025

17 RELATED PARTY TRANSACTIONS (CONTINUED)

As disclosed in note 6, no expenses were paid to or on behalf of the trustees during the year (2023-24: £nil).

No trustee has received any remuneration or waived any payments from the Centre, except in their capacity as a member of staff (2023-24: £nil).

18 AMOUNTS DISBURSED AS AGENT

	2025	2024
	£'000	£'000
Funding body grants - hardship support	-	30
Funding body grants - 24+ advanced learning loans	22	40
	22	70
Disbursed to students	-	(59)
Administration costs	-	(1)
Balance unspent as at 31 st July, included in creditors	22	10

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.

19 POST BALANCE SHEET EVENTS

Following the year-end date a number of FE providers were asked to provide Expressions of Interest as part of a Structure and Prospects Appraisal (SPA) process, and shortlisted parties were invited to present detailed plans for a merger. Subsequently and as part of the SPA process, the Board identified Newham College of Further Education as the preferred partner for a merger and has begun due diligence, to be completed to both parties' satisfaction prior to agreement of terms.