

# WEA statutory annual report and financial statements

Year ended 31 July 2022



# WEA

Adult Learning  
Within Reach

Workers' Educational Association

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The Workers Educational Association ("WEA") is a charitable company limited by guarantee (number 2806910), incorporated on 5 April 1993 and registered as a charity in England and Wales (number 1112775) and Scotland (number 2806910).

**Registered office:**  
4 Luke Street, London, EC2A 4XW

# Introduction

The members of the Board of Trustees of the WEA, who are the Trustees of the charity, and Directors and Members of the Company, have pleasure in submitting the report and accounts for the year ended 31 July 2022.

The financial statements have been prepared in accordance with the accounting policies set out in the attached financial statements and comply with the charitable company's Articles of Association, applicable law and regulations, and:

- ▶ Have been properly prepared in accordance with UK accounting standards, including FRS102, the Financial Reporting Standard applicable in the UK and Republic of Ireland and with the 2019 Statement of Recommended Practice: Accounting and Reporting for Charities; and
- ▶ Meet the requirements of the ESFA funding agreement and financial memorandum dated 30 July 2021 and issued by the ESFA.

The report has been prepared in accordance with Part 8 of the Charities Act 2011 and also constitutes a directors' report as required by section 418 of the Companies Act 2006.

The governance arrangements are explained in more detail in the Structure, governance & management section on page 25.

Further information on WEA's activities during the year and the impact these activities have had on the communities it serves is available in the Impact Report, separately published in October 2022 and available on the WEA website.

# Reference and administrative details

## Trustees

The following trustees served on the Board during the year and to date:

**John Widdowson (Chair)**

**Cliff Allum** (resigned 30/09/2022)

**Robin Cook**

**Michael Crilly** (resigned 17/07/2022)

**Kevin Doyle** (appointed 01/10/2022)

**Marion Flett**

**Jon Gamble**

**Malcolm Grady** (appointed 18/07/2022)

**Christine Grant** (appointed 14/07/2022)

**Pat Kynaston**

**Geoff Layer**

**Karen McArdle** (appointed 01/10/2022)

**Lindsay Pearson**

**Marc Sherland** (resigned 30/09/2022)

**Peter Threadkell**

**Narinder Uppal**

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## Company Secretary

**Kathleen Formosa**

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## Leadership team

Chief Executive & General Secretary

Director of Finance & IT

Director for Quality & Learner Services

Director for WEA Scotland

Director of Education (Community Learning)

Director of Education (Skills & Employability)

Director for Marketing, Membership & Income Growth

Head of Corporate Governance

Head of Human Resources & Organisational Development

**Simon Parkinson**

**Dympna McCoy**

**Preeya Buckley**

**Ray McCowan**

**Katie Easey**

**Chris Morgan**

**James Ward**

**Kathleen Formosa**

**Margaret Johnson** (resigned 31/08/2022)

## Auditor

Crowe U.K. LLP  
55 Ludgate Hill  
London EC4M 7JW

## Bankers

Royal Bank of Scotland  
9th Floor  
280 Bishopsgate  
London EC2M 4RB

Bank of Scotland  
300 Lawnmarket  
Edinburgh EH1 2PH

## Solicitors

Bates Wells  
10 Queen Street Place  
London EC4R 1BE

Balfour & Manson  
54-66 Frederick  
Edinburgh EN2 1LS

## Pension fund trustees and administrators

Teachers' Pensions  
11b Lingfield Point  
Darlington  
DL1 1AX

Scottish Public Pension Agency  
7 Tweedside Park  
Tweedbank  
Galashiels  
TD1 3TE

The People's Pension (B&CE Holdings Ltd.)  
Manor Royal  
Crawley RH10 9QP

The Pensions Trust (scheme closed to  
future accrual 31/08/2019)  
Verity House  
6 Canal Wharf  
Leeds LS11 5BQ

## WEA registered office

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London EC2A 4XW

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W. [wea.org.uk](http://wea.org.uk)

Registered Charity Number  
(England and Wales): 1112775

Registered Charity Number  
(Scotland): SC039239

Registered Company Number  
(England and Wales): 2806910

# Objectives and activities

In fulfilment of its charitable objects, to promote adult and general education for the benefit of the community regionally, nationally and internationally based on democratic principles in its organisation and practice, through the participation of its voluntary members, WEA built on its successes from previous years in its achievements during 2021/22, and also addressed some of its areas of development.

WEA embraces the principle that individuals and their communities have the knowledge, skills and desire to drive positive change at the local, regional, national (England and Scotland), and international level. The Association thus recognises that its role is to celebrate local variation and variety whilst serving and supporting local and regional activity.

Throughout 2021/22, WEA's objectives and activities were aligned with the 2025 Strategy as refreshed in March 2020, demonstrating a commitment to delivering broad adult education across the four themes of employability, health and well-being, community engagement and culture.

Given the impact Covid-19 has had on the public purse, and the continuing shift of priorities in government funding toward employment, WEA has recognised the need to be flexible and able to adapt quickly in order to have the best chance of working with more learners and increasing its income. For this reason, WEA adjusted its approach to budgeting in 2021/22 to ensure that resources were available and in place to give the best chance of achieving agreed priorities.

## Our learners & learning

An informed, needs-based approach to curriculum planning has enabled our learners to achieve positive outcomes that:

- ▶ Build confidence for life and work;
- ▶ Support them into work and progression at work;
- ▶ Promote mental health, physical health, and well-being;
- ▶ Broaden horizons; and
- ▶ Encourage active citizenship and vibrant communities.

These outcomes have underpinned a systematised, more rigorous approach to curriculum planning during the year, driven by the specific requirements of regions as

articulated in regional plans, and a whole-Association response to emerging opportunities and leveraging specific, successful initiatives developed in the English regions and across Scotland.

WEA has and will continue to ensure that a positive learner experience remains at the centre of all activities and initiatives. Increased focus was placed on the quality of the learner experience throughout 2021/22 in the development of a peer-reviewed class visits programme, and support for learner progression through WEA programmes.

WEA has increased the use of technology support in teaching and learning and has improved its approaches to blended and digitally enabled learning for all provision. The objective to ensure that Canvas is embedded into most WEA classes so that learners can, at minimum, complete their learning plans and evaluations online, has been met.

Each of the strategic priorities identified during the year regarding learners and learning were underpinned by distinct priorities for Scotland and each of the English Regions. Balancing uniform quality standards while inflecting provision to respond to regional variation has supported the positive learner experience alongside increased efficiency and effectiveness in delivering education contracts.

**Scotland:** In Scotland, headline subject areas were broadly the same as in England, and as in England are aligned to WEA's overall strategy and strategic priorities. There was a significant focus on employability provision to progress people at various stages along the skills pipeline and in some cases into work. Literacy, numeracy, and digital literacy also accounted for significant amounts of the provision in Scotland, both to help people into work but also for those who are in work but also for those in work but in low skill, low wage sectors of the economy.

ESOL provision accounted for the largest number of learners in WEA Scotland. ESOL was delivered in all areas of Scotland to a broad range of learners with hugely varying backgrounds and capabilities. As a result, ESOL provision has become increasingly less focused on generic language training and much more about the language delivery being tailored to the context of the individuals and class groups. Examples include ESOL and financial literacy, ESOL for employability and ESOL for family learning and engaging with schools.

In addition to these core areas of provision, a wide range of personal development programmes to assist learners with particularly challenging life circumstances – e.g., long-term unemployed, ex-offenders, those recovering from substance or alcohol addiction, and young adults moving on from looked-after settings.

WEA Scotland also has an active membership education programme, notably in Edinburgh, Fife and the North East, which looks to prevent loneliness, isolation and dependency through a varied programme of activity that facilitates community engagement and empowers independent individuals.

England: Across the English regions, objectives were set in relation to improving the quality of the learner experience and increasing the use of digital technologies to support teaching and learning. Curricula were developed in response to local need.

## Our members & volunteers

Members and volunteers are the bedrock of the Association, forming the foundations of its long-term success and sustainability. WEA sought to deepen its engagement with members and volunteers during the year to ensure the Association's reach, to grow its profile, and amplify its voice as a leading adult education organisation.

WEA developed its membership programme during the year through new initiatives and campaigns to engage and integrate new members across the UK. Building on a comprehensive volunteer survey undertaken in 2020/21, WEA focused its 2021/22 priorities for membership and volunteering on:

- ▶ Developing and embedding a new volunteer induction and training programme;
- ▶ Benchmarking WEA's volunteering experience against similar organisations;
- ▶ Automating volunteer recruitment through the HR Amris system;
- ▶ Developing its member offer while maintaining excellent value for money; and
- ▶ Encouraging volunteers to become paying members of the Association.

## Our voice

WEA has used its position as the leading organisation in the UK for adult learning to demonstrate the positive difference that adult learning makes. In 2021/22, WEA continued to grow its network of like-minded organisations in the UK and internationally. It expanded its programme of Fellows and Ambassadors, and sought to engage them in new ways to build enthusiasm for WEA's mission and its values, and to build a case for support. WEA also continued to support and engage the All-Party Parliamentary Group on Adult Learning.

## Our people

WEA recognises that its people are its greatest asset. In 2021/22, WEA continued its commitment to supporting its paid and voluntary workforce by:

- ▶ Progressing the work of the Equality, Diversity & Inclusion ("EDI") Working Group to build institutional understanding of where staff and/or volunteer colleagues may be facing exclusion or marginalisation, and to shift organisational culture toward greater recognition of empathetic and inclusive working practices and attitudes;
- ▶ Developing a strategic workforce planning framework to effectively analyse, manage and prepare WEA's current and future workforce requirement, with a particular focus on tutors;
- ▶ Establishing a new approach to succession planning, particularly in governance and senior leadership roles; and
- ▶ Continuing to develop the skills of WEA volunteers.

In November 2021, WEA was re-accredited by Investors in People ("IIP") and awarded IIP Silver accreditation, exceeding the standard of its previous award of IIP Bronze (2018). Only 20% of organisations with which IIP works are awarded IIP Silver. WEA will be working toward IIP Gold accreditation at its next re-accreditation review expected in 2024.

WEA also achieved provisional Investors in Diversity ("IID") accreditation during 2021/22, and was recognised as one of the UK's top 50 most inclusive workplaces in the National Centre for Diversity's FREDIE Awards 2022.

WEA continues to be a living wage employer.

## Our systems & processes

During the year, WEA Trustees agreed a £1.8 million investment in WEA's digital infrastructure, new systems, and corresponding operations. Work on the digital transformation and digital infrastructure projects began in 2021/22 and will continue through 2022/23.

In reviewing and investing in its digital systems and infrastructure, WEA's overarching aim has been to enable the best learner experience WEA can provide. To date, completed and ongoing work includes:

- ▶ A full systems review;
- ▶ Integration of systems across England and Scotland;
- ▶ Building in systems resilience and security;
- ▶ Automating processes, especially those that will support and improve the learner experience; and
- ▶ Resolving and improving the approach to GDPR compliance.

WEA has maintained CyberEssentials+ accreditation throughout the year and to date.

## Our finances

WEA continues to face challenges in the funding environment as devolution continues in England, and government priorities in England and Scotland shift increasingly toward skills provision and post-pandemic economic recovery. The growing imbalance between restricted and unrestricted income continues to be a risk that WEA Trustees carefully monitor, as shrinking unrestricted income threatens WEA's ability to sustain the learner-driven courses and programmes on which much of its reputation has been built.

WEA began the 2021/22 financial year with the unfortunate news that it had been unsuccessful in its funding bid for South Yorkshire MCA. In South Yorkshire, WEA had had a significant presence for many years, and established networks in these local communities. In response to the result WEA established ongoing dialogue with the mayoral authority to explore alternative funding routes in the interest of ensuring adult learners in the area could access the supportive learning WEA provides. WEA was pleased that as a result of ongoing dialogue with South Yorkshire grant funding was secured during the year and renewal funding has been secured for 2022/23. WEA has also had similar success in securing funding from the Cambridge and Peterborough Combined Authority.

WEA continues to make efforts to pursue funding wherever it devolves, and recognises that the ability to secure renewed funding beyond initial contracts depends on its ability to deliver against specific funding commitments. WEA has initiated efforts to improve its overall approach to bidding for contracts, ensuring that the commerciality of bidding opportunities is rigorously assessed in advance of submitting any bid for funding, and to overall contract monitoring. At the same time, WEA is increasing its efforts to diversify its income, and particularly to find other ways of rebuilding unrestricted income streams to enable greater freedom to invest in its core mission.

The shift in the balance of unrestricted vs. restricted income reached an approximate 50/50 split in 2021/22.

	2019/20	2020/21	2021/22
Unrestricted Income	62%	56%	49%
Restricted Income	38%	44%	51%

WEA has continued to grow its free reserves over the year and to maintain a strong cash flow profile. It ends the 2021/22 financial year with a self-assessed ESFA financial health rating of "outstanding."



## Covid-19 recovery

WEA responded positively to the Covid-19 pandemic crisis and was commended by various funders and other organisations for its demonstrated agility in quickly converting to high-quality online learning. ESFA have held up WEA as a role model in terms of its response to the pandemic.

From the start of the pandemic, WEA was first and foremost focused on the safety of learners, volunteers, and employees. In all decision-making, people safety and government advice were taken into account in decisions to re-open teaching and learning spaces, and to return to offices.

The impact of Covid-19 continued to be felt through the first term of 2021/22, with the vast majority of provision continuing to be conducted online. From the second term of the 2021/22 financial year, and as WEA's teaching and learning spaces and other community venues were reopened, efforts were made to return to in-venue teaching and learning wherever there was learner demand. Moving on from the pandemic, all WEA courses however they are delivered will include some form of digital support by way of Canvas.

For staff and volunteers, WEA has emphasised a return to communities rather than a return to offices. Staff and volunteers involved in teaching and otherwise on the front-lines of supporting learners have now returned to teaching in-venue, and to other community-based activity. All WEA offices have reopened, but return to office working for back-office staff has been led by the needs and preferences of staff teams. Most staff have opted for some form of hybrid-working, of a few days in office, and other days working at home.

The Board of Trustees and its committees continue to conduct their quarterly business meetings by video-conference. On a termly basis, the Board meets jointly and in-person with the WEA Council for discussion of matters relating to the governance review, and advancement of the agreed strategy. In consideration of WEA's commitment to EDI, all meetings of the Board and its committees now include the option of remote attendance for those members who are unable to travel, or who find it difficult to do so.

## Impact

WEA continues to support its learners to improve their confidence, develop their skills, get into work and become healthier. Full details of the impact opportunities provided by WEA have had on its learners, and the real and measurable differences WEA has made to individual learners, their communities and society throughout 2021/22, are included in the WEA Impact Report, published in October 2022.

# Strategic report

WEA is a leading adult education charity with a legacy stretching back nearly 120 years. WEA empowers adults through learning at all stages of life, reaching over 36,000 learners in 2021/22 across England and Scotland.

WEA's purpose is to bring adult education within reach of everyone who needs it, fighting inequality and promoting social justice. WEA empowers adults by bringing great teaching to local communities across England and Scotland with a mission of providing access to education for adults right on their doorstep. WEA believes that the opportunity for a better future is too often made inaccessible for reasons including cost, location, and a lack of information. WEA is committed to removing barriers to education so that individuals can improve their own life chances and have a positive impact on their communities and society as a whole.

WEA differentiates itself from further education colleges by reaching into communities where learners live and work to deliver learning in surroundings where they are familiar and comfortable. WEA emphasises smaller class sizes so that learners receive more personal care, attention and support from tutors. To achieve this, WEA works in partnership with over 100 community-based venues and local networks across the UK and with like-minded partners internationally.

## Long-term strategic plan

The overarching priority of WEA's long-term strategic plan is to maximise learners' chances of success by providing an outstanding level of teaching and learning, and by providing additional support to help learners overcome any barriers to learning.

WEA is committed to supporting all learners through exceptional service and high professional standards that result in an excellent quality learning experience that caters to learners' needs. WEA's aspirations are to surpass compliance and strive continually to improve teaching. In the years ahead, WEA will focus attention and resources on embracing technology to improve learner engagement and make learning more accessible wherever its learners live. WEA will also aim to improve learners' understanding of the outcomes they can achieve and to support them to track and celebrate their achievements. WEA will also provide tailored and timely advice, guidance and support for learners throughout their learning journey.

- ▶ 98% of learners reporting they are satisfied with their WEA learning experience;
- ▶ 96% of learners attending their first session going on to complete their course; and
- ▶ 96% of teaching sessions meeting or exceeding learners' expectations.

WEA seeks at minimum to maintain its Ofsted grading of "good" and aims to be "outstanding." WEA aims to be recognised within the sector as visionary and innovative in its teaching of skills, and to ensure quality and performance improvement initiatives are applied to every element of its work in order to continually review and improve upon its provision and other services.

## 2022/23 priorities

WEA's priorities for 2022/23 are aligned to the Creating Opportunities Strategy agreed by the Board of Trustees in July 2022, which places learner success at the heart of all WEA's activities. WEA aims to demonstrate its commitment to quality and learner success through encouraging and achieving high levels of learner attendance, retention, achievement, and enhancement of personal development, and accordingly has set ambitious internal targets in these areas. WEA also seeks to encourage and support a larger majority of learners completing their learning programmes and progressing into higher level courses or into employment that meets local and national needs. To this end, the design and implementation of targeted interventions to increase participation and reduce drop-out of courses and qualification pathways will be prioritised.

Recognising that learner success is tied to tutor engagement and the quality of professional support provided to the tutor base, WEA will seek to deliver a programme of continuous professional development to tutors including:

- ▶ Regular performance reviews, informed by class reviews and other performance data;
- ▶ Encouraging the sharing of best practice within WEA; and
- ▶ Providing training and development focused on emerging priorities, and teaching and learning best practice.

WEA will continue working to embed the practice of benchmarking performance against providers with an Ofsted grading of "outstanding" to identify best practice

in others which can be embraced by WEA. It will also continue its work to embed improved course planning and recognising and recording progress and achievement ("RARPA"), and encourage inspiring and innovative teaching, learning, and assessment practice to ensure that learners achieve their goals and receive praise for their achievements.

In support of its overarching priority to maximise learners' chances of success by providing an outstanding level of teaching and learning, and by providing additional support to help learners overcome any barriers to learning, WEA will work to three strategic objectives:

- ▶ Learning for Life;
- ▶ Learning for Work; and
- ▶ Learning that Builds Communities.

The strategic objectives are supported by four enabling objectives:

- ▶ Improving systems, processes and infrastructure;
- ▶ Building income and ensuring sustainability;
- ▶ Engaging effectively with key stakeholders; and
- ▶ Developing WEA's people and culture.

## Learning for life

WEA believes that open access to adult education creates a more equal and just society and improves outcomes for learners in terms of health, well-being, and independence. It helps individuals to meet challenges such as social isolation, lack of confidence, and low self-esteem. WEA is mindful that 61% of local authority districts contain a deprived neighbourhood<sup>1</sup>, and 43% of unemployed people in the UK report poor mental health<sup>2</sup>. Whether in work or not, 7.1 million people in the UK have very poor literacy skills<sup>3</sup>, and 9 million people report that they cannot use the internet without help<sup>4</sup>. WEA accepts estimates that 4 in 5 adults in the UK have a low level of numeracy<sup>5</sup>.

