

WEA Trustees' Annual Report and Accounts

Transforming lives through adult learning

Year ended 31 July 2018



WEA

**Adult Learning
Within Reach**

Workers' Educational Association

In charge of my destiny

Seinab fled the civil war in Somalia to start a new life in the UK. But without English language skills, she struggled with daily life until she was able to return to learning with the WEA.

"I was well educated in Somalia and had dreamed of becoming a doctor but the civil war got in the way and we relocated to a whole new world.

When I moved to this country, I felt like a child learning to crawl again. I couldn't understand the language and felt lost. I wanted to help my children but didn't have the resources. I felt like I had handed someone the keys to my life.

The courses have helped my relationship with my children – more than just homework. They see me learning and being a good student. We communicate better and we all gain new skills. I've become a more solid person.

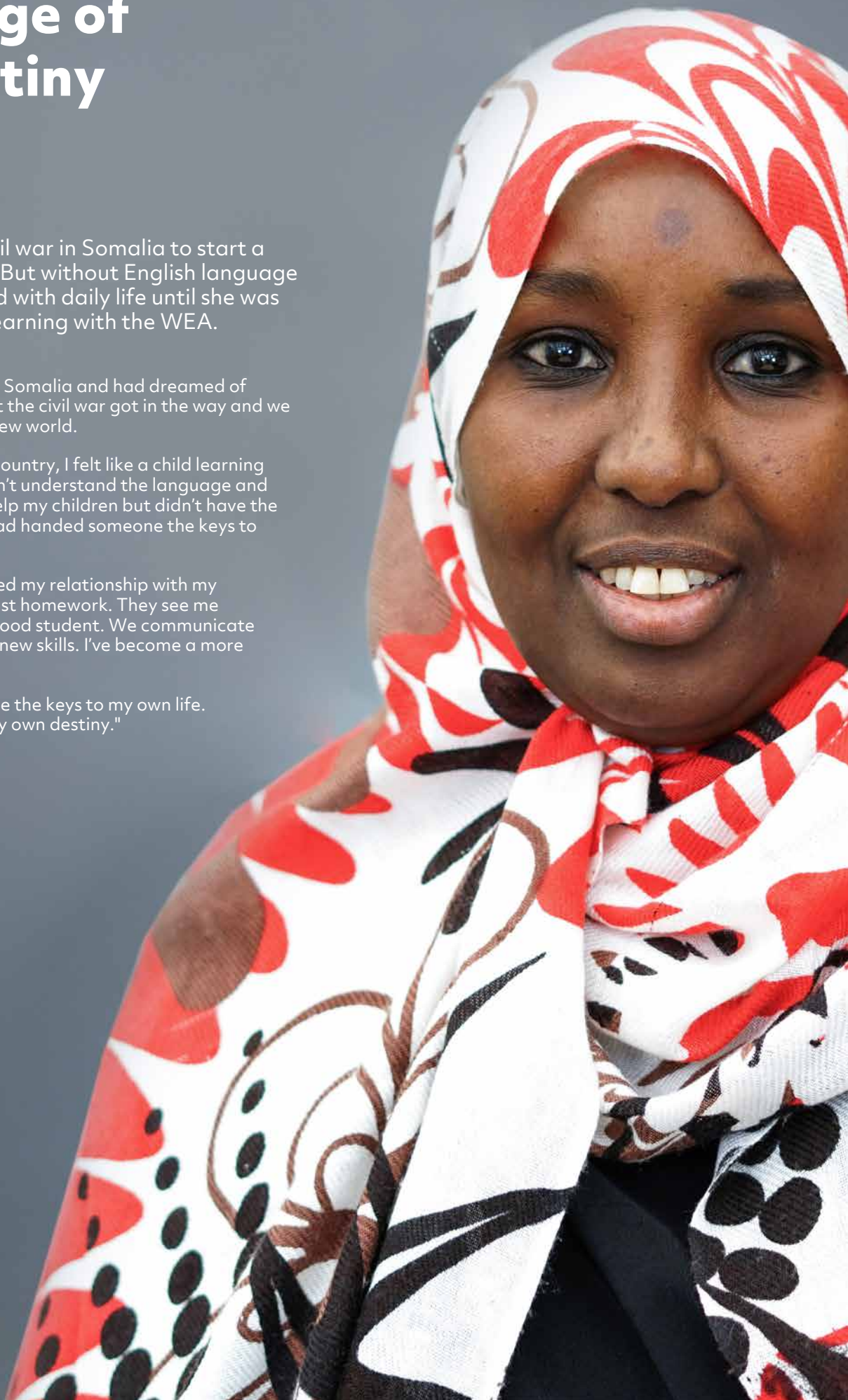
Education has given me the keys to my own life. I'm now in charge of my own destiny."

Seinab

WEA student



**Education has
given me the
keys to my
own life**



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The Workers