WEA aims to deliver a curriculum that will engage adults to develop skills, improve their everyday lives, and gain the knowledge and confidence to achieve their personal goals and connect with their communities. To enable this work, WEA will:

- ▶ Continue to drive the case for public funding at national level, and seek to secure funding from new and current sources aligned with our overall mission and values; and
- ▶ Build and share a specific evidence-based case to convince policy and funding decision-makers at a national and local level; and
- ▶ Make the WEA offer more accessible through the website and by enabling connection with translation and disability support apps.

Acknowledging that funding for this type of learning may become harder to find as government funding priorities shift their focus to investment in Skills for Jobs and higher-level qualifications, WEA aims to effectively bid for the funding that remains available and to diversify its funding streams to support and enable this work. In the interest of evidencing its effectiveness in delivering against its aims, over the course of 2022/23 WEA has committed to delivering:

- ▶ A curriculum determined by national and regional needs analysis;
- ▶ Specific analysis of performance against plan, including reach to learners with protected characteristics or from areas of multiple deprivation;
- ▶ Development of new partner relationships to expand reach to new learners with a focus on the most disadvantaged;
- ▶ A baseline understanding of teaching effectiveness and impact for Learning for Life provision; and
- ▶ In Scotland, increased breadth in the curriculum offer and development of staff and tutor capabilities to enable additional options for learning in line with Scottish Government's new strategic priorities.

1. Ministry of Housing, Communities, Local Government, 2019.  
 2. Health Foundation, 2021.  
 3. National Literacy Trust, 2021.  
 4. Good Things Foundation, 2020.  
 5. National Numeracy, 2022.

## Learning for work

WEA believes that all people deserve good, sustainable work, and the opportunity to maximise their personal potential and contribution to society. WEA enables its learners to flourish through a needs-based curriculum, an innovative and learner-driven approach to teaching, learning, and assessment, and individualised personal support.

WEA is mindful that four in 10 working age adults in the UK who have no qualifications live in poverty (compared to one in 10 with a degree or more)<sup>6</sup>, and accepts estimates that over 7 million working age adults in the UK do not have a level 2 (GCSE or equivalent) qualification<sup>7</sup>. WEA recognises that one in five members of the labour market (an estimated 6.2 million workers) in the last year experienced severely insecure work<sup>8</sup>, and that by 2030, over 30 million people will need to be re-skilled<sup>9</sup>.

Since the Covid-19 pandemic, the over-50 workforce has been significantly impacted. The Office for National Statistics estimates that economic inactivity among the over-50 workforce has increased by 250,000 individuals<sup>10</sup>. Younger people too have been affected, with 43% (1.7 million) of unemployed workers between the ages of 16-64 reporting they would like to be in work<sup>11</sup>. WEA accepts estimates that an extra 1.2 million people would receive training if those with low qualifications participated in learning as much as those with degrees<sup>12</sup>.

WEA aims to design and deliver a dynamic skills and employability offer, matched to local and national need that is shaped by working in partnership with employers and employer groups. To enable this work, WEA will:

- ▶ Develop new tutor recruitment and retention strategies to get the highest possible quality teachers and support staff who bring the best and most up-to-date industry knowledge; and

- ▶ Use technology to deliver education that is accessible to learners around their work and life commitments, as well as removing other barriers to learning; and
- ▶ Continue to develop and improve an approach that eases the transitions into and out of learning.

As a relatively new entrant to the employability training arena, WEA will need to build awareness of its capabilities and manage with less of a track record than more established providers if it wishes to attract new learners and employer sponsors. WEA also recognises that growing a skills curriculum will require recruitment of specialist tutors at scale in a market where competition with other organisations for in-demand experience will be significant. In the interest of evidencing its effectiveness in delivering against its aims, over the course of 2022/23 WEA has committed to delivering:

- ▶ A curriculum determined by local, regional and national needs analysis and focused on subject sector pathways aligned to national priority subject areas;
- ▶ Strong relationships with employers in specific target sectors;
- ▶ Evaluation of performance against plan, including specific analysis to employment outcomes;
- ▶ Guided online learning modules for level two and level three learners, recognising the need to progress learners to develop independent study skills;
- ▶ Increased capacity for evening and weekend delivery; and
- ▶ In Scotland, growth in the breadth and depth of the skills offer to enable learners to increase their salary, improve employment prospects, or start their own business.

6. Joseph Rowntree Foundation, 2022.

7. ONS, 2021.

8. The Work Foundation, 2022.

9. CBI/McKinsey, 2020.

10. ONS, 2022.

11. Learning & Work Institute, 2022.

12. Learning & Work Institute, 2021.

13. UK Gov, 2021.

14. ONS, 2021.

## Learning that builds communities

WEA believes that vibrant and inclusive communities promote health, happiness, and success at the individual and community level. WEA networks can help bring communities together, and foster the creation of a WEA family with reciprocal benefits for the individual and their community. In other words, WEA networks can deliver a social contract, creating a responsibility to others and a desire to promote social justice. To enable this work, WEA will:

- ▶ Efficiently harness the support of volunteers to enable their work to build and support their own networks and communities;
- ▶ Build an awareness and evidence of the value and impact of community, and the role learning plays within it; and
- ▶ Create campaigns which WEA networks can support.

With 26% of adults reporting that they do not speak to their neighbours or members of the community on a regular (monthly) basis<sup>13</sup>, and 5% of adults claiming that they feel lonely often or always<sup>14</sup>, WEA aims to design and deliver learning networks which inspire passions, ignite friendships and bring communities together, enhancing their purpose and providing them with the skills and knowledge to make them self-sufficient. Acknowledging that the number of learners who may be able to pay for provision may be suppressed due to economic factors (e.g., increases in the cost of living and inflation), and that funding to enable those who cannot afford to pay to participate will need to be secured, WEA has committed in 2022/23 to:

- ▶ Using best marketing practice and popular course information to help branches self-promote and appeal to a wider audience;
- ▶ Developing relationships with new partners and existing interest groups to create a holistic approach to community provision; and
- ▶ Delivering high quality culture and community learning courses to new audiences at competitive prices.

The three priorities detailed above are underpinned by distinct priorities for Scotland and each of the English regions.

13. UK Gov, 2021.

14. ONS, 2021.

## Scotland

In Scotland, focus is on providing support and increasing education opportunities for disadvantaged people. While headline subject areas are broadly the same as England and provision in Scotland is also aligned to the WEA themes and overall strategy, the overall focus is on creating access to education for under-represented groups and those with low or no qualifications. In 2022/23 WEA Scotland will deliver a lifetime upskilling and retraining offer, including for jobs in green industries, concentrating on working age people living in poverty. As in previous years, readiness for employment, building confidence, enhancing social integration, mental health and well-being, and civic involvement will also continue to account for significant amounts of the provision in Scotland.

ESOL provision accounts for the largest number of learners in WEA Scotland each year. It is delivered in all areas of Scotland to a broad range of learners with hugely varying backgrounds and capabilities. As a result, it is becoming increasingly less focussed on generic language training and much more about the language delivery being tailored to the context of the individuals and class groups. Examples include ESOL and financial literacy, ESOL for employability and ESOL for family learning and engaging with schools.

Finally, WEA Scotland has an active membership education programme notably in Edinburgh, Fife and the North East which looks to prevent loneliness, isolation and dependency through a varied programme of activity that facilitates community engagement and empowers independent individuals.

## English regions

Objectives in each of the English regions focus on the strategic relationships and curriculum response to local needs. Every region has set objectives in relation to improving ongoing quality and the learner experience, increasing the use of digital technologies in learning, recovery from the economic and social impact of lockdowns, and responding to the cost of living crisis.

The priorities of Learning for Life, Learning for Work, and Learning that Builds Communities are supported by four enabling priorities to facilitate the full delivery for the benefit of learners as well as to the satisfaction of stakeholders.

## Improving systems, processes and infrastructure

WEA believes that its systems, working methods and practices, and estate should enable learner success. Improving digital systems will help WEA to improve the experience of its learners, and make its back-office ways of working more efficient. Intelligent use of data, integration between systems, and automation will simplify and smooth the way WEA works and engages with learners. It will also free resources to deliver the human touch where and when it will be most impactful.

WEA has already begun the process of modernising its IT infrastructure to ensure its reliability, resilience and future-proofing. It has also begun the process of transforming its digital environment to lay the groundwork for replacing its legacy student record system and rebuilding its website. The evolution of an estate plan alongside developments in digital infrastructure and systems will enable WEA to more clearly evidence social value and achieve a carbon neutral target.

In 2022/23, WEA aims to:

- ▶ Deliver a new student records system and a new website;
- ▶ Restructure its IT service to realign skills and capabilities with new systems and infrastructure;
- ▶ Accommodate new security guidelines and implement significant infrastructure changes to achieve CyberEssentials+; and
- ▶ Plan the future WEA estate with a focus on learning centres and sustainable buildings.

## Building income & ensuring sustainability

WEA believes that it is essential to build a portfolio of income and a balance of expenditure that ensures the long-term sustainability of its three strategic priorities (Learning for Life, Learning for Work, and Learning that Builds Communities) in an ever-changing and more complex funding environment. To remain true to its mission and charitable purpose, WEA must grow and diversify its income streams whilst controlling and monitoring expenditure with the aim of delivering maximum impact in terms of reach and quality of the learner experience.

In the interest of building sustainable income streams, WEA will seek to engage with a variety of funders to understand their needs, and to leverage its strengths and track record to create strong proposals to effectively bid for contracts, retain grants, apply for charitable funding, and to fundraise. At the same time, WEA will work to determine an achievable balance between direct and indirect operational costs and central overheads, adapting its business plans accordingly.

Continuous process improvement and developing a more strategic, learner-led approach to income generation in regions will support building on current capacities and capabilities. However, WEA acknowledges the inherent challenges in seeking to grow and diversify income in a period of increasing constraints on public finances and rising costs of living. To meet and overcome these challenges in 2022/23, WEA aims to:

- ▶ Retain grants and contracts from ESFA and MCAs and achieve grant status or win contracts with newly devolved authorities;
- ▶ Develop new employer sponsor relationships and trade union partnerships;
- ▶ Realise capital, philanthropic, and Multiply funding;
- ▶ Create a service and cost model that grows WEA's reach and empowers branches to deliver the programmes and organise their work in ways that make sense for them;
- ▶ Continue close scrutiny of costs to ensure the correct balance of direct teaching costs, support costs, and other operational costs.

## Engaging effectively with stakeholders

WEA believes that it offers adults a life-changing opportunity, but that too few are aware of WEA and its impact. WEA will therefore seek to build visibility, awareness and understanding of its offer among adults who could benefit from its provision, and make a strong case for subsidy funding from public policy and funding decision-makers.

WEA will seek to embrace the passion of its members, branches, donors, fundraisers, and volunteers to support the WEA mission and to help WEA achieve the full breadth of its charitable aims. A recent survey of WEA branches has indicated there is room for improvement in how WEA engages with its volunteers, and WEA will seek to improve its methods of engagement at the same time as it seeks to broaden its outreach to a more comprehensive range of stakeholders. In the interest of increasing its effectiveness in stakeholder engagement, WEA has committed in 2022/23 to:

- ▶ Improving the marketing of its courses and its search engine optimising ("SEO") quality control to ensure learners are able to find the courses they need;
- ▶ Increasing understanding of marketing leads and WEA learners to more effectively target diverse learner and member cohorts;
- ▶ Designing an enhanced stewardship programme for learners and members that encourages learners to become members and members to become donors;
- ▶ Implementing an enhanced volunteer stewardship programme;
- ▶ Developing a philanthropic case for support for each of the three strategic priorities and commencing campaigns; and
- ▶ Expanding stakeholder engagement with devolved authorities.



## Developing WEA people & culture

WEA believes that its mission can unite and motivate employees and volunteers to deliver life-changing learning to those who need it, and that it can do so in an efficient and effective way to reach as many learners as possible.

WEA seeks to develop its people and build a proactive, responsive culture to embrace the opportunities and the challenges that it knows lie ahead. Through training and development experiences, WEA will aim to ensure employees and volunteers are equipped to deliver the strategy, and to deliver and respond to change in a way that is caring, innovative, and respectful. Included in this endeavour are plans to reform and update WEA's governance structures and practices, to embrace best practice, and to professionalise governance support nationally and regionally. WEA will also continue to work toward the "good work plan reforms," ensuring greater transparency and protection for staff working under more flexible working arrangements.

Acknowledging the significant level of change implanted progressively across the Association over the last few years, WEA is aware that there is a risk to employee and volunteer engagement as a result. At the same time, the risk that the pace of change that has to date been tolerable to employees and volunteers may not be sufficient to satisfy external bodies' expectations is also acknowledged. With an eye toward achieving what it perceives to be a balance between these risks and the benefits of progressive change, WEA seeks to achieve the following in 2022/23:

- ▶ A structured induction of staff and volunteers at all levels to ensure they receive the information, guidance and support to perform their roles effectively and operate at all times in accordance with WEA's values and culture;
- ▶ Completion of a succession planning, talent management and external scanning programme and flexible, agile processes to reflect changing needs internally and externally;
- ▶ Review of the current pay and grading scheme for staff and contractual terms and conditions, and benchmark these against the sector to inform future remuneration decisions and/or develop alternative approaches to support WEA's strategic priorities;
- ▶ Provide innovative well-being initiatives that contribute to a positive, productive and rewarding environment;
- ▶ Deliver a professional development programme, including leadership and line management, contract management, and IT training;
- ▶ Develop a unified governance support team; and
- ▶ Continuing progress on governance improvements as identified through the governance review, including a review of the Articles & Regulations.

## Governance review

WEA's governance review began in 2018/19 and continues to the present. WEA has moved from a programme of "quick fixes" in 2020/21 to a programme of deeper governance reform, starting with the refresh of the committees of the Board of Trustees, and determining clearer remits for the Chair of Trustees, Vice Chair of Trustees, and Association officers, and clarifying terms of office for lay members of committees. The conclusion of Phase 2 of the governance review, which focused on the reform of the Board's scheme of committees and clarification of governance leadership roles, concluded in July 2022.

At a joint meeting of the Board of Trustees and Council in May 2022, Trustees and Council members agreed that Phase 3 of the governance review should focus on local governance. Planning for Phase 3 of the governance review commenced shortly after the joint meeting, with a programme of work beginning in August 2022. Work on Phase 3 is expected to continue through the 2022/23 financial year and into the first quarter of 2023/24. This will include:

- ▶ Clarification of WEA's overall governance model, with consideration given to the role of branches/ local associations, Regional Committees and Council;
- ▶ Articulation of a clear purpose and remit for the English Regional Committees;
- ▶ Amendment to the membership and composition of WEA Council to broaden inclusion of the learner voice within WEA's formal governance structure;
- ▶ Reviewing WEA's Articles & Regulations to ensure these are clear, understandable, simplified as much as possible, and up to date; and
- ▶ Implementing a process for ensuring the governing documents are regularly reviewed and refreshed.

Additional information on the governance review appears as part of the report on Structure, governance & management on page 25.

## Equality, diversity & inclusion

WEA aims to create conditions that ensure staff, volunteers and learners are treated solely on the basis of their merits, abilities and potential regardless of their sex, race, religious/political beliefs, ethnic or national origin, disability, family background, age, sexual orientation, or other irrelevant distinction.

An IIP re-accreditation review of WEA began in 2021/22, resulting in an award of IIP Silver in November 2021. WEA previously held IIP's standard award, awarded in 2018. The award of IIP Silver comes after a rigorous assessment process, which included an all-staff survey, one-to-one interviews, and desk research carried out by IIP. WEA has marked the IIP Silver award as a significant achievement, noting that IIP has awarded silver status to only 20% of the organisations it accredits.

WEA also commenced work during the 2020/21 financial year toward accreditation through IID, and received provisional IID accreditation in 2022. Through its Human Resources team, WEA will continue to work through its action plan to review, develop and embed the FREDIE (i.e., fairness, respect, equality, diversity, inclusion and engagement) principles in line with the latest Ofsted inspection framework, and to ensure that these principles are fully integrated through all aspects of business planning.

WEA's Board of Trustees will continue to monitor, scrutinise and constructively challenge WEA leadership on its effective support and development of WEA staff at all levels, and to ensure WEA remains an inclusive employer. WEA's Board of Trustees has also recognised that it has work to do to improve the diversity profile of its own membership and that of its committees. The new Nominations Committee has made a commitment to take into consideration the diversity profile of the Board and its committees in recommending the appointment of new trustees and committee members, and in succession planning for Board and Committee leadership roles.

EDI learner data demonstrates that WEA courses engage a significantly higher number of learners from disadvantaged backgrounds and/or with protected characteristics compared to the national demographic profile, including learners from diverse backgrounds, those with low incomes and qualifications, and those who are older and/or disabled.

WEA seeks to welcome and accommodate all learners, volunteers and staff, and is therefore working towards the highest standards of accommodation through implementation of a property strategy. Priority has been placed on ensuring full accessibility for teaching and learning spaces.

WEA recognises the importance of good mental health support, and is committed to improving mental health through its curriculum and learner-centred teaching. According to WEA's Impact Report (October 2022):

- ▶ 84% of learners reported improvements in their overall well-being (91% with a mental health condition);
- ▶ 51% reported an increase in their self-confidence;
- ▶ 92% of WEA learners reported making fewer visits to the GP compared to the national average.

WEA encourages staff to be kind to each other and to talk openly about mental health. Managers and staff are therefore encouraged to have regular one-to-one meetings where open conversations can take place. WEA's Human Resources team also run a number of learning and development initiatives including equipping managers with a mental health toolkit, HR drop in sessions and regular timetabled sessions supporting mental health awareness and management, stress management, and related issues.

As a benefit to employees, WEA has teamed up with BUPA and Westfield Health Care who offer general well-being support. BUPA helps to keep WEA staff well at work, and supports them in looking after their physical wellbeing using clinical professionals to offer health checks and specialist support from qualified specialists offering practical advice and support. Westfield Health Care enables staff to obtain advice from a team of qualified counsellors, medical advisors and lawyers any time of day or night. They offer health and well-being advice and support, telephone and face-to-face counselling, and legal advice for home, work or life issues that can be the cause of stress and anxiety.

# Financial review

The financial statements show total income for 2021/2022 is £28.5m (2020/21: £30.3m) with expenditure of £27.7m (2020/21: £25.5m).

In 2021/22 ESFA income decreased to £11.5 from £15.5m in the prior year. There was a fall of £3.0m in unrestricted income as a result of devolution in West and South Yorkshire and of £1.0m in restricted funds due to WEA receiving a one-off capital grant for building improvements in 2020/21.

The total income received from MCA areas in 2021/22 is £7.2m (2020/21: £5.9m). The rise is due to income from the new devolved areas of West Yorkshire (£1.1m) and South Yorkshire (£0.2m) and an additional programme of 'Good Work for All' in Greater London (£0.2m). The increase is offset in part by smaller reductions in Liverpool, West Midlands and Tees Valley regions. By continuing to build relationships within South Yorkshire and the Cambridge and Peterborough devolved area funding was achieved in both regions for the final term of 2021/22 and for the full 2022/23 year.

ESF grant income has risen to £5.4m (2020/21: £4.3m) mainly as a result of the increase in the level of grants being awarded as part of the North West Community Grant programmes. Income is based on the reimbursement of funds distributed as grants to local organisations, along with administration fees. This programme will end in 2022/23 but the WEA is aiming to replace this European income stream with funding from the UK Shared Prosperity Fund including Multiply grants which are aimed at improving basic maths skills for adults.

Income from Lottery funded projects has continued to reduce £0.4m (2020/21: £0.6m) as the projects have finished or are due to finish in 2022/23. Restricted grants from sources other than those mentioned above have fallen by £0.1m to £1.6m (2020/21: £1.7m).

Overall income from unrestricted fees and contracts has continued to decline, £1.4m (2020/21: £1.7m). The level of tuition fees in most regions has risen in 2021/22 showing some recovery following the lifting of Covid restrictions since last year, however, this has been offset by a decline in Yorkshire and Humber fee income where the uncertainty over future funding has been particularly difficult to contend with. The decline in unrestricted contracts is mainly due to the loss of the East Surrey College contract.

Educational activity costs were £18.0m in 2021/22 (2020/21: £15.8m). The first two terms of 2021/22 continued to be badly affected by Covid but the number of face-to-face classes gradually increased and the WEA offices were reopened during the year. This gave rise to more tutor costs, sessional rents, building running costs and administrative costs. Grant payments for the ESF

Community Grant programmes in the North West account for £1.0m of the total rise.

There is a small saving in governance and support costs, £9.0m (2020/21: £9.1m).

The WEA's net movement in funds for 2021/22 is £0.4m (2020/21: £4.5m) after transfers and pension adjustments. There is a surplus of £0.5m on unrestricted funds and a deficit of £0.1m on restricted funds. The deficit on restricted funds is due to timing differences between income and related expenditure. This is a better position than the anticipated deficit in the original budget for 2021/22.

## Reserves policy

The funds at 31 July 2022 were £14.0m (2020/21: £13.6m). This is represented by unrestricted funds of £13.4m and restricted funds of £0.6m.

The closing 2021/22 free reserves balance of £9.0m is made up as follows:

- ▶ General funds: £7.2m
- ▶ Branch funds: £0.5m
- ▶ Regional branch reserve fund: £1.3m

For the purposes of this policy, the WEA has defined free reserves as being its unrestricted funds, excluding the designated fixed asset fund and any pension deficit, should it arise.

The free reserves balance as at 31 July 2022, being £9.0m, exceeds the free reserves target which was reviewed during 2021/22 and is currently set at £4.3m. During 2020/21 the Trustees took the decision to spend some of the excess reserve funds investing in IT systems across the organisation. The Digital Information programme began in 2021/22 with an initial capital budget of £1.1m for that year, the project has suffered a delay but is now underway. Further capital spend of £0.7m has been approved in 2021/22 for IT infrastructure to satisfy the requirements of Cyber Essentials certification which is a requirement of some WEA funders and new HR and finance systems. Capital spend for buildings has also been approved, £0.1m on the lift in the Bristol building and £0.2m on set-up costs for the new office in Leeds.

In setting the free reserves at £4.3m the Trustees considered the amount that would be required to cover the resulting costs if the WEA were to lose varying amounts of income and has also ensured that the level of reserves will be sufficient to cover known outstanding payments on the TPT pension scheme. In all scenarios this figure was considered to be sufficient for 2021/22. The policy will be reviewed again during 2022/23.

The WEA Reserves Policy is subject to regular review considering new risks and circumstances faced by the WEA. The policy is therefore reviewed by Trustees at least annually or more frequently upon advice of senior management in the event of a material change occurring that warrants any earlier or additional review.

The level of free reserves is a Key Performance Indicator set out in the organisation's Business Plan and, as such, progress is monitored regularly at Committee and Trustee meetings.

## Investments & treasury management

As set out in its Articles of Association, WEA has absolute discretion to invest money not immediately required for expenditure. The responsibility for the performance of investments rests with the Finance & Capital Resources Committee, which reports to the Board of Trustees. The objective of WEA's Treasury Management Policy is to optimise returns consistent with cash flow requirements and with an overriding need to protect the capital value of WEA's funds.

Treasury management is carried out within the context of WEA's statutory requirements, its Articles of Association and the Financial Memorandum with the Education and Skills Funding Agency (ESFA). WEA funds are deposited only with UK banks that meet the criteria stated in the Treasury Management Policy. Investments are not made in any other financial instruments. It is important to note that, as in previous years, WEA has had no exposure to any known financial institution at risk.

WEA's Investment Policy is scheduled for review by Trustees in 2022/23.

## Principal funding sources

WEA receives its principal funding from ESFA, which provided 40% of WEA's income from all sources and activities for the year (2020/21: 48% excluding a one-off capital grant in the year). There are no outstanding loans against WEA.

## Pensions

The valuation of WEA's defined benefit pension scheme at 31 July 2022 (under FRS102 principles) continues to be a nil balance. Estimates used by the actuary in the calculation of this accounting valuation have been benchmarked by the Trustees and are considered appropriate.

Further details relating to the pension schemes operated by the WEA are shown at Note 18 to the accounts.

## Cash flow & capital expenditure

In line with the Treasury Management Policy, WEA aims to maintain a healthy cash position, and its cash reserves are sufficient to ensure that balances are not overdrawn. Based on the two-year cash flow projections to July 2024 returned to ESFA in July 2022, WEA does not anticipate any liquidity problems.

Cash and short-term deposits for the year ended 31 July 2022 were £10.3m (2020/21: £10.0m).

## Funds held as custodian trustees on behalf of others

WEA does not hold funds as a Custodian Trustee on behalf of others.

## Commercial activities

WEA does not currently engage in any substantial commercial activities. The trading company, WEA Trading Limited, a wholly owned subsidiary of WEA has not traded to date.

## Fundraising statement

Fundraising is forming an ever more important part of WEA's work. WEA is dedicated to ensuring its fundraising remains closely aligned with the Association's mission and values, and to ensuring efficiency in its approach. A guiding principle in its fundraising efforts is to work with a range of partners from corporate organisations to a range of charities and associations across the UK. WEA performs due diligence on all corporate donors including any gifts in kind. WEA does not use professional fundraisers or commercial participators to carry out any fundraising activities and so no monitoring activities are required.

WEA volunteers are supported and stewarded by the Fundraising, Membership and Volunteering Team. In 2021/22, WEA did not receive any complaints regarding its fundraising activities (2020/21: 0). As of September 2020, WEA is a member of the Fundraising Regulator and as such follows the Code of Fundraising Practice.

To ensure compliance with the Charities Act 2016, WEA follows the guidelines set out by the Institute of Fundraising on all donors with the four guiding principles of respect, fairness, responsiveness and accountability applied for all donors and members of the Association.

# Risk management

The Board of Trustees monitors WEA's risk profile as recorded in WEA's corporate risk. The risk register is informed by operational risk registers maintained for discrete projects (e.g., digital transformation) and business areas (e.g., business development, contracts). Leadership Team have a collective responsibility for reviewing and updating the corporate risk register. The systems and procedures established to manage risk are regularly reviewed by the Audit & Risk Committee and reported to the Board of Trustees. The Board of Trustees has also reviewed the adequacy of WEA's internal controls.

The corporate risk register includes action plans for each of WEA's key risks and a summary highlighting the current and changing status of those risks against a target risk score. The Audit & Risk Committee reviews the risk register at each quarterly meeting, receives summary updates on risk management activity, and invites members of WEA management to present on significant issues. The Audit & Risk Committee has recently reviewed WEA's risk appetite and maintains a commitment to risk awareness in all WEA's undertakings.

The Board of Trustees currently receives the corporate risk register on an annual basis and receives reports from the Audit & Risk Committee on a quarterly basis.

The format and approach to risk scoring on the corporate risk register were substantially updated during the 2020/21 financial year. Further refinements to the corporate risk register format and scoring approach will continue through to the end of the 2022 calendar year, following internal audit advice.

Work continues with Leadership Team to support greater seamlessness between the operational and corporate risk registers.

As at 31 July 2022 there were 39 risks identified across five categories of risk on the corporate risk register. The level of risk posed by each matter reported in the risk register is assessed by attributing a score based on both the likelihood and impact of the respective risks.

The risks deemed to have the most significant impact on WEA should they manifest are set out on page 23 as WEA's principal risks:



## Top five risks with mitigating actions taken:

Risk	Mitigating actions taken
<b>Negative judgment by regulator (e.g., Ofsted NI judgment, ESFA financial notice to improve).</b>	Budget and cash flow are regularly reviewed against ESFA criteria for "good" judgment. A rigorous Quality Improvement Plan has been put in place, and progress against the plan is reviewed at each meeting of the Education Committee. Quality is robustly monitored through a class visit programme led by the Education Team, and termly quality reviews led by the Quality Team. An Education Development Plan now guides the work of education teams nationally, and supports the articulation of clear statements of curriculum intent and outcomes measurements for learners. Canvas tools are used increasingly to monitor learner progress. Trustees receive regular reports on the quality of provision and outcomes for learners through the Education Committee (relating to provision in England) and Scotland Board (relating to provision in Scotland).
<b>WEA becomes financially unsustainable.</b>	WEA seeks to engage effectively with public policy and funding decision-makers and influencers. To this end, pro-active steps have been taken to raise WEA's profile and amplify its voice within the adult education and FE sectors, and before government in England and in Scotland. Trustees have approved significant investment in WEA's digital infrastructure to make it easier for learners to find courses, enrol and be supported throughout their learning journey, and to support greater efficiency of day-to-day working practices within WEA. Delivery of the Income, Finance, and Estates Strategies in 2022/23 will guide WEA in its efforts to streamline operational overheads, reduce costs and develop greater agility and ensure its stability as it faces funding challenges in the current environment.
<b>WEA is unable to adapt to the needs of future learners or to innovate.</b>	Shifting government funding priorities, particularly in the area of community learning, will require greater organisational agility and willingness to take risks, particularly with regard to new types of partnerships and pursuing funding with government departments beyond DfE. The collective ownership of the Education Development Plan by Leadership Team and work undertaken to prepare for education inspections have created a number of actions that may mitigate some future educational risks. However, resistance to change from within the Association could slow WEA's response or create internal instabilities. Re-organisation of the education teams over the last two years has improved management of the tutor base and the monitoring of provision.
<b>WEA's reputation is tarnished.</b>	External support from professional advisors, and enrolment of all Trustees in the Education Training Foundation's Governance Development Programme of self-directed governance training and support ensures that WEA's trustees clearly understand their duties and obligations. Induction programmes for new trustees, and for members of local governing bodies have been introduced in 2021/22 in the interest of supporting adherence to relevant sector guidance, including the Charity Governance Code and DfE guidance on supporting governance. Consultations to review and amend the Articles & Regulations to remove outdated provisions and support the ability of WEA to respond with agility to external challenge began during the year and will continue through 2022/23. Within management, improvements in the delivery and monitoring of staff training (e.g., GDPR, safeguarding/Prevent, etc.), development of line managers, and careful engagement around change will support adherence to sector best practice in all areas of operations.
<b>WEA fails to deliver on its mission to bring education into reach of those who need it most.</b>	Among the changes to the Articles & Regulations being consulted on are changes that would enable the inclusion of greater learner voice within WEA's formal governance structure, nationally and locally. WEA will continue to progress on its Investors in People and Investors in Diversity action plans, and to develop its teaching staff through the Quality Strategy. Proactive action will be taken to continuously improve the learner experience, specifically through listening and responding to learner feedback, and evaluating completion, attainment and life impact statistics.

## Going concern

The trustees have assessed WEA's ability to continue as a going concern. The trustees have considered several factors when forming their conclusion as to whether the use of the going concern basis is appropriate when preparing these financial statements. This has included a review of budgets and cash flow forecasts through to July 2024 and consideration of the key risks, including devolution, forecast changes in the split between restricted and unrestricted income and the impact of Covid-19. WEA has prepared a number of financial scenarios and the Trustees consider that the WEA is well

positioned to manage its business risks successfully. In all of the scenarios the free reserves remain well above the target of £4.3m. After careful consideration and enquiry, the Trustees have a reasonable expectation that the WEA has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the Trustees continue to adopt the going concern basis in preparing these financial statements.



# Structure, governance and management

## Status

WEA is a charitable company limited by guarantee (number 2806910), incorporated on 5 April 1993 and registered as a charity in England and Wales (number 1112775) and Scotland (number 2806910).

## Governing documents

WEA is governed in accordance with the object and powers set out in its governing documents, the Articles of Association (last amended 14 December 2017) and Regulations (last amended 8 May 2019). The governing documents are available to the public through the WEA website at: [wea.org.uk/about-us/governance](http://wea.org.uk/about-us/governance).

## Object of WEA

The object for which WEA was established is to promote adult and general education for the benefit of the community, regionally, nationally and internationally based on democratic principles in its organisation and practice, through the participation of its voluntary members. In pursuit of this object, WEA has the following aims:

- ▶ Stimulating and responding to the demand for liberal education, through the direct provision of courses and other activities;
- ▶ Relieving poverty and providing for the needs of working class people and of those who are socially, economically or educationally disadvantaged and in particular (but without limitation) by providing education and teaching skills for employment, voluntary work and social inclusion;
- ▶ Providing educational programmes for appropriate organisations concerned with collective educational needs in the community and in the workplace;
- ▶ Generally furthering the advancement of education to the end that all people in England, Scotland and other parts of the world may have full access to the education needed for their complete individual and social development; and
- ▶ Promoting the efficiency and effectiveness of charities with similar purposes and the efficient and effective application of resources for such purposes.

WEA operates at local, regional and national levels, providing adult education through its network of nine English regions and Scotland, and with 177 branches and six Local Associations. Courses are created and delivered in response to local need, often in partnership with local community groups and organisations. There is a proud tradition of voluntary and democratic process within WEA. Association Members are involved in the planning and provision of courses as well as in the local and national governance of WEA.

WEA maintains staffed offices in Scotland and the English regions, the largest of which is in Leeds. WEA's registered office is in London.

## Public benefit

WEA is a public benefit entity, the charitable object of which is to promote adult and general education for the benefit of the community regionally, nationally and internationally based on democratic principles in its organisation and practice, through the participation of its volunteers and members.

WEA's Trustees confirm that they have due regard for Charity Commission's guidance on public benefit and believe it to have been consistently applied, that the requirements of section 17 of the Charities Act 2011, and the new requirements related to annual reporting within the Protection & Social Investments (Charities) Bill 2016 have been fully met when exercising any powers or duties to which the guidance relates.

## Board of Trustees

The Board of Trustees is WEA's governing body, comprising twelve Trustees. The Board of Trustees has ultimate responsibility for the strategic direction of WEA. Trustees are also the Directors and Members of the Company.

Per its Articles of Association, the composition of the Board of Trustees is as follows:

- ▶ Four Association Officers (who are the President, two Deputy Presidents, and the Treasurer) elected by the Association Membership in accordance with the Regulations;
- ▶ Four Association Members nominated by the WEA Council and appointed by Trustees, comprising one Association Member from WEA Scotland and three Association Members from different English Regions; and
- ▶ Four Co-opted Trustees appointed by the Trustees.

In consideration of guidance from ESFA, the Board of Trustees has sought to appoint an additional Trustee having a qualification in accounting and/or financial management. Recruitment of the additional trustee was completed in July 2022.

The Board of Trustees meets at least four times a year in order to ensure that WEA's activities carry into effect the charity's object. Their work includes providing strategic oversight, scrutinising WEA's financial performance and the performance of its management, agreeing budgets, monitoring the quality of educational provision and the safeguarding of beneficiaries and stakeholders, and reviewing current policies, initiatives, activities and plans. The Board of Trustees is supported by a number of committees which also meet quarterly.

The Board of Trustees is currently chaired by a co-opted Trustee. In accordance with Article 54, a Deputy Chair of Trustees, appointed from among the sitting members of the Board of Trustees, chairs meetings of the Board of Trustees in the event of the Chair's unavailability. The Deputy Chair also supervises the annual performance review of the Chair of Trustees, conducted by an external consultant. Trustees, whether appointed or elected, serve on the Board for a term of four years, renewable subject to re-election (in the case of Association Officers) or re-appointment.

## Committees of the Board of Trustees

WEA Trustees implemented a new scheme of committees from 1 August 2021. The new scheme of committees was agreed with the aim of improving WEA's demonstrated adherence to the Charity Governance Code (adopted by Trustees as WEA's code of governance in 2018). Trustees understand the role of committees to be to apply detailed, specialist scrutiny to matters within their remit, and to support the Board of Trustees in carrying out specific duties or oversight more thoroughly and effectively than it could otherwise do acting together as a full board.

All committees of the Board of Trustees remain non-executive. Save for the Audit & Risk Committee, the committees do not have delegated authority to undertake investigations or to take independent professional advice without prior authorisation from the Board of Trustees.

Committees of the Board of Trustees generally meet on a quarterly basis to receive detailed reports and make detailed enquiries on strategic organisational matters, reporting back to the Board of Trustees at each subsequent meeting.

During the 2021/22 financial year there were six delegated committees of the Board of Trustees. These were:

**Audit & Risk Committee** – The Audit & Risk Committee assisted the Trustees in discharging its oversight responsibilities by reviewing the effectiveness of WEA's internal controls and compliance systems and, on behalf of the Trustees, reviewed the performance and results of external and internal auditors' work, and reviewed and monitored the preparation and production of the Trustees' Annual Report and Accounts. On an annual basis, it recommended the appointment of auditors to the Board of Trustees and, on their behalf, approved the auditors' terms of engagement.

**Education Committee** – The Education Committee supported the Board of Trustees in meeting its responsibilities for strategic leadership of educational provision in England and took assurances on their behalf regarding the development, monitoring and application of education policies, learner welfare (including safeguarding) and the learner experience, the quality of education offered and adherence to relevant regulatory and inspection standards.

**Finance & Capital Resources Committee** – The Finance & Capital Resources Committee supported the Board of Trustees in discharging their responsibilities to ensure sound business planning and budgeting in the interests of WEA's long-term financial health and sustainability. The Committee advised Trustees on the application of WEA's funds and other assets in accordance with its charitable purposes and the public benefit duty, and on compliance with the requirements and expectations of its funders.

**People Committee** – The People Committee focused on WEA's HR strategy, volunteering strategy, EDI, safeguarding and Prevent policies and procedures, and health and safety. It ensured ongoing review of organisational effectiveness, and the maintenance of an organised and clear management structure, with well-understood delegations. The Committee supported WEA in its aim to exceed its statutory responsibilities for equality and diversity.

**Scotland Board** – The Scotland Board promoted the profile of WEA in Scotland by supporting and facilitating the communication, engagement and consultation with WEA Scotland's members, learners and stakeholder groups. It supported the Board of Trustees in meeting its responsibilities for strategic leadership of educational provision in Scotland, including providing assurances on adherence to relevant regulatory and inspection standards in Scotland. Scotland Board also supported and promoted the Association-wide understanding of Scotland-specific educational policy, legislation, and funding relating to adult education, making recommendations to the Board of Trustees as appropriate.

**WEA Council** – WEA Council's purpose and remit are set out in WEA's Articles of Association. Its principal function was and continues to be to promote the democratic involvement of all Association Members and effective communication between all levels of governance within the Association. In practice, WEA Council is an important stakeholder group and a forum for discussion of shared interests across the English regions and Scotland, making representations on their behalf to the Board of Trustees from time to time. At any time there are at least four Trustees who are members of WEA Council, two of whom must be Association Officers elected by the Association Members. The President (an Association Officer) chairs the WEA Council.

During the 2021/22 financial year there were two additional committees of the Board of Trustees convened for specific advisory purposes. These were:

**Remuneration Committee** – The Remuneration Committee determined the pay and conditions for WEA's senior post holders (i.e., CEO/GS, Director of Finance & IT, and Head of Corporate Governance & Company Secretary).

**Nominations Committee** – The Nominations Committee oversaw the recruitment, appointment, and ongoing support and development for Trustees and the non-Trustee members of the committees of the Board of Trustees.

Each committee of the Board of Trustees includes at least two and ideally three Trustees as members of the committee. Other committee members are drawn from the English Regional Committees and/or Scotland Board. An exception is the Remuneration Committee, which includes only Trustee members.

Trustee attendance figures of Board and Committee meetings can be found on page 32.

## Election of association officers & the Annual conference

Members of the Association make direct contributions to the governance of WEA through the election of Association Officers and the Annual Conference. In accordance with the governing documents, Association Officers are elected to office by the Association Members and subsequently appointed as Trustees, subject to assurance of their statutory eligibility.

The Annual Conference, organised by the WEA Council, provides opportunity for Association Members to receive reports from Trustees and the WEA Council on the year's activities, and to influence the overall direction of WEA through bringing forward motions for consideration.

## Trustee recruitment, induction & training

WEA seeks to encourage diversity in its widest sense within the governance structure. The WEA's Articles of Association set out the categories from which Trustees are elected and appointed.

**Co-opted Trustees:** Trustees who are co-opted to the Board are sought through advertisement and/or recruitment search agencies. As part of the process for appointment, the Nominations Committee convenes a panel to oversee the shortlisting and interviewing of candidates prior to a recommendation to the full Board for approval. Co-opted Trustees are required to undertake a DBS check and to confirm their statutory eligibility to serve as a Trustee and Company Director ahead of any appointment.

**Association Officers:** Following election by the Association Members to the role of President, Deputy President or Treasurer, an Association Officer is appointed a Trustee ex officio, subject to interview with members of Nominations Committee (in accordance with Article 17), DBS clearance, and confirmation of their statutory eligibility to serve as a Trustee and Company Director.

**Council nominees:** Those Trustees who are appointed from Council are nominated by the Council. Council nominee vacancies are open to all members of WEA's Council (apart from the Association Officers, who are ex officio Trustees). Like all other Trustees, Council nominees are appointed subject to interview with members of Nominations Committee (in accordance with Article 17), DBS clearance, and confirmation of their statutory eligibility to serve as a Trustee and Company Director.

Once appointed to the Board, Trustees are supported by a comprehensive programme of induction arranged by the Head of Corporate Governance & Company Secretary. In addition to induction, new Trustees are encouraged to meet members of staff, and to take part in regional activities. A Trustee Handbook is currently in development.

## Chief Executive & General Secretary

In accordance with the Articles of Association, the CEO/GS is appointed by the Board of Trustees to manage the day-to-day operations of WEA, and is accountable to the Board of Trustees via the Chair. The CEO/GS is WEA's Accounting Officer for ESFA reporting purposes.

Powers delegated to the CEO/GS include the implementation of policy and strategy adopted by the Trustees, to be carried out within a budget approved by them from time to time. The CEO/GS has a duty to report back to Trustees regularly. In practical terms, this means that the CEO/GS is a regular attendee at meetings of the Board of Trustees, and has a standing reporting item on each agenda. To support the effective coordination of business between Trustees and Council, the CEO/GS also meets regularly with the WEA Council to ensure its members, who are the Chairs of the English Regional Committees and Scotland Board, are adequately informed of WEA activities.

The CEO/GS works with the Leadership Team as identified in the Reference and Administrative Details on page 4.

## Leadership team

Leadership Team meets at least monthly and reviews the quality and effectiveness of teaching and learning activity, organisational performance against the strategy and budget agreed by Trustees, current and future staffing needs, and forward planning.

The role of reviewing and monitoring WEA's contracts and projects (including the ESFA contract) is performed by Leadership Team, which via the CEO/GS, provides regular reports to Trustees.

## Review & remuneration of senior employees

Under the new scheme of committees taking effect from 1 August 2021, a Remuneration Committee has been constituted to consider and agree the remuneration of senior post holders (i.e., the CEO/GS, Director of Finance & IT, and Head of Corporate Governance & Company Secretary).

Salaries for other Leadership Team posts are in principle set by the CEO/GS within the salary structures laid out from time to time by the People Committee and approved by the Board of Trustees, and within the scope of budget constraints agreed annually by the Board of Trustees. In practice, spot salaries for senior roles appointed to in 2020/21 were agreed in advance of recruitment with limited scope for negotiation at the time of offer. There were no senior appointments made during 2021/22.

Performance objectives of the CEO/GS and members of the Leadership Team are agreed each year as part of the appraisal process determined by the Board of Trustees and reflected in the Business Plan and Budget which is approved by the Board of Trustees annually in July for the next financial year.

Remuneration details are set out in Note 6 to the financial statements.

## Engagement with employees (CA2006 Section 172 Disclosure)

This report on WEA's compliance with Companies Act 2006, section 172 ("CA2006 s.172") should be read in conjunction with the Strategic Report on pages 10 - 18. CA2006 s.172 as applicable to incorporated charities requires Trustees (who are the Directors of the Company under CA2006) to take into consideration the interests of employees and other stakeholders in their decision-making. Trustees continue to have regard to the interests of WEA's employees and other stakeholders, including the impact of its activities on the community, the environment and WEA's reputation, when making decisions. Acting in good faith and fairly between members, the Trustees consider what is most likely to promote WEA's success for its learners, volunteers and Association Members in the long term. Whilst the importance of giving due consideration to stakeholders is not new, WEA is explaining in more detail this year how the Board engages with stakeholders, thus seeking to comply with the requirement to include a statement setting out how Trustees have discharged this duty.

Trustees are fully aware of their responsibilities to promote WEA's success in accordance with CA2006 s.172. Ongoing support and periodic training from WEA's legal advisors, Bates Wells, is provided to ensure the Board continues to operate in line with good corporate practice. Trustees last received refresher training on their duties and obligations as Trustees and Company Directors on 23 September 2020. Through these activities, Trustees reflect (inter alia) on how WEA engages with its stakeholders and opportunities for enhancement in future.

The Board has overseen the implementation of a new three-year strategy that ensures stakeholder interests, and particularly the interests of learners, are taken into account. The "Creating Opportunities" Strategy responds not only to material changes in the way that WEA receives its funding, but also addresses the reality that the communities WEA serves have different needs requiring tailored solutions. To this end, the Board has worked closely with the CEO/GS to implement a programme of operational change to ensure that regional and national communities and academic expertise have greater influence on decision-making.

The Board continues to enhance its methods of engagement with the workforce.

WEA seeks to engage all employees and volunteers in its activities and achievements, and to this end the "Creating Opportunities" Strategy has emphasised the development and improvement of technologies and systems to ensure WEA employees, volunteers, and learners, dispersed as they are across the whole of England and Scotland, are able to work together easily and efficiently.

There continue to be a range of regular communication methods including management meetings, team meetings and newsletters to ensure that all staff are kept informed of WEA activities and achievements. There is also a monthly e-briefing from the CEO/GS that is distributed as part of the usual monthly newsletters to all staff as well as to the wider community of volunteers and Association Members.

WEA's recognised trade union is engaged in consultations on staff terms and conditions, including pay awards, through the Joint Negotiating Consultative Committee.

WEA aims to work responsibly with its sub-contractors, particularly those involved with the delivery of provision and other services relating to WEA's contracts with devolved combined authorities. Throughout the year, WEA has offered support in the on-boarding of its sub-contractors by sharing its delivery needs and the support available within WEA to enable effective relationships.



## Charity Code of Governance

The Board of Trustees adopted the Charity Governance Code (larger charities) in 2018 and have discussed and assessed the organisation's performance against the Code's main principles and recommended practices since that time, and as updated in 2020.

Following updates to the Charity Governance Code in 2020, Trustees have considered their approach to putting into practice the Code's EDI principles across WEA, and how Trustees and others involved in governance can demonstrate adherence to the enhanced integrity principle.

**Principles of Equality, Diversity, and Inclusion** – During 2021/22, WEA initiated pursuit of an Investors in Diversity ("IID") accreditation and has agreed an action plan with its designated IID advisor. WEA received provisional IID accreditation in March 2022. Through the ongoing process of governance review, Trustees and members of Council have identified certain provisions in WEA's Articles & Regulations which may be inadvertently discouraging diversity within the formal governance structure and is in the process of updating these provisions, starting with amendments to the composition of WEA Council.

**Principle of Integrity** – Trustees have sought to address power imbalances within WEA's structure of Board and local governance committees by introducing term limits on non-trustee appointments. Non-trustee members of committees are now limited to two terms of three years' service on any one committee. Such imbalances are also in the course of being addressed through the introduction of absolute term limits on Trustee appointments and seeking to close loopholes in the Articles which created potential opportunities for certain individuals to remain on the Board of Trustees for as long as six terms of four years. Changes to the Articles that would bring into effect an absolute limit on trustee terms to two terms of four years have been agreed in principle and are expected to be formally adopted in 2023.

The ongoing process of governance review has continued to improve WEA's adherence to the Charity Governance Code. WEA has made significant improvements in a number of areas where weaknesses had been previously identified:

**Leadership** – Succession planning on the Board of Trustees has been addressed through the agreement of a role description for a Vice Chair of Trustees and successful appointment of a sitting Trustee to that role in July 2021. The Board has also agreed a Succession Planning Policy and convened a Nominations Committee to oversee the appointment of new Trustees, anticipate upcoming vacancies on the Board and on committees of the Board, and to ensure the conduct of periodic skills audits.

**Decision-making, risk, and control** – Decision-making and delegation has been refined through clarifications in the designation of senior post holders having direct responsibility to the Board of Trustees, and to whom the Board may delegate directly. Delegation to committees is now clearly documented in up-to-date terms of reference. Through the Audit & Risk Committee, WEA has updated and reformed WEA's risk appetite and the overall scoring and assessment of high-level risk. Frameworks for the identification and assessment of risk are being strengthened through implementation of clearer, more rigorous programmes of review at operational level, with Leadership Team taking a more active role in overall risk management.

**Board effectiveness** – The Board of Trustees has successfully filled the skills gap identified in the area of financial expertise through the recruitment of an additional Trustee having a formal financial qualification, as recommended by ESFA.

The appointment of a Vice Chair of Trustees in July 2021 means that the Chair of Trustees has had a sounding board for matters arising among the Board of Trustees, and an intermediary for other Trustees, if needed. The Vice Chair of Trustees has also taken responsibility for ensuring a performance review of the Chair of Trustees, and overseeing the implementation of an annual process for Trustee self-assessment.

The constitution of a Nominations Committee means that there is now a clear route for nominations to the Board of Trustees and any of its committees to be considered. Terms of service for the Board of Trustees and each of the committees, including clear appointment dates and term expiry dates, are now routinely monitored by the relevant Board or committee and shared with Nominations Committee. This allows for vacancies arising to be anticipated and advertised well in advance to generate interest. Alongside the agreement of new terms of reference for each committee, the principle of rotation for non-trustee members of committees of the Board of Trustees was agreed. Non-trustee members of committees of the Board of Trustees are now appointed to terms of three years, renewable once for a maximum of six years on any one committee. Trustee members of committees are limited per the trustee term limits as set out in the Articles.

## Governance review

Throughout the whole of 2021/22 and into the current year, WEA has continued to progress the review of its governance to ensure that its governance structures, procedures and practices are brought up to date and aligned with the guidance set out in the Charity Governance Code (larger charities) as updated in 2021, and with DfE's statutory guidance on supporting governance. Key milestones during the year were:

- ▶ Implementing a rebalanced scheme of committees for the Board of Trustees, all with refreshed terms of reference and membership;
- ▶ Appointing a Vice Chair of Trustees and creating a specific written remit for this role;
- ▶ Agreeing clear role descriptions for elected Association Officer posts;
- ▶ Implementing a process of trustee self-assessment and performance evaluation for the Chair of Trustees; and
- ▶ Embedding the practice of termly joint meetings between WEA Council and the Board of Trustees, which are used for deliberation and debate on matters relating to ongoing governance development and support for delivery against the agreed strategy.

WEA Council continue to take an active role in the governance review, and provide an important conduit for communication and feedback to and from Trustees and local governance committees. Regarding Phase 3 of the Governance Review to be carried out in 2022/23, Trustees and Council agreed together that areas of focus would include:

- ▶ Clarification of the overall governance model, with consideration given to the purpose of branch/ local association committees, Regional Committees, and Council;
- ▶ Reviewing WEA's Articles & Regulations to ensure these reflect current regulation and guidance, and that they are clear, understandable, and simplified as much as possible; and
- ▶ Considering a process for ensuring the governing documents are regularly reviewed and kept up to date.

Trustees and members of Council have together acknowledged that the funding and regulatory world outside of WEA is changing rapidly, and that WEA is obliged to respond to these changes to secure its future. In consideration of recent statutory guidance from DfE, WEA must ensure there are clear lines of sight from Board to Region and Region to Board. The Board and Council have agreed that clear lines of sight be built in the following areas as a matter of priority:

- ▶ Safeguarding (including learners, staff, and volunteers);
- ▶ Equality and inclusion;
- ▶ Health, safety, and well-being;
- ▶ Education quality;
- ▶ Learner engagement and voice;
- ▶ Application of financial resources;
- ▶ Environmental sustainability and social value.

It has been acknowledged previously by Trustees and Council that some of the longer-term projects identified through the process of governance review would require changes to the Articles and/or Regulations. Trustees and Council have agreed that a first step toward updating WEA's Articles and Regulations should begin with amending the composition of WEA Council to broaden inclusion of the learner voice. With the support of advice from WEA's legal advisors, Bates Wells, the process of amending the relevant sections of the Articles & Regulations has begun and is expected to complete in early 2023. A task and finish group of Trustees and members of WEA Council will be convened to oversee the process of introducing further amendments to the Articles and Regulations. It is expected that the work of updating the Articles and Regulations will be completed in 2023.

## Attendance at Board and Committee Meetings during 2021/22

### Abbreviations:

▶ A&R - Audit & Risk Committee

▶ ESC - Education Strategy Committee

▶ F&GP - Finance & General Purposes Committee

▶ MVGM - Membership, Volunteering, Governance & Marketing Committee

▶ SB - Scotland Board

▶ WEAC - WEA Council

Trustee	Board/Committee	2021/22 meetings	Attendance
<b>John Widdowson</b>	Board* (Chair)	6/7	86%
<b>Cliff Allum</b>	Board*	7/7	100%
	F&CR** (Chair)	5/5	100%
	WEAC+	4/7	57%
<b>Robin Cook</b>	Board*	5/7	71%
	A&R	3/4	75%
	WEAC+	3/7	43%
<b>Michael Crilly</b>	Board*	5/7	71%
	A&R (Chair)	4/4	100%
	SB	4/4	100%
<b>Marion Flett</b>	Board*	5/7	71%
	SB (Chair)	4/4	100%
<b>Jon Gamble</b>	Board*	5/7	71%
	F&CR**	5/5	100%
<b>Pat Kynaston</b>	Board*	6/7	86%
	F&CR**	3/5	60%
	WEAC	7/7	100%
<b>Geoff Layer</b>	Board*	6/7	86%
	EC	2/4	50%
<b>Lindsay Pearson</b>	Board*	6/7	86%
	A&R	4/4	100%
	EC (Chair)	4/4	100%
	WEAC	3/7	43%
<b>Marc Sherland</b>	Board*	6/7	86%
	People (Chair)	4/4	100%
<b>Peter Threadkell</b>	Board	7/7	100%
	EC	4/4	100%
	People	4/4	100%
<b>Narinder Uppal</b>	Board*	5/7	71%
	People	4/4	100%

\* Includes three joint meetings with WEAC.

\*\* Includes attendance at one meeting of A&R with F&CR members in attendance.

+ Non-voting member.



WEA's Board of Trustees and its committees normally meet on a quarterly cycle of meetings so that each group would meet four times per year. Termly joint meetings of the Board of Trustees and WEA Council were implemented from the start of the 2021/22 financial year as part of efforts to support effective communication between trustees and local governing bodies. WEA Council held three extraordinary meetings during the year to support detailed discussion of matters relating to the governance review.

Average attendance at meetings of the Board of Trustees in 2021/22 was 82% (2020/21: 92%).

Average attendance at all Board and Committee meetings in 2021/22 was 84% (2020/21: 91%).

# Trustees' declaration

## Statement of trustees' responsibilities

The Trustees (who are also Directors of the Company for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice ("UK accounting standards").

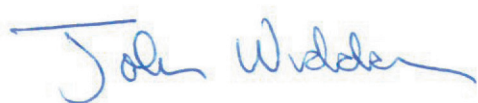
Company law requires the Trustees to prepare financial statements for each financial year. Under company law, the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the Trustees are required to:

- ▶ Select suitable accounting policies and then apply them consistently;
- ▶ Observe the methods and principles in the Charities SORP;
- ▶ Make judgments 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;
- ▶ Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions, disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended), and the provisions of the charity's constitution. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Insofar as each of the Trustees of the charitable company at the date of approval of this report is aware, there is no relevant audit information (information needed by the charitable company's auditor in connection with preparing the audit report) of which the charitable company's auditor is unaware. Each trustee has taken all of the steps that they should have taken as a trustee in order to make themselves aware of any relevant audit information and to establish that the charitable company's auditor is aware of that information.

Approved on behalf of Trustees on 8 December 2022.



**Signed: John Widdowson, CBE**  
Chair of Trustees

# Statement of corporate governance & internal control

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

The Charity endeavours to conduct its business:

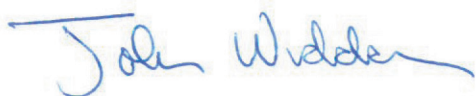
- i. In accordance with the seven principles identified by the Committee on Standards in Public Life (selflessness, integrity, objectivity, accountability, openness, honesty and leadership);
- ii. In accordance with the governance requirements in the Companies Act 2006 and the Charities Act 2011; and
- iii. With due regard to the guidance and principles set out in the UK Corporate Governance Code 2018.

The Charity is committed to exhibiting best practice in all aspects of corporate governance and, as a registered charity, follows compliance guidelines set by the Charity Commission. 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.

The Board of Trustees 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 Board of Trustees confirm that they have due regard for the Charity Commission's guidance on public benefit and that the required statements appear elsewhere in these financial statements.

Approved by order of the Board of Trustees on 8 December 2022 and signed on its behalf by:



**John Widdowson, CBE**  
Chair of Trustees



**Simon Parkinson**  
CEO/GS

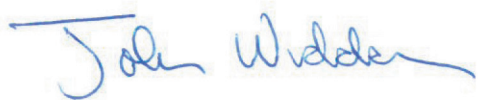
## Governing body's statement on the regularity, propriety and compliance with funding body terms and conditions of funding

The Charity has considered its responsibility to notify the Education and Skills Funding Agency ("ESFA") of material irregularity, impropriety and non-compliance with the ESFA terms and conditions of funding, under the financial memorandum in place between the Charity and the ESFA. As part of our consideration we have had due regard to the requirements of the financial memorandum.

We confirm, on behalf of the Charity, that after due enquiry, and to the best of our knowledge, we are not able to identify any material irregular or improper use of funds by the Charity, or material non-compliance with the ESFA's terms and conditions of funding under the Charity's financial memorandum.

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

Approved by order of the Board of Trustees on 8 December 2022 and signed on its behalf by:



John Widdowson, CBE  
Chair of Trustees



Simon Parkinson  
CEO/GS

# Independent auditor's report to the members and trustees of the Workers' Educational Association ("WEA")

## Opinion

We have audited the financial statements of WEA ('the charitable company') for the year ended 31 July 2022 which comprise the statement of financial activities, the balance sheet, the cash flow statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- ▶ give a true and fair view of the state of the charitable company's affairs as at 31 July 2022 and of its income and expenditure, for the year then ended;
- ▶ have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- ▶ have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities and Trustee Investment (Scotland) Act 2005 and Regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (amended).

## 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 charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Conclusions relating to going concern

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

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

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

## Other information

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

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether 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.

## Opinions on other matters prescribed by the Companies Act 2006

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

- ▶ the information given in the trustees' report, which includes the directors' report and the strategic report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- ▶ the strategic report and the directors' report included within the trustees' report have been prepared in accordance with applicable legal requirements.

## Matters on which we are required to report by exception

In light of the knowledge and understanding of the charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report included within the trustees' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 requires us to report to you if, in our opinion:

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

## Responsibilities of Trustees

As explained more fully in the trustees' responsibilities statement, set out on page 34, the trustees (who are also the directors of the charitable company for the purposes of company law) 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 charitable company'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 charitable company or to cease operations, or have no realistic alternative but to do so.

## Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 44(1) (c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with the Acts and relevant regulations made or having effect thereunder.

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

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [frc.org.uk/auditorsresponsibilities](https://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

## 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 identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the charitable company operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006, the Charities Act 2011, The Charities and Trustee Investment (Scotland) Act 2005, Further and Higher Education Act 1992 together with the Charities SORP (FRS 102). We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charitable company's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charitable company for fraud. The laws and regulations we considered in this context for the UK operations were General Data Protection Regulation (GDPR), Health and safety legislation, Ofsted Education Inspection Framework, Taxation legislation and Employment legislation.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any.

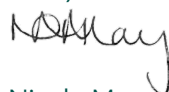
We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing of recognition of income, and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management, and the Audit & Risk Committee about their own identification and assessment of the risks of

irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence with the Charity Commission, and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

## Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the charitable company's trustees, as a body, in accordance with Regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Nicola May  
Senior Statutory Auditor  
For and on behalf of  
Crowe U.K. LLP  
Statutory Auditor  
London

Date: 21st December 2022



# Independent reporting accountant's report on regularity 31 July 2022

**To the Trustees of the Workers' Educational Association (the WEA) and Secretary of State for Education, acting through Education and Skills Funding Agency (the ESFA) and the Greater Manchester Combined Authority, Liverpool City Region Combined Authority, West of England Combined Authority, West Midlands Combined Authority, Tees Valley Combined Authority, North of Tyne Combined Authority, Greater London Authority, West Yorkshire Combined Authority, South Yorkshire Mayoral Combined Authority and Cambridge and Peterborough Combined Authority (referred to as "the Authorities" below).**

In accordance with the terms of our engagement letter dated 6 May 2021 and further to the requirements and conditions of funding in the ESFA's grant funding agreements and contracts, or those of any other public funder, including the Authorities 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 the WEA during the period 1 August 2021 to 31 July 2022 have not been applied to the purposes identified by Parliament and the financial transactions do not conform to the authorities which govern them.

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

This report is made solely to the trustees of WEA and the ESFA and the Authorities in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the Trustees of the WEA and the ESFA and the Authorities 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 WEA and the ESFA and the Authorities for our work, for this report, or for the conclusion we have formed.

## Respective responsibilities of the WEA and the reporting accountant

The trustees of the WEA are responsible, under the requirements of the Further & Higher Education Act 1992, subsequent legislation and related regulations and guidance,

for ensuring that expenditure disbursed, and income received, are applied for the purposes intended by Parliament, and the financial transactions conform to the authorities that govern them.

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

## Approach

We conducted our engagement in accordance with the Code issued by the ESFA and in accordance with any guidance provided by the Authorities. We performed a limited assurance engagement as defined in that framework.

The objective of a limited assurance engagement is to perform such procedures as to obtain information and explanations in order to provide us with sufficient appropriate evidence to express a negative conclusion on regularity.

A limited assurance engagement is more limited in scope than a reasonable assurance engagement and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, we do not express a positive opinion.

Our engagement includes examination, on a test basis, of evidence relevant to the regularity of the WEA's income and expenditure. The work undertaken to draw to our conclusion includes a review of the design and implementation of WEA's internal controls and review processes on regularity, supported by detailed tests on sample of costs incurred by the college and specific transactions identified from our review.

## Conclusion

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

*Crowe U.K. LLP*

Crowe U.K. LLP

Date: 21st December 2022



# Financial statements

## Statement of financial activities for the year ended 31 July 2022

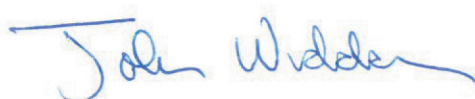
	Notes	2021/22 Unrestricted funds £'000	2021/22 Restricted funds £'000	2021/22 Total funds £'000	2020/21 Unrestricted funds £'000	2020/21 Restricted funds £'000	2020/21 Total funds £'000
<b>Income from:</b>							
Donations and legacies		46	2	48	77	1	78
Charitable activities	2	12,928	14,628	27,556	16,208	13,454	29,662
Investment income	19	712	-	712	552	-	552
Other		157	14	171	16	1	17
<b>Total income</b>		<b>13,843</b>	<b>14,644</b>	<b>28,487</b>	<b>16,853</b>	<b>13,456</b>	<b>30,309</b>
<b>Expenditure on:</b>							
Charitable activities	3	12,243	14,767	27,010	12,042	12,875	24,917
Other	18b	650	-	650	538	-	538
<b>Total expenditure</b>		<b>12,893</b>	<b>14,767</b>	<b>27,660</b>	<b>12,580</b>	<b>12,875</b>	<b>25,455</b>
<b>Net income/(expenditure)</b>		<b>950</b>	<b>(123)</b>	<b>827</b>	<b>4,273</b>	<b>581</b>	<b>4,854</b>
Transfers between funds	13	(30)	30	-	518	(518)	-
<b>Other recognised losses:</b>							
Adjustment for defined benefit pension scheme	18e	(433)	-	(433)	(356)	-	(356)
<b>Net movement in funds</b>		<b>487</b>	<b>(93)</b>	<b>394</b>	<b>4,435</b>	<b>63</b>	<b>4,498</b>
<b>Reconciliation of funds:</b>							
Total funds brought forward		12,873	727	13,600	8,438	664	9,102
<b>Total funds carried forward</b>		<b>13,360</b>	<b>634</b>	<b>13,994</b>	<b>12,873</b>	<b>727</b>	<b>13,600</b>

The statement of financial activities includes all gains and losses recognised in the year. All incoming resources and resources expended derive from continuing activities. The notes on pages 44 to 71 form part of these accounts.

**Balance sheet as at 31 July 2022**

		2021/22	2020/21
	Notes	£'000	£'000
<b>Fixed assets</b>			
Tangible and intangible assets	8	4,491	4,555
<b>Total fixed assets</b>		<b>4,491</b>	<b>4,555</b>
<b>Current assets</b>			
Debtors	9	2,071	1,829
Investments	16	2,602	2,593
Cash at bank and in hand	16	7,664	7,439
<b>Total current assets</b>		<b>12,337</b>	<b>11,861</b>
<b>Liabilities</b>			
<b>Creditors:</b> amounts falling due within one year	10	(2,412)	(2,344)
<b>Net current assets</b>		<b>9,925</b>	<b>9,517</b>
<b>Total assets less current liabilities</b>		<b>14,416</b>	<b>14,072</b>
Provisions for liabilities	22	(422)	(472)
<b>Total net assets</b>		<b>13,994</b>	<b>13,600</b>
<b>Funds of the Charity</b>			
Unrestricted funds	13	8,989	8,447
Designated funds	13	4,371	4,426
<b>Total unrestricted funds</b>	13	<b>13,360</b>	<b>12,873</b>
Restricted funds	13	634	727
<b>Total charity funds</b>		<b>13,994</b>	<b>13,600</b>

The financial statements on pages 41 to 71 were approved by the Board of Trustees and authorised for issue on 8 December 2022, and are signed on its behalf by:



**John Widdowson, CBE**  
Chair of Trustees



**Simon Parkinson**  
CEO/GS

## Cash flow statement for the year ended 31 July 2021

	Notes	2021/22 £'000	2021/22 £'000	2020/21 £'000	2020/21 £'000
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**Cash flows from operating activities:**

Net cash provided by operating activities	14		684		4,265
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**Cash flows from investing activities:**

Interest received	19	13		4	
Purchase of tangible assets	8	(182)		(807)	
Purchase of intangible assets	8	(281)		-	

<b>Net cash used in investing activities</b>			<b>(450)</b>		<b>(803)</b>
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**Cash flows from financing activities:**

<b>Net cash provided by / (used in) financing activities</b>			<b>-</b>		<b>-</b>
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<b>Change in cash and cash equivalents in the reporting period</b>			<b>234</b>		<b>3,462</b>
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Cash and cash equivalents at the beginning of the reporting period			10,032		6,570
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<b>Cash and cash equivalents at the end of the reporting period</b>			<b>10,266</b>		<b>10,032</b>
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	2021/22 £'000	2020/21 £'000
Notes to the cash flow statement		

**Analysis of cash and cash equivalents**

Investments - short term deposits	2,602	2,593
Bank and cash	7,664	7,439

<b>Total cash and cash equivalents</b>	<b>10,266</b>	<b>10,032</b>
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## Notes to the financial statements for the year ended 31 July 2022

### 1. Accounting policies

#### Basis of preparation

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain assets, and in accordance with the Companies Act 2006, Charities: Statement of Recommended Practice (FRS102) applicable in the UK and Republic of Ireland, the Charities Act 2011 and UK Generally Accepted Accounting Practice as it applies from 1 January 2015. We believe this is the most appropriate basis of accounts preparation.

The Trustees have assessed WEA's ability to continue as a going concern. The Trustees have considered several factors when forming their conclusion as to whether the use of the going concern basis is appropriate when preparing these financial statements. This has included a review of budgets and cash flow forecasts through to July 2025 and consideration of the key risks, including further devolution areas, forecast changes in the split between restricted and unrestricted income and the impact of the coronavirus.

The WEA secures a significant proportion of its income from service delivery contracts and grants awarded by the Education and Skills Funding Agency, MCAs, European Social Fund, Big Lottery, local authorities and other statutory bodies, however there are further devolution areas on the horizon which pose a further risk to WEA's income streams. In light of the risk to funding, WEA has prepared a number of financial scenarios which reflect potential loss of MCA funding from 1 August 2023. With this in mind and the fact that the WEA rigorously monitors its financials through robust financial internal controls, regular monitoring of budgets and cash management, the Trustees are confident the organisation has adequate resources to operate for the foreseeable future as a going concern and has prepared its financial statements on this basis.

Cash management and working capital controls are in place to ensure restricted and unrestricted assets and reserves are appropriately managed.

Accordingly, the accounts have been prepared on the basis that the Charity is a going concern.

The WEA's charitable objective is to promote adult and general education. The WEA meets the definition of a public benefit entity.

#### Fund accounting:

**General funds** are unrestricted funds that are available for use at the discretion of the trustees in furtherance of the general objectives of the Charity, and which have not been designated for other purposes.

**Restricted funds** are funds that are to be used in accordance with specific restrictions imposed by donors or have been raised by the Charity for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The funds are maintained on a project by project basis or in accordance with the agreed restrictions on their use. The restricted funds reserves and movements on them are shown on a region by region basis in the notes to the accounts.

#### Incoming resources

All incoming resources are included in the Statement of Financial Activities (SOFA) when the Association is entitled to the income, its receipt is probable and the amounts can be quantified with reasonable accuracy.

**Voluntary income** is received by way of donations and gifts and is included in full in the SOFA when receivable.

#### Volunteer time

WEA benefits from the active participation of volunteers, as referred to in the Trustees' Report. The financial statements do not quantify any financial value on this contribution.

**Grants receivable** are recognised when the conditions for receipt have been met and there is reasonable assurance of receipt, unless these relate to a specific future period in which case they are deferred.

**Service level agreements** are recognised in line with performance. These relate to fees and contract income.

**ESFA Grants** are recognised on an accruals basis.

**Capital grants** received towards the cost of tangible fixed assets are credited to the SOFA in full in the year in which they are received and treated as restricted or designated funds according to the nature of the grant. A transfer is made annually to the General Fund in equal instalments on the same basis as the depreciation of the asset concerned.

#### Resources expended

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category.

**Governance costs** comprise management of the Charity's assets, organisational management and compliance with constitutional and statutory requirements.

#### Cost allocation

The Association has considered that it has just one activity, which is Education Provision, to which the majority of costs are directly attributable. Where costs cannot be directly attributed to particular headings they have all been allocated to activities on a basis consistent with their use.

#### Branches

The Charity carries out much of its activities through a national network of non-autonomous branches that operate under the Charity's registration number. These run courses for the Charity locally and receive support from the Charity through advice, publicity and meeting tutor costs. Branch activities are included in the Charity's accounts.

#### Fixed assets and depreciation

Tangible fixed assets costing more than £1,000 are capitalised and included at cost including any incidental costs of acquisition.

## Notes to the financial statements for the year ended 31 July 2022

### 1. Accounting policies (continued)

Computers regardless of cost are capitalised.

Capital project items are capitalised and depreciated over 3 years from the time when the project commenced or in line with the life of the project.

Software costs (excluding maintenance costs), costing £1,000 or more are capitalised over 3 years in line with the Association's policies.

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Freehold land	Nil
Freehold buildings	over 50 years
Improvement to buildings	over 10 years
Grant funded building improvements	over the life of the project
Grant funded equipment	over the life of the project
Other equipment	over 3 years
Computer software	over 3 years

#### Pension costs

At 31 July 2022 retirement benefits to employees are provided by the People's Pension, the Teachers Pension (TP), the Scottish Public Pensions Agency (SPPA) and the Charity's own Workers' Educational Association pension scheme (WEA Scheme) whose Trustee and Administrator is The Pensions Trust. The WEA and the NOW: Pension schemes were closed to further contributions at 31 August 2019. The People's Pension and Now: Pension schemes are defined contribution schemes. The TP, SPPA and WEA pension schemes are defined benefit schemes.

The TP and SPPA are multi-employer schemes. It is not possible to identify the Association's share of the underlying assets and liabilities of the schemes on a consistent and reliable basis and therefore, as required by FRS 102, the WEA accounts for the schemes as if they were defined contribution schemes. The Association's contributions are charged in the period in which the salaries they relate to are payable, in accordance with the recommendations of the Government Actuary.

For the WEA Scheme, the difference between the fair value of the assets held in the Association's defined benefit pension scheme and the scheme's liabilities measured on an actuarial basis using the projected unit method are recognised in the Association's balance sheet as a pension scheme asset or liability as appropriate. Changes in the defined benefit pension scheme asset or liability arising from factors other than cash contribution by the Association are charged to the SOFA in accordance with Financial Reporting Standards (FRS 102) - Retirement Benefits. The deficit arising from the adoption of FRS 102 is recognised as a reduction in the general reserves. Surpluses are not recognised unless they are considered recoverable.

**Rentals payable under operating leases**, where substantially all the risks and rewards of ownership remain with the lessor, are charged to the SOFA in the year in which they fall due.

## Notes to the financial statements for the year ended 31 July 2022

### 1. Accounting policies (continued)

**Provisions and contingencies** are recognised when the following three conditions are met: the Association has a present obligation (legal or constructive) as a result of a past event; it is probable that an outflow of resources embodying economical benefits will be required to settle the obligation; and a reliable estimate can be made of the amount of the obligation. The amount of the provision represents the best estimate of the expenditure required to settle the obligation at the end of the reporting period.

Contingent liabilities, including liabilities that are not probable or which cannot be reliably measured, are not recognised but are disclosed unless the possibility of settlement is considered remote. Contingent Assets are not recognised, but are disclosed where an inflow of economic benefit is probable.

#### Financial instruments

WEA has financial assets and liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transition value, and subsequently measured at the settlement value. At the balance sheet date the WEA held financial assets at amortised cost of £12,185,496 (2020/21 £11,715,543) and financial liabilities at amortised cost of £2,119,339 (2020/21 £1,890,253).

#### Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due, or discount offered.

#### Creditors

Creditors and provisions are recognised where the Association has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

#### Cash at bank and in hand

Cash at bank and in hand includes cash and investments available within twenty-four hours.

#### Investments

Investments are short-term highly liquid investments with a short maturity of 95 days or less.

#### Key judgements and assumptions

In the application of the charity's accounting policies, Trustees are required to make judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects the current and future periods.

Details of the two main accounting estimates can be found in the notes to the accounts. The valuation of the freehold property is detailed in note 8 and the accounting valuation of the defined benefit pension scheme in note 18.

#### Redundancy

The WEA recognises a provision for redundancy costs when they are committed to a programme of redundancy at the balance sheet date. This can be recognised while a consultation process is underway as long as the redundancy programme has been announced. The provision is measured at the best estimate of the redundancy liability accrued to the end of the accounting period. No provision is made for the cost of salary and notice periods that will need to be worked after the end of the accounting period.

#### Dilapidations Provision

Provisions are made when a legal or constructive obligation, is identified and the liability can be reasonably qualified. The provision is based on an estimate provided by the landlord of the property or a benchmarked market rate per square foot of the leased property.

## Notes to the financial statements for the year ended 31 July 2022

## 2. Incoming resources from charitable activities

	Unrestricted 2021/22 £'000	Restricted 2021/22 £'000	Total 2021/22 £'000	Total 2020/21 £'000
<b>Educational provision</b>				
Fees and contracts	1,413	3,398	4,811	5,068
Education and Skills Funding Agency (ESFA) grant	11,464	-	11,464	15,468
Other grants receivable	52	11,230	11,282	9,124
Other income from activities	(1)	-	(1)	2
<b>Total incoming resources from charitable activities</b>	<b>12,928</b>	<b>14,628</b>	<b>27,556</b>	<b>29,662</b>

## 2a. Analysis of income from charitable activities

	Total 2021/22 £'000	Total 2020/21 £'000
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## ESFA unrestricted grants

ESFA contract	11,121	14,138
Other ESFA grants and contracts	343	372

<b>ESFA unrestricted grants</b>	<b>11,464</b>	<b>14,510</b>
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Total ESFA restricted grants	-	958
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<b>Total ESFA contracts &amp; grants</b>	<b>11,464</b>	<b>15,468</b>
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## Other grants

Other unrestricted grants	52	36
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Other restricted grants	11,230	9,088
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<b>Total other grants</b>	<b>11,282</b>	<b>9,124</b>
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## 3. Resources expended on charitable activities

	Unrestricted 2021/22 £'000	Restricted 2021/22 £'000	Total 2021/22 £'000	Total 2020/21 £'000
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## Educational Provision

Tutor costs - staff	2,070	1,738	3,808	3,482
Tutor costs - travel & subsistence	91	26	117	23
Regional costs - staff	3,749	3,204	6,953	7,183
Regional costs - other	619	476	1,095	564
Grants and subcontractor payments	(3)	6,054	6,051	4,552

<b>Total educational activity costs</b>	<b>6,526</b>	<b>11,498</b>	<b>18,024</b>	<b>15,804</b>
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Governance costs (note 4)	259	19	278	231
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Support costs (note 5)	5,458	3,250	8,708	8,882
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<b>Total resources expended on charitable activities</b>	<b>12,243</b>	<b>14,767</b>	<b>27,010</b>	<b>24,917</b>
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## Notes to the financial statements for the year ended 31 July 2022

**4. Governance costs**

	Total 2021/22 £'000	Total 2020/21 £'000
<b>External audit fees</b>		
Crowe U.K. LLP (note 7)	51	48
<b>Other Assurance fees</b>		
Crowe U.K. LLP (note 7)	19	14
Internal Audit Fees	11	-
Legal and professional fees	34	26
Trustees meetings and other costs (note 17)	1	-
Support costs	162	143
<b>Total governance costs</b>	<b>278</b>	<b>231</b>

**5. Support costs**

## Educational

	Total 2021/22 £'000	Total 2020/21 £'000
Support costs - staff	5,370	4,863
Support costs - other	1,492	1,531
Facilities management	545	1,052
IT & communications	1,301	1,436
<b>Total support costs</b>	<b>8,708</b>	<b>8,882</b>

## Notes to the financial statements for the year ended 31 July 2022

## 6. Staff costs

	Total 2021/22 £'000	Total 2020/21 £'000
Wages and salaries	13,436	13,319
Social security costs	1,136	1,077
Pension costs	1,263	1,276
Redundancy costs	459	300
<b>Total staff costs</b>	<b>16,294</b>	<b>15,972</b>

The above figure does not include agency staff employed by the Association at a cost of £49,450 (2020/21: £28,391). At the year end £nil (2020/21: £nil) of the redundancy costs remained unpaid.

The average number of employees during the year was as follows:

	2021/22	2020/21
Staff	369	380
Tutors	597	624
<b>Total average number of employees</b>	<b>966</b>	<b>1,004</b>

Number of employees earning £60,000 per annum and above are as follows:

£60,001 - £70,000	3	2
£70,001 - £80,000	4	4
£80,001 - £90,000	5	2
£90,001 - £100,000	2	-
£100,001 - £110,000	1	-
£110,001 - £120,000	-	1
£130,001 - £140,000	1	-
	<b>16</b>	<b>9</b>

Seven members of staff received redundancy payments in 2021/22 which took their earnings into the above brackets. Pension benefits are accruing for the other 9 (2020/21: 6) higher paid employees. Total employer pension contributions of £105,460 (2020/21: £49,300) have been made in relation to higher paid employees.

The key management personnel of the Charity comprise the Board of Trustees (12) and the Leadership Team 9 (2020/21:10).

## 7. Analysis of charitable expenditure

Charitable expenditure includes:	Total 2021/22 £'000	Total 2020/21 £'000
External auditors' remuneration	51	48
Other assurance services performed by external auditors*	19	14
Depreciation	487	554
Loss on disposal of tangible assets	40	118
Operating lease charges	179	209

\* Other assurance services performed by the external auditors include regularity audits to meet the conditions of ESFA/MCA contracts.

## Notes to the financial statements for the year ended 31 July 2022

## 8. Fixed asset schedule

	Land and Buildings £'000	Education Equipment £'000	Other Equipment £'000	Assets in the course of construction £'000	Total 2021/22 £'000
<b>Tangible fixed assets</b>					
<b>Cost</b>					
At 1 August 2021	6,126	1,924	4,307	50	12,407
Additions	19	22	70	71	182
Disposals	(75)	(18)	(27)	-	(120)
<b>At 31 July 2022</b>	<b>6,070</b>	<b>1,928</b>	<b>4,350</b>	<b>121</b>	<b>12,469</b>
<b>Depreciation</b>					
At 1 August 2021	2,045	1,731	4,076	-	7,852
Charge for the year	237	95	155	-	487
Disposals	(37)	(17)	(26)	-	(80)
<b>At 31 July 2022</b>	<b>2,245</b>	<b>1,809</b>	<b>4,205</b>	<b>-</b>	<b>8,259</b>
<b>Net book value of tangible fixed assets</b>					
<b>At 31 July 2022</b>	<b>3,825</b>	<b>119</b>	<b>145</b>	<b>121</b>	<b>4,210</b>
<b>Intangible fixed assets</b>	-	-	-	281	281
<b>Total net book value at 31 July 2022</b>	<b>3,825</b>	<b>119</b>	<b>145</b>	<b>402</b>	<b>4,491</b>
<b>At 1 August 2021</b>	<b>4,081</b>	<b>193</b>	<b>231</b>	<b>50</b>	<b>4,555</b>

There is a charge granted over the freehold property 4 Luke Street, London, EC2A 4XW in favour of The Pensions Trust.

At 31 July 2022 the charge is capped at £2,500,000.

At 31 July 2022 there were capital commitments relating to software contracts of £132,551 (2020/21 £nil).

## 9. Debtors: amounts falling due within one year

	2021/22 £'000	2020/21 £'000
Trade debtors	361	301
Other debtors	76	69
Prepayments	151	160
Accrued Income	1,483	1,299
<b>Total</b>	<b>2,071</b>	<b>1,829</b>

## 10. Creditors: amounts falling due within one year

Amounts falling due within one year	2021/22 £'000	2020/21 £'000
Trade creditors	634	624
Accruals	944	981
Social security & other taxes	541	454
Deferred income	293	285
<b>Total</b>	<b>2,412</b>	<b>2,344</b>

## Notes to the financial statements for the year ended 31 July 2022

## 10a. Deferred income

	2021/22 £'000	2020/21 £'000
Opening balance	285	153
Amounts released	(284)	(152)
Amounts deferred	292	284
<b>Closing balance</b>	<b>293</b>	<b>285</b>

Income received during the year is deferred when the conditions for income recognition have not been fully met. All income deferred in the previous year has been released with the exception of £1,164 of student credit notes.

## 11. Financial commitments - leases

As at 31 July 2022, the charity has annual commitments under non-cancellable leases as follows:

Expiry date:	Land and building leasehold £'000	Total 2021/22 £'000	Total 2020/21 £'000
Within one year	90	90	128
One to five years	123	123	10
Over five years	19	19	-
<b>Total financial commitments - leases</b>	<b>232</b>	<b>232</b>	<b>138</b>

## 12. Analysis of net assets by fund

Net assets	Unrestricted funds 2021/22 £'000	Restricted funds 2021/22 £'000	Total Funds 2021/22 £'000	Unrestricted funds 2020/21 £'000	Restricted funds 2020/21 £'000	Total funds 2020/21 £'000
Tangible fixed assets	4,371	120	4,491	4,426	129	4,555
Net current assets	9,411	514	9,925	8,919	598	9,517
Long term liabilities	(422)	-	(422)	(472)	-	(472)
Pension liability	-	-	-	-	-	-
<b>Net assets</b>	<b>13,360</b>	<b>634</b>	<b>13,994</b>	<b>12,873</b>	<b>727</b>	<b>13,600</b>

## Notes to the financial statements for the year ended 31 July 2022

## 13. Statement of funds

	At 1 August 2021 £'000	Income £'000	Expenditure £'000	Transfers £'000	Pension adjustment £'000	At 31 July 2022 £'000
General funds	6,515	12,182	(11,527)	2	-	7,172
Branch funds	636	499	(582)	(68)	-	485
Regional branch reserve fund	1,296	-	-	36	-	1,332
	<b>8,447</b>	<b>12,681</b>	<b>(12,109)</b>	<b>(30)</b>	<b>-</b>	<b>8,989</b>
Fixed asset fund	4,426	463	(518)	-	-	4,371
Pension deficit	-	699	(266)	-	(433)	-
<b>Total unrestricted funds</b>	<b>12,873</b>	<b>13,843</b>	<b>(12,893)</b>	<b>(30)</b>	<b>(433)</b>	<b>13,360</b>
Restricted funds:						
Revenue	598	14,644	(14,753)	25	-	514
Fixed asset fund	129	-	(14)	5	-	120
<b>Total restricted funds</b>	<b>727</b>	<b>14,644</b>	<b>(14,767)</b>	<b>30</b>	<b>-</b>	<b>634</b>
<b>Total funds</b>	<b>13,600</b>	<b>28,487</b>	<b>(27,660)</b>	<b>-</b>	<b>(433)</b>	<b>13,994</b>

**Regional branch reserve fund** represents the balance of accumulated funds transferred from branches to regions in line with the Association's policy of ensuring balances of funds at branches are kept at levels that are sufficient, but not excessive. Part of the balance on this fund is made available each year for branches to bid into for the development of local activities supporting the WEA and the Association's regional priorities. This reserve may also be used, at trustees' discretion, to address funding gaps where use of ESFA funds is not permitted.

**Transfers between unrestricted and restricted funds:**

**Restricted revenue:** the transfer of £25,000 is due to a reclassification of funds.

## Prior year statement of funds

	At 1 August 2020 £'000	Income £'000	Expenditure £'000	Transfers £'000	Pension adjustment £'000	At 31 July 2021 £'000
General funds	2,268	15,641	(11,358)	(36)	-	6,515
Branch funds	819	402	(376)	(209)	-	636
Regional branch reserve fund	1,055	-	-	241	-	1,296
	<b>4,142</b>	<b>16,043</b>	<b>(11,734)</b>	<b>(4)</b>	<b>-</b>	<b>8,447</b>
Designated funds	4,296	262	(654)	522	-	4,426
Pension deficit	-	548	(192)	-	(356)	-
<b>Total unrestricted funds</b>	<b>8,438</b>	<b>16,853</b>	<b>(12,580)</b>	<b>518</b>	<b>(356)</b>	<b>12,873</b>
Restricted funds:						
Revenue	540	12,408	(12,354)	4	-	598
Fixed asset fund	124	1,048	(521)	(522)	-	129
<b>Total restricted funds</b>	<b>664</b>	<b>13,456</b>	<b>(12,875)</b>	<b>(518)</b>	<b>-</b>	<b>727</b>
<b>Total funds</b>	<b>9,102</b>	<b>30,309</b>	<b>(25,455)</b>	<b>-</b>	<b>(356)</b>	<b>13,600</b>

## Notes to the financial statements for the year ended 31 July 2022

**13a. Statement of funds** (continued)**Lottery funded projects**

	At 1 August 2021 £	Received income £	Accrued/ Deferred income £	Funded expenditure £	Transfer from/(to) General Fund £	At 31 July 2022 £
<b>Eastern</b>						
Big Lottery Fund and ESF Building Better Opportunities Grant - Papworth Community Connections South	3,084	12,127	-	(15,211)	-	-
Big Lottery Fund and ESF Building Better Opportunities Grant - Papworth Community Connections Essex	-	36,184	-	(42,595)	-	(6,411)
<b>East Midlands</b>						
Big Lottery Fund and ESF Building Better Opportunities Grant - Vista Will	-	113,555	-	(95,736)	-	17,819
Big Lottery Fund St Ann's Advice Centre - D2N2 Money Sorted	-	38,140	3,444	(41,082)	-	502
<b>North West</b>						
Big Lottery Fund and ESF Building Better Opportunities Grant - Sefton Liverpool Digital Inclusion	2,884	34,660	2,792	(41,134)	-	(798)
Big Lottery Fund and ESF Building Better Opportunities Grant - Halton Liverpool Digital inclusion	778	55,978	33,201	(79,435)	-	10,522
Big Lottery Fund and ESF Building Better Opportunities Grant - Cumbria, Carlisle & Eden	43,915	-	-	(1,644)	-	42,271
<b>Southern</b>						
Big Lottery Fund and ESF Building Better Opportunities Grant - Routes Community Works	8,267	39,200	-	(39,659)	-	7,808
Big Lottery Fund and ESF Building Better Opportunities Grant - Aspire - Family Learning Surrey	-	28,188	(4,242)	(28,345)	-	(4,399)
Big Lottery Fund and ESF Building Better Opportunities Grant - Building Family Bridges	92	309	-	408	-	809
Slough Borough Council - Ways Into Work	-	29,217	(5,298)	(23,301)	-	618
<b>West Midlands</b>						
BBO Community Matters	-	3,264	-	(3,264)	-	-
<b>Yorkshire &amp; Humber</b>						
BLF Men's Health Lounge	927	-	-	-	-	927
<b>Scotland</b>						
Big Lottery Fund - Reach Out Project	133,317	5,360	(500)	(100,762)	-	37,415
<b>Total lottery fund projects</b>	<b>193,264</b>	<b>396,182</b>	<b>29,397</b>	<b>(511,760)</b>	<b>-</b>	<b>107,083</b>
Other projects						
ESF (note 13b)	(68,418)	4,741,800	683,928	(5,349,667)	-	7,643
Other (note 13c)	472,879	8,503,622	288,990	(8,892,010)	25,000	398,481
<b>Total restricted revenue funds</b>	<b>597,725</b>	<b>13,641,604</b>	<b>1,002,315</b>	<b>(14,753,437)</b>	<b>25,000</b>	<b>513,207</b>

## Notes to the financial statements for the year ended 31 July 2022

**13b. Statement of funds** (continued)**European Social Funds (ESF) and other European funding**

	At 1 August 2021 £	Received income £	Accrued/ Deferred income £	Funded expenditure £	Transfer from/(to) General Fund £	At 31 July 2022 £
<b>Scotland</b>						
Scottish Refugee Council - EU Asylum, Migration and Integration Fund: Sharing Lives Sharing Languages	4,562	-	-	-	-	4,562
Scottish Refugee Council - EU Asylum, Mitigation & Integration Fund: New Scots Integration- A Pathway to Social and Economic Inclusion	18,294	132,767	679	(120,398)	-	31,342
Aberdeen University - LEADER - Elphinstone Home Project	10,010	-	-	(132)	-	9,878
<b>East Midlands</b>						
ESF Nottingham Trent University	-	-	10,217	(14,544)	-	(4,327)
<b>North West</b>						
ESF 19-21 Community Grants Manchester	(38,963)	2,791,182	343,269	(3,096,913)		(1,425)
ESF 19-21 Community Grants Lancashire	(37,928)	368,888	47,524	(400,218)	-	(21,734)
ESF 19-21 Community Grants Halton	4,613	137,958	-	(143,003)	-	(432)
ESF 19-21 Community Grants Liverpool	(29,006)	1,311,005	282,239	(1,574,459)	-	(10,221)
<b>Total European restricted funds (note 13a)</b>	<b>(68,418)</b>	<b>4,741,800</b>	<b>683,928</b>	<b>(5,349,667)</b>	<b>-</b>	<b>7,643</b>



## Notes to the financial statements for the year ended 31 July 2022

## 13c. Statement of funds (continued)

## Other restricted funds

	At 1 August 2021 £	Received income £	Accrued/ deferred income £	Funded expenditure £	Transfer from General Fund £	At 31 July 2022 £
<b>Association Services</b>						
Olive Cordell	4,142	-	-	-	-	4,142
Pearl Ryall - Restricted Gift	500	-	-	-	-	500
Digital Lifeline Campaign	1,027	(354)	-	-	-	673
SERO Consulting - EDS Champions	-	8,000	-	(8,000)	-	-
Lloyds	-	41,190	-	(31,037)	-	10,153
<b>East Midlands</b>						
Joan Freeman Legacy	2,339	-	-	(2,339)	-	-
Algy Beaven Legacy	1,375	-	-	-	-	1,375
John Rhodes Fund	9,581	-	-	-	-	9,581
Bishop Grosseteste University LinchHigher Raising Aspirations	4,179	-	-	(4,179)	-	-
Nottingham City Council Restart Grant	13,624	-	-	(13,624)	-	-
Leicestershire County Council SHIRE Community Grant Fund	425	3,840	-	(4,265)	-	-
Public Health Northamptonshire - Northants Weight Management	-	9,938	-	(5,483)	-	4,455
Lincolnshire ASFL	-	-	4,674	(4,674)	-	-
ESOL for Intergration	-	24,594	24,594	(49,188)	-	-
LLEP Digital Poverty	-	-	-	(4,481)	-	(4,481)
Derby Adult Learning Service	-	-	12,275	(12,275)	-	-
<b>Eastern</b>						
Lester John Desmond Legacy	1,466	-	-	-	-	1,466
Clarion Housing - Digital Skills	4,528	4,000	-	(8,528)	-	-
East of England Local Government Association (EELGA)	10,051	52,991	-	(31,645)	-	31,397
Cambridgeshire County Council	-	10,234	-	(10,234)	-	-
Cambridgeshire County Council - Cambridgeshire Skills 21-22	-	74,117	-	(74,117)	-	-
Cambridge and Peterborough Combined Authority	-	12,200	-	(12,200)	-	-
<b>London</b>						
Stanley Jones - Ilford Legacy	15,125	-	-	(831)	-	14,294
Margaret Cottier Legacy	3,753	-	-	-	-	3,753
ICELP Together We Learn	37,349	-	-	(4,868)	-	32,481
GLA - National Skills Fund	-	1,416,035	(100,000)	(1,316,035)	-	-
GLA - Adult Education Budget	-	75,000	(25,000)	(50,000)	-	-
GLA - Good Work for All	-	243,604	7,761	(313,785)	-	(62,420)
<b>Balance carried forward</b>	<b>109,464</b>	<b>1,975,389</b>	<b>(75,696)</b>	<b>(1,961,788)</b>	<b>-</b>	<b>47,369</b>

## Notes to the financial statements for the year ended 31 July 2022

## 13c. Statement of funds (continued)

## Other restricted funds (continued)

	At 1 August 2021 £	Received income £	Accrued/ deferred income £	Funded expenditure £	Transfer from General Fund £	At 31 July 2022 £
<b>Balance brought forward</b>	<b>109,464</b>	<b>1,975,389</b>	<b>(75,696)</b>	<b>(1,961,788)</b>	<b>-</b>	<b>47,369</b>
<b>North East</b>						
100 Club	1,830	6	-	-	-	1,836
Tees Valley Combined Authority	-	51,156	-	(51,156)	-	-
North of Tyne Combined Authority	10,000	340,161	-	(350,161)	-	-
Lipman-Miliban Grant - Lipman Trust	1,613	-	-	(1,613)	-	-
North of Tyne Combined Authority (20/21)	-	10,691	-	(10,691)	-	-
<b>North West</b>						
RSC - Any Old Ions	14,871	-	-	88	-	14,959
RAS - Look Up to the Skies	6,737	-	-	(457)	-	6,280
Greater Manchester Combined Authority	-	1,671,568	351,706	(2,023,274)	-	-
GMCA L3 Local	-	36,356	(11,716)	(24,640)	-	-
GMCA L3 National	-	1,961	30,901	(32,862)	-	-
Liverpool City Region Combined Authority Lot 1	-	545,716	114,961	(660,677)	-	-
Liverpool City Region Combined Authority Lot 2	-	50,046	(19,017)	(31,029)	-	-
Liverpool City Region Combined Authority T&L	-	9,772	468	(10,240)	-	-
Liverpool City Region Combined Authority Lot 3	-	-	2,567	(2,567)	-	-
Liverpool NHS Maternity Support Work	-	24,098	(17,041)	(7,057)	-	-
ESIF - CSI	-	18,750	3,750	(22,500)	-	-
BNO Trafford	-	-	19,750	(19,750)	-	-
WRRF Trafford	-	40,500	-	(40,500)	-	-
<b>South West</b>						
West of England Combined Authority	-	322,750	-	(322,750)	-	-
<b>Southern</b>						
Fred Adler Legacy	38,868	-	-	136	-	39,004
Joan Taylor Legacy	812	-	-	-	-	812
K Smith Legacy	21,393	-	-	(518)	-	20,875
Santander	277	-	-	(277)	-	-
West Sussex Council - HKBNO Migration	-	75,000	(41,250)	(10,357)	-	23,393
Southampton CC - Quilt of Hope	-	4,510	-	(4,510)	-	-
Joan Taylor Fund - Reading Branch	-	-	-	(1,071)	10,000	8,929
Nicholas de Yong - Reading Branch	-	-	-	-	15,000	15,000
<b>Balance carried forward</b>	<b>205,865</b>	<b>5,178,430</b>	<b>359,383</b>	<b>(5,590,221)</b>	<b>25,000</b>	<b>178,457</b>

## Notes to the financial statements for the year ended 31 July 2022

**13c. Statement of funds** (continued)**Other restricted funds** (continued)

	At 1 August 2021 £	Received income £	Accrued/ Deferred income £	Funded expenditure £	Transfer from/(to) General Fund £	At 31 July 2022 £
<b>Balance brought forward</b>	<b>205,865</b>	<b>5,178,430</b>	<b>359,383</b>	<b>(5,590,221)</b>	<b>25,000</b>	<b>178,457</b>
<b>West Midlands</b>						
Dudley MBC - Healthy Towns	27,584	38,600	-	(66,184)	-	-
West Midlands Combined Authority	-	835,160	(102,858)	(732,302)	-	-
Recovery College	2,682	686	-	(3,317)	-	51
Dolphin Centre	-	2,000	-	(472)	-	1,528
CRF Wolverhampton	-	3,739	-	(3,739)	-	-
<b>Yorkshire &amp; Humber</b>						
Mike Haywood Fund	869	-	-	-	-	869
Yorkshire Adult Schools Union	8,300	-	-	-	-	8,300
Leeds University	3,000	-	-	8	-	3,008
Sheffield City Council	1,374	1,276	-	(2,650)	-	-
Refugee Council	1,953	1,953	-	(3,906)	-	-
NHS Confidence to study	21,345	-	-	(13,434)	-	7,911
Sport England	15,880	78,596	3,168	(97,644)	-	-
Your Consortium - Action Towards Inclusion	-	19,738	-	(19,738)	-	-
Heritage Fund - Women on the Land	48,750	-	-	(22,897)	-	25,853
Eastfield Employment - Scarborough Borough Council	2,446	6,955	-	(9,401)	-	-
Leeds City Council	-	225	-	(225)	-	-
Sheffield Lakeland Landscape Partnership - Heritage Weekend	-	4,900	-	(4,900)	-	-
Sheffield City Council	-	-	6,151	(6,151)	-	-
Rotherham - Rotherham RF	-	16,995	8,764	(25,759)	-	-
South Yorks MCA - Transition Project	-	210,000	-	(210,000)	-	-
West Yorks MCA	-	1,076,102	1,677	(1,077,779)	-	-
<b>Balance carried forward</b>	<b>340,048</b>	<b>7,475,355</b>	<b>276,285</b>	<b>(7,890,711)</b>	<b>25,000</b>	<b>225,977</b>

## Notes to the financial statements for the year ended 31 July 2022

## 13c. Statement of funds (continued)

## Other restricted funds (continued)

	At 1 August 2021 £	Received income £	Accrued/ Deferred income £	Funded expenditure £	Transfer from/(to) General Fund £	At 31 July 2022 £
<b>Balance brought forward</b>	<b>340,048</b>	<b>7,475,355</b>	<b>276,285</b>	<b>(7,890,711)</b>	<b>25,000</b>	<b>225,977</b>
<b>Scotland</b>						
Scottish Government - Adult Learning and Empowering Communities Fund	-	319,000	(24,170)	(294,830)	-	-
Scottish Government - Adult Learning and Empowering Communities Fund - HQ NTTF	-	92,662	-	(92,662)	-	-
Scottish Government - Impact Funding Partners - PEC Fund - Women in the Highlands Project	14,583	5,168	(7,083)	(12,668)	-	-
Scottish Government - Health and Social Care - Self Directed Support Project 2018-2020	26,499	49,874	(1,330)	(64,201)	-	10,842
Highlife Highland - Open Programme	5,869	-	-	(5,869)	-	-
Edinburgh College - SE Edinburgh ESOL	-	9,600	-	(9,600)	-	-
Dundee City Council - EU Dundee AMIF	-	21,462	-	(16,647)	-	4,815
Edinburgh Council - CBAL	-	13,899	(5,000)	(8,374)	-	525
Falkirk Council - Job Clubs	14,853	22,280	-	(22,280)	-	14,853
North Glasgow Housing Association - Thriving Places - 'Possibilities Project'	119	-	-	-	-	119
Aberdeenshire Council - Adult Education Programme	21,499	9,337	-	(13,629)	-	17,207
Aberdeen City Council - Parenting Project	12,260	-	-	-	-	12,260
Glasgow City Council - Glasgow Communities Fund	-	108,196	12,346	(120,542)	-	-
Reach Out Project - General	7,456	-	-	-	-	7,456
Fife Council - Revenue Grant	-	36,701	(7,340)	(29,361)	-	-
Fife Council - Teaching Grant	17,538	16,489	(3,298)	(4,929)	-	25,800
Aberdeen City Council - Revenue Grant	-	28,125	(5,625)	(22,500)	-	-
Aberdeen City Council - Teaching Grant	3,812	14,100	(2,820)	(9,894)	-	5,198
Highland Council - Syrian Re-settlement Project	-	47,914	6,354	(47,025)	-	7,243
North East Scotland Colleges - ESOL Programme	-	27,213	14,641	(41,854)	-	-
Aberdeenshire Council - Aberdeenshire CBAL	-	12,870	-	(12,870)	-	-
Aberdeen City Council - Afghan ESOL	-	-	5,108	(5,108)	-	-
Aberdeen City Council - Reach Out 22/24	-	78,000	(1,000)	(18,478)	-	58,522
Aberdeenshire Council - Home Office - ESOL Project	5,535	-	-	(1,323)	-	4,212
Glasgow Clyde College	-	12,250	-	(12,250)	-	-
Falkirk Council - Employment & Training Unit	-	12,975	(1,050)	(11,925)	-	-
Foundation Scotland - Response, Recovery, Resilience	-	204	-	(204)	-	-
Scottish Book Trust	-	675	-	(675)	-	-
Scottish Government - Glasgow Life AMIF	-	-	12,676	(9,956)	-	2,720
Glasgow City Council - Glasgow CBAL	-	30,165	-	(30,165)	-	-
Inspiring Scotland - Kilmarnock Garden Project	-	5,930	-	(5,464)	-	466
Scottish Government - PA Network	-	-	20,359	(20,359)	-	-
North Ayrshire Council - ESOL 2020-2022	818	53,178	(63)	(53,933)	-	-
Lipman Miliband Trust	1,990	-	-	(1,724)	-	266
<b>Total other restricted funds (note 13)</b>	<b>472,879</b>	<b>8,503,622</b>	<b>288,990</b>	<b>(8,892,010)</b>	<b>25,000</b>	<b>398,481</b>

## Notes to the financial statements for the year ended 31 July 2022

**13c. Statement of funds** (continued)**Other restricted funds** (continued)

	At 1 August 2021 £	Received income £	Accrued/ Deferred income £	Funded expenditure £	Transfer from/(to) General Fund £	At 31 July 2022 £
<b>Capital Grants</b>						
Greater Manchester Combined Authority	89	-	-	(89)	-	-
Liverpool City Region	13,931	-	-	1,637	-	15,568
Big Lottery Fund - Sheffield Learning Centre	63,316	-	-	(2,785)	1,392	61,923
Big Lottery Fund - Clare House	43,961	-	-	(2,507)	1,253	42,707
Big Lottery Fund - East Midlands Learning Centre	7,447	-	-	(9,646)	2,199	-
<b>Total restricted capital funds (note 13)</b>	<b>128,744</b>	<b>-</b>	<b>-</b>	<b>(13,390)</b>	<b>4,844</b>	<b>120,198</b>

## Notes to the financial statements for the year ended 31 July 2022

**13d. Statement of funds** (continued)**Prior year statement of funds** (continued)**Lottery funded projects** (continued)

	At 1 August 2020 £	Received income £	Accrued/ Deferred income £	Funded expenditure £	Transfer from/(to) General Fund £	At 31 July 2021 £
<b>Eastern</b>						
Big Lottery Fund and ESF Building Better Opportunities Grant - Papworth Community Connections	2,896	12,549	2,579	(14,940)	-	3,084
<b>East Midlands</b>						
Big Lottery Fund and ESF Building Better Opportunities Grant - Vista Will	15,240	58,530	31,447	(105,217)	-	-
Big Lottery Fund and ESF Building Better Opportunities Grant - Money Sorted in D2N2	-	34,995	14,467	(49,462)	-	-
<b>North East</b>						
Big Lottery Fund Grant - Greening Wingrove	835	-	-	(835)	-	-
<b>North West</b>						
Big Lottery Fund and ESF Building Better Opportunities Grant - Sefton Liverpool Digital Inclusion	5,746	16,853	-	(19,715)	-	2,884
Big Lottery Fund and ESF Building Better Opportunities Grant - Halton Liverpool Digital inclusion	10,986	65,534	-	(75,742)	-	778
Big Lottery Fund and ESF Building Better Opportunities Grant - Cumbria, Carlisle & Eden	-	115,040	(54,269)	(16,856)	-	43,915
<b>Southern</b>						
Big Lottery Fund and ESF Building Better Opportunities Grant - Routes Community Works	6,533	40,504	-	(38,770)	-	8,267
Big Lottery Fund and ESF Building Better Opportunities Grant - Aspire - Family Learning Surrey	-	31,965	(3,871)	(28,094)	-	-
Big Lottery Fund and ESF Building Better Opportunities Grant - Building Family Bridges	-	95,820	(53,891)	(45,561)	3,724	92
<b>Yorkshire &amp; Humber</b>						
BLF Men's Health Lounge	927	-	-	-	-	927
<b>Scotland</b>						
Big Lottery Fund - Reach Out Project	99,406	149,618	-	(115,707)	-	133,317
<b>Total lottery fund projects</b>	<b>142,569</b>	<b>621,408</b>	<b>(63,538)</b>	<b>(510,899)</b>	<b>3,724</b>	<b>193,264</b>
Other projects						
ESF (note 13e)	(199,539)	3,972,818	343,082	(4,184,779)	-	(68,418)
Other (note 13f)	596,724	7,774,637	(240,330)	(7,658,152)	-	472,879
<b>Total restricted revenue funds</b>	<b>539,754</b>	<b>12,368,863</b>	<b>39,214</b>	<b>(12,353,830)</b>	<b>3,724</b>	<b>597,725</b>

## Notes to the financial statements for the year ended 31 July 2022

**13e. Statement of funds** (continued)**Prior Year Statement of funds** (continued)**European Social Funds (ESF) and other European funding**

	At 1 August 2020 £	Received income £	Accrued/ Deferred income £	Funded expenditure £	Transfer from/(to) General Fund £	At 31 July 2021 £
<b>Scotland</b>						
Scottish Refugee Council - EU Asylum, Migration and Integration Fund: Sharing Lives Sharing Languages	4,615	-	-	(53)	-	4,562
Scottish Refugee Council - EU Asylum, Mitigation & Integration Fund: New Scots Integration - A Pathway to Social and Economic Inclusion	-	55,711	49,204	(86,621)	-	18,294
Scottish Refugee Council - EU Asylum, Mitigation & Integration Fund - New Scots Integration: Rights & Communities	-	20,856	-	(20,856)	-	-
Aberdeen University - LEADER - Elphinstone Home Project	-	16,830	-	(6,820)	-	10,010
<b>East Midlands</b>						
ESF Nottingham Trent University	-	-	2,113	(2,113)	-	-
<b>North West</b>						
ESF 19-21 Community Grants Manchester	(108,561)	2,470,024	106,439	(2,506,865)	-	(38,963)
ESF 19-21 Community Grants Lancashire	(32,483)	293,762	49,727	(348,934)	-	(37,928)
ESF 19-21 Community Grants Halton	(7,645)	89,502	48,786	(126,030)	-	4,613
ESF 19-21 Community Grants Liverpool	(55,465)	1,026,133	86,813	(1,086,487)	-	(29,006)
<b>Total European restricted funds (note 13d)</b>	<b>(199,539)</b>	<b>3,972,818</b>	<b>343,082</b>	<b>(4,184,779)</b>	<b>-</b>	<b>(68,418)</b>



## Notes to the financial statements for the year ended 31 July 2022

**13f. Statement of funds** (continued)**Prior year statement of funds** (continued)**Other restricted funds**

	At 1 August 2020 £	Received income £	Accrued/ Deferred income £	Funded expenditure £	Transfer from General Fund £	At 31 July 2021 £
<b>Association Services</b>						
Olive Cordell	4,742	-	-	(600)	-	4,142
Restricted Gift	500	-	-	-	-	500
Digital Lifeline Campaign	931	2,037	-	(1,941)	-	1,027
Holox Digital Ace	-	23,500	-	(23,500)	-	-
ETF Ed Tech	-	2,000	-	(2,000)	-	-
Lloyds Banking Group	-	37,810	-	(37,810)	-	-
<b>East Midlands</b>						
Joan Freeman Legacy	2,339	-	-	-	-	2,339
Algy Beaven Legacy	1,375	-	-	-	-	1,375
John Rhodes Fund	9,581	-	-	-	-	9,581
LinHigher - Raising Aspirations	4,179	-	-	-	-	4,179
Bailey Thomas Fund - Lets Grow Together	1,545	-	-	(1,545)	-	-
Leicestershire PCC - Starting Over!	5,365	-	-	(5,365)	-	-
Nottingham City Council ESOL for Integration Fund Project - Learn English Together	-	66,114	-	(66,114)	-	-
Nottingham City Council Restart Grant	-	13,624	-	-	-	13,624
Leicestershire County Council SHIRE Community Grant Fund	-	3,160	-	(2,735)	-	425
<b>Eastern</b>						
Lester John Desmond Legacy	1,466	-	-	-	-	1,466
Clarion Housing	3,788	4,000	-	(3,260)	-	4,528
East of England Local Government Association (EELGA)	-	65,244	-	(55,193)	-	10,051
Cambridgeshire County Council	-	26,200	1,243	(27,443)	-	-
<b>London</b>						
Ilford Legacy	15,125	-	-	-	-	15,125
Cottier Legacy	3,753	-	-	-	-	3,753
ICELP Together We Learn	152,972	-	-	(115,623)	-	37,349
GLA - Skills for Londoners Innovation Fund	24,941	62,628	-	(87,569)	-	-
GLA - Skills for Londoners Covid-19 Response Fund	12,176	(12,176)	-	-	-	-
GLA - Skills for Londoners COVID-19 Response Fund Strand 2	-	24,906	-	(24,906)	-	-
GLA - Adult Education Budget	-	1,343,461	(91,286)	(1,252,175)	-	-
London Borough of Enfield - All Things Being ESOL	-	73,500	-	(73,500)	-	-
London Borough of Tower Hamlets - ESOL for Integration	-	36,182	17,456	(53,638)	-	-
<b>North East</b>						
100 Club	1,824	6	-	-	-	1,830
Comic Relief- Active Ageing	3,574	4,210	-	(7,784)	-	-
Unison Bridges to Learn 9	-	78,428	-	(78,428)	-	-
Carers Trust - Active Ageing	674	-	-	(674)	-	-
Tees Valley Combined Authority	-	360,255	(145,284)	(214,971)	-	-
North of Tyne Combined Authority	-	350,852	-	(340,852)	-	10,000
Lipman-Miliban Grant - Lipman Trust	-	1,950	-	(337)	-	1,613
<b>Balance carried forward</b>	<b>250,850</b>	<b>2,567,891</b>	<b>(217,871)</b>	<b>(2,477,963)</b>	<b>-</b>	<b>122,907</b>

## Notes to the financial statements for the year ended 31 July 2022

**13f. Statement of funds** (continued)**Prior year statement of funds** (continued)**Other restricted funds** (continued)

	At 1 August 2020 £	Received income £	Accrued/ Deferred income £	Funded expenditure £	Transfer from General Fund £	At 31 July 2021 £
<b>Balance brought forward</b>	<b>250,850</b>	<b>2,567,891</b>	<b>(217,871)</b>	<b>(2,477,963)</b>	<b>-</b>	<b>122,907</b>
<b>North West</b>						
RSC - Any Old Ions	14,871	-	-	-	-	14,871
RAS - Look Up to the Skies	8,447	-	-	(1,710)	-	6,737
Wellcome Trust	21,713	38,597	2,881	(63,191)	-	-
Community Foundation- OneCom	1,408	-	-	(1,408)	-	-
Greater Manchester Combined Authority	-	2,018,258	(8,260)	(2,009,998)	-	-
Liverpool City Region Combined Authority Lot 1	-	799,961	(57,297)	(742,664)	-	-
Liverpool City Region Combined Authority Lot 2	-	41,630	11,742	(53,372)	-	-
Liverpool NHS	-	1,500	-	(1,500)	-	-
ESIF - CSI	-	45,000	(23,467)	(21,533)	-	-
<b>South West</b>						
West of England Combined Authority	-	322,751	-	(322,751)	-	-
<b>Southern</b>						
Fred Adler Legacy	57,961	-	-	(19,093)	-	38,868
Joan Taylor Legacy	812	-	-	-	-	812
K Smith Legacy	31,893	-	-	(10,500)	-	21,393
Santander	610	-	-	(333)	-	277
Sport England	9,085	25,233	1,323	(35,641)	-	-
Slough Borough Council - Ways Into Work	-	30,222	(846)	(29,376)	-	-
<b>West Midlands</b>						
Dudley MBC - Healthy Towns	23,148	66,337	-	(61,901)	-	27,584
West Midlands Combined Authority	-	835,160	-	(835,160)	-	-
Recovery College	-	4,863	-	(2,181)	-	2,682
<b>Yorkshire &amp; Humber</b>						
Mike Haywood Fund	869	-	-	-	-	869
Yorkshire Adult Schools Union	8,300	-	-	-	-	8,300
Leeds University	3,047	-	-	(47)	-	3,000
Sheffield City Council	2,366	(1,239)	2,000	(1,753)	-	1,374
Refugee Council	1,015	3,600	-	(2,662)	-	1,953
NHS Confidence to study	23,961	2,587	-	(5,203)	-	21,345
Sport England	2,818	91,805	5,367	(84,110)	-	15,880
Your Consortium - Action Towards Inclusion	-	19,853	2,324	(22,177)	-	-
Heritage Fund - Women on the Land	-	48,750	-	-	-	48,750
Eastfield Employment - Scarborough Borough Council	-	13,510	344	(11,408)	-	2,446
Leeds City Council	-	-	5,445	(5,445)	-	-
<b>Balance carried forward</b>	<b>463,174</b>	<b>6,976,269</b>	<b>(276,315)</b>	<b>(6,823,080)</b>	<b>-</b>	<b>340,048</b>

## Notes to the financial statements for the year ended 31 July 2022

**13f. Statement of funds** (continued)**Prior year statement of funds** (continued)**Other restricted funds** (continued)

Balance brought forward	463,174	6,976,269	(276,315)	(6,823,080)	-	340,048
<b>Scotland</b>						
Scottish Government - Adult Learning and Empowering Communities Fund	-	290,000	-	(290,000)	-	-
Scottish Government - Impact Funding Partners - PEC Fund - Women in the Highlands Project	25,019	51,128	7,083	(68,647)	-	14,583
Scottish Government - Health and Social Care - Self Directed Support Project 2018-2020	17,562	72,155	-	(63,218)	-	26,499
Highlife Highland - Open Programme	12,287	2,500	-	(8,918)	-	5,869
Edinburgh Community Learning & Development Partnership - ESOL Programme	-	9,600	-	(9,600)	-	-
Falkirk Council - Job Clubs	14,853	22,280	-	(22,280)	-	14,853
North Glasgow Housing Association - Thriving Places - 'Possibilities Project'	119	-	-	-	-	119
Aberdeenshire Council - Adult Education Programme	940	31,125	-	(10,566)	-	21,499
Aberdeen City Council - Parenting Project	12,260	-	-	-	-	12,260
Glasgow City Council-Integrated Grant Fund - Adult Literacies and ESOL 2018-2019	18,894	(1,475)	-	(17,419)	-	-
Reach Out Project - General	7,456	-	-	-	-	7,456
Fife Council - Revenue Grant	-	26,914	2,447	(29,361)	-	-
Fife Council - Teaching Grant	10,483	12,092	1,099	(6,136)	-	17,538
Aberdeen City Council - Revenue Grant	-	20,625	1,875	(22,500)	-	-
Aberdeen City Council - Teaching Grant	3,116	10,340	940	(10,584)	-	3,812
Highland Council - Syrian Re-settlement Project	-	54,108	-	(54,108)	-	-
North East Scotland Colleges - National ESOL Programme	-	25,812	10,789	(36,601)	-	-
Aberdeenshire Council - Home Office - ESOL Project	10,561	-	-	(5,026)	-	5,535
Scottish Refugee Council	-	2,500	-	(2,500)	-	-
Glasgow Clyde College	-	12,250	-	(12,250)	-	-
Falkirk Council - Employment & Training Unit	-	4,200	2,050	(6,250)	-	-
Glasgow City Council - Glasgow Communities Fund	-	88,017	5,381	(93,398)	-	-
North Ayrshire Council - ESOL 2020-2022	-	41,833	4,525	(45,540)	-	818
Scottish Refugee Council - Improving Community Resilience	-	5,000	-	(5,000)	-	-
Foundation Scotland - Response, Recovery, Resilience	-	2,875	(204)	(2,671)	-	-
Highland Council - Syrian Resettlement Programme 2021-2023	-	12,499	-	(12,499)	-	-
Lipman Miliband Trust	-	1,990	-	-	-	1,990
<b>Total other restricted funds (note 13d)</b>	<b>596,724</b>	<b>7,774,637</b>	<b>(240,330)</b>	<b>(7,658,152)</b>	<b>-</b>	<b>472,879</b>
<b>Capital Grants</b>						
ESFA Capital Grant	-	957,932	-	(426,064)	(531,868)	-
Greater Manchester Combined Authority	-	50,000	-	(49,911)	-	89
Liverpool City Region	-	40,000	-	(26,069)	-	13,931
Big Lottery Fund - Sheffield Learning Centre	65,000	-	-	(3,368)	1,684	63,316
Big Lottery Fund - Clare House	46,266	-	-	(4,611)	2,306	43,961
Big Lottery Fund - East Midlands Learning Centre	13,050	-	-	(11,204)	5,601	7,447
<b>Total restricted capital funds (note 13)</b>	<b>124,316</b>	<b>1,047,932</b>	<b>-</b>	<b>(521,227)</b>	<b>(522,277)</b>	<b>128,744</b>

## Notes to the financial statements for the year ended 31 July 2022

**14. Reconciliation of change in resources to net cash inflows from operating activities**

	2021/22 £'000	2020/21 £'000
Net incoming resources	827	4,854
Loss on disposal of fixed assets	40	118
Depreciation	487	554
Other finance charges	650	538
(Increase)/decrease in debtors	(241)	(298)
Increase/(decrease) in creditors and provisions	17	(603)
Interest received	(13)	(4)
Other finance income	(699)	(548)
Non cash movements in respect of FRS 102 s.28	(384)	(346)
<b>Net cash inflow from operating activities</b>	<b>684</b>	<b>4,265</b>

**15. Return on investments and servicing of finance**

	2021/22 £'000	2020/21 £'000
Income from investments and interest receivable	13	4
<b>Net cash inflow for return on investments and servicing of finance</b>	<b>13</b>	<b>4</b>

**16. Analysis of change in net funds**

	At 1 August 2021 £'000	Cash flow £'000	At 31 July 2022 £'000
<b>Net cash</b>			
Short term deposits	2,593	9	2,602
Bank and cash	7,439	225	7,664
<b>Total net funds</b>	<b>10,032</b>	<b>234</b>	<b>10,266</b>

**17. Trustees' expenses and remuneration**

The Trustees neither received nor waived any emoluments during the year.

	2021/22 £'000	2020/21 £'000
<b>Trustees' expenses</b>		
Trustee travel	1	-

The number of trustees reimbursed out of pocket travel and subsistence expenses was 2 (2020/21:0).

During 2020/21 all governance meetings were held via Zoom.

The Trustees hold indemnity insurance. During the year, the Association spent £2,423 (2020/21: £2,423), to purchase this indemnity insurance policy.

## Notes to the financial statements for the year ended 31 July 2022

### 18. Pension schemes

At 31 July 2022 the pension schemes operated by the Association are the Teachers' Pensions scheme (TPS), the Scottish Public Pension Agency scheme (SPPA) and The People's Pension. Staff are auto-enrolled into these schemes based on job roles and eligibility. The WEA pension scheme closed to new accruals at 31 August 2019. The existing scheme funds continue to be managed by The Pensions Trust (TPT) who act as trustee and administrator. Contributors were transferred to the People's Pension scheme. The WEA also left the Now: Pension scheme at 31 August 2019 and contributors were transferred to the Peoples' Pension scheme. During the year all those who met the required criteria and had previously opted out of a pension scheme were re-enrolled in the relevant scheme under the rules of the Government's auto-enrolment scheme.

**The TP and SPPA schemes** are unfunded multi-employer defined benefit schemes for teaching staff.

The pension charge for the year includes contributions payable to the TPS of £1,112,823 (2020/21 £1,105,303) and at the year-end £105,799 (2020/21 £104,928) was accrued in respect of contributions to this scheme.

The TPS is an unfunded multi-employer defined benefits pension scheme governed by The Teachers' Pensions Regulations 2010 (as amended) and The Teachers' Pension Scheme Regulations 2014 (as amended). Members contribute on a "pay as you go" basis with contributions from members and the employer being credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

The employer contribution rate is set by the Secretary of State following scheme valuations undertaken by the Government Actuary's Department. The most recent actuarial valuation of the TPS was prepared as at 31 March 2016 and the Valuation Report, which was published in March 2019, confirmed that the employer contribution rate for the TPS would increase from 16.4% to 23.6% from 1 September 2019. Employers are also required to pay a scheme administration levy of 0.08% giving a total employer contribution rate of 23.68%.

The 31 March 2016 Valuation Report was prepared in accordance with the benefits set out in the scheme regulations and under the approach specified in the Directions, as they applied at 5 March 2019. However, the assumptions were considered and set by the Department for Education prior to the ruling in the 'McCloud/Sargeant case'. This case has required the courts to consider cases regarding the implementation of the 2015 reforms to Public Service Pensions including the Teachers' Pensions.

On 27 June 2019 the Supreme Court denied the government permission to appeal the Court of Appeal's judgment that transitional provisions introduced to the reformed pension schemes in 2015 gave rise to unlawful age discrimination. The government is respecting the Court's decision and has said it will engage fully with the Employment Tribunal as well as employer and member representatives to agree how the discriminations will be remedied. The government announced on 4 February 2021 that it intends to proceed with a deferred choice underpin under which members will be able to choose either legacy or reformed scheme benefits in respect of their service during the period between 1 April 2015 and 31 March 2022 at the point they become payable.

The TPS is subject to a cost cap mechanism which was put in place to protect taxpayers against unforeseen changes in scheme costs. The Chief Secretary to the Treasury, having in 2018 announced that there would be a review of this cost cap mechanism, in January 2019 announced a pause to the cost cap mechanism following the Court of Appeal's ruling in the McCloud/Sargeant case and until there is certainty about the value of pensions to employees from April 2015 onwards. The pause was lifted in July 2020 and a consultation was launched on 24 June on proposed changes to the cost control mechanism following a review by the Government Actuary. Following a public consultation the Government have accepted 3 proposals recommended by the Government Actuary, and are aiming to implement these changes for the 2020 valuations.

The 2016 cost control valuations have since been completed in 2022 and the result indicated that there would be no changes to benefits or member contributions required. The results of the cost cap valuation are not used to set the employer contribution rate and HM Treasury has confirmed that any changes to the employer contribution rate resulting from the 2020 valuations will take effect in April 2024.

Until the 2020 valuation is completed it is not possible to conclude on any financial impact or future changes to the contribution rates of TPS. Accordingly, no provision for any additional past service pension costs is included in these financial statements.

The pension charge for the year includes contributions payable to the SPPA of £57,108 (2020/21: £48,285) and at the year-end £5,691 (2020/21: £4,206) was accrued in respect of contributions to this scheme.

The employer SPPA contribution rate was 17.20% until September 2019 and then rose to 23.00%. This is a single level contribution and not tiered the same way as employee contributions which attract rates of between 7.2% and 11.9%.

**The People's Pension scheme** is a defined contribution pension. The lowest permitted employee contributions are 3.5% with the employer contributing 4.5%. This meets the new Government requirements of a workplace pension scheme with minimum contributions of 8% with an employer funding at least 3%. Employees can still choose to make higher contributions but the employer contribution remains at 4.5%.

**The WEA Scheme** closed to accrual in August 2019. Although there is no pension liability under FRS 102 s.28 on the balance sheet using the technical provision actuarial valuation there is a deficit in the scheme at 30 September 2020 of £3,646,000. To meet this shortfall WEA have agreed to pay £380,000 per annum increasing at 3% per annum from 1 December 2021 to 30 November 2025.

The principal assumptions used by the actuary in accordance with FRS 102 s.28 are shown on page 68. The Trustees have relied upon advice from the Pensions Trust in determining the financial assumptions.

## Notes to the financial statements for the year ended 31 July 2022

## 18. Pension schemes (continued)

	2021/22	2020/21
Discount rate	3.48%	1.65%
Inflation (RPI)	3.20%	3.25%
Inflation (CPI)	2.84%	2.85%
Deferred Revaluation: RPI max 5%	3.20%	3.25%
Deferred Revaluation: RPI max 2.5%	2.50%	2.50%
Deferred Revaluation: CPI max 2.5%	2.50%	2.50%
Salary Increases	3% in year, 2% thereafter	1% in year, 2% thereafter
Allowance for pension in payment increases of CPI, max 5% p.a.	2.78%	2.80%
Allowance for pension in payment increases of CPI, max 3% p.a.	1.98%	2.00%
Allowance for pension in payment increases of CPI, max 2.5% p.a.	2.24%	2.25%
Allowance for commutation of pension for cash at retirement using notional commutation factors	75% of maximum	75% of maximum

The mortality assumptions adopted at 31 July 2020 (2019) imply the following life expectancies (in years):

Male retiring at age 65 in 2022 (2021)	21.8	21.7
Female retiring at age 65 in 2022 (2021)	24.2	24.1
Male retiring at age 65 in 2042 (2041)	23.4	23.3
Female retiring at age 65 in 2042 (2041)	25.7	25.6

## a) Fair value

	2021/22 £'000	2020/21 £'000
Present value of scheme liabilities	(31,964)	(39,935)
Fair value of scheme assets	34,606	42,733
Effect of asset ceiling	(2,642)	(2,798)
<b>Surplus</b>	-	-
<b>Amounts in the balance sheet</b>		
Liabilities	-	-
Assets	-	-
<b>Net liability to be recognised</b>	-	-

## b) Change in liabilities during the period

	2021/22 £'000	2020/21 £'000
Opening scheme liabilities	39,935	40,484
Current service cost	-	-
Interest cost	650	538
Contributions by employees	-	-
Loss due to benefit changes	-	5
Actuarial loss	(7,491)	128
Benefits paid	(1,130)	(1,220)
<b>Closing liabilities</b>	<b>31,964</b>	<b>39,935</b>



## Notes to the financial statements for the year ended 31 July 2022

## 18. Pension schemes (continued)

## c) Change in assets during the period

	2021/22 £'000	2020/21 £'000
Opening fair value of the scheme assets	42,733	41,008
Interest income	699	548
Expenses	(101)	(112)
Return on assets excluding interest income	(8,080)	2,046
Contributions by employer	485	463
Benefits paid	(1,130)	(1,220)
<b>Closing assets</b>	<b>34,606</b>	<b>42,733</b>

## d) Analysis of amount charged to the income statement

	2021/22 £'000	2020/21 £'000
Expenses	101	112
Past service cost	-	5
<b>Total amount recognised in the income statement</b>	<b>101</b>	<b>117</b>

## e) Statement of other comprehensive income

	2021/22 £'000	2020/21 £'000
Return on assets excluding interest income	(8,080)	2,046
Experience (losses)/ gains on liabilities	(2,140)	98
Gain/ (Loss) for change of assumptions	9,631	(226)
Effect of change in non-recoverable surplus	205	(2,264)
<b>Net cumulative actuarial loss</b>	<b>(384)</b>	<b>(346)</b>

The loss for change in assumptions is further analysed below:

(Loss)/Gain from change of demographic assumptions	(913)	847
Gain/(Loss) from change of financial assumptions	10,544	(1,073)
	<b>9,631</b>	<b>(226)</b>

## Amount recognised in the SOFA

Amount recognised in the SOFA to bring the pension surplus to nil	<b>(433)</b>	<b>(356)</b>
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## Notes to the financial statements for the year ended 31 July 2022

## 18. Pension schemes (continued)

## f) Fair value of assets

	Value at 31 July 2022 £'000	Proportion	Value at 31 July 2021 £'000	Proportion
Equity type assets	3,397	9.8%	4,823	11.3%
Bonds	16,843	48.7%	22,739	53.2%
Property	3,007	8.7%	2,888	6.8%
Other	11,359	32.8%	12,283	28.7%
<b>Total value of assets</b>	<b>34,606</b>	<b>100.0%</b>	<b>42,733</b>	<b>100.0%</b>

## h) Amounts for the current and previous periods are as follows:

	2021/22 £'000	2020/21 £'000	2019/20 £'000	2018/19 £'000	2017/18 £'000
Present value of scheme liabilities	(31,964)	(39,935)	(40,484)	(35,089)	(33,804)
Scheme Assets	31,964 *	39,935 *	40,484 *	37,911	33,698
<b>Surplus(deficit)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,822</b>	<b>(106)</b>

\* adjusted for asset ceiling, £2,642,000 (2020/21 £ 2,798,000, 2019/20 £524,000) to bring surplus to zero.

<b>Experience adjustments on scheme liabilities</b>	<b>(2,140)</b>	<b>98</b>	<b>199</b>	<b>92</b>	<b>(630)</b>
Percentage of the present value of scheme liabilities	6.7%	-0.2%	-0.5%	-0.3%	1.9%
<b>Experience adjustments on scheme assets</b>	<b>(8,080)</b>	<b>2,046</b>	<b>2,869</b>	<b>3,711</b>	<b>1,218</b>
Percentage of the fair value of scheme assets	-25.3%	-4.5%	7.1%	9.8%	3.6%

## i) Additional information for The Pensions Trust - WEA Pension Scheme

The scheme is a defined benefit (final salary) funded pension scheme. The scheme was closed to further contributions at 31 August 2019. At the time all contributors were transferred to the People's Pension.

The scheme assets do not include investments issued by the sponsoring employer, nor any property occupied by the sponsoring employer.

The overall expected rate of return on the scheme assets has been based on the average expected return for each asset class, weighted by the amount of asset in each class.

The scheme holds Contingent Assets in the form of a security in favour of the Trustee over the office property situated at 4 Luke Street, London, EC2A 4XW which was valued at £3,500,000 in March 2022, in respect of all sums which are, or may become due and payable by the sponsoring employer to the Scheme. At 31st July 2022 the charge is capped at £2,500,000.

The scheme holds quoted securities and these have been valued at bid-price.

## Notes to the financial statements for the year ended 31 July 2022

### 19. Investment income

	2021/22 £'000	2020/21 £'000
Interest on cash deposits	13	4
Interest on pension scheme assets	699	548
	<b>712</b>	<b>552</b>

### 20. Investments in subsidiaries

At 31st July 2022 the Association owned the entire issued share capital of 1 ordinary share (2020/21: 1 share) of WEA Trading Ltd. At 31st July 2022 the aggregate of share capital and reserves of WEA Enterprises Limited was £1 (2020/21: £1).

The company has not traded during the period and has nil assets at 2021/22 (2020/21: nil). Consolidated accounts have not been prepared given that the results of the company and its aggregate reserves and capital are immaterial in the opinion of the trustees.

### 21. Related party transactions

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

During the year there were related party transactions of £23,314 (2020/21: £5,486).

Odgers Berndtson have charged the Association £23,314 in 2021/22 which is part payment of a contract to recruit a Finance Director.

Narinder Uppal, a WEA trustee, is an employee of a company within the Odgers financial group.

Transactions with ESFA are detailed in notes 2 and 2a.

### 22. Provisions

	2021/22 £'000	2021/22 £'000
<b>Leased property dilapidation</b>	<b>£'000</b>	<b>£'000</b>
<b>At 1 August</b>	<b>472</b>	<b>582</b>
Provisions charged	12	-
Provisions released	(62)	(110)
<b>At 31 July</b>	<b>422</b>	<b>472</b>

Provisions are made when a legal or constructive obligation is identified, and the liability can be reasonably quantified. These provisions are reviewed annually as at the year end date and are adjusted to reflect the latest best estimate of the present obligation concerned. These adjustments are reflected in the statement of financial activities for the year.

### 23. Post balance sheet events

On 29 November 2022 WEA was notified by the Department for Education that it would be classed by the Office for National Statistics as a public sector body along with colleges.

The WEA  
4 Luke Street  
London  
EC2A 4XW

 @WEAadulted  
 weaadulteducation



Education & Skills  
Funding Agency



European Union  
European Social Fund



INVESTORS  
IN PEOPLE

The WEA is a charity registered in England and Wales (no. 1112775)  
and in Scotland (no. SC039239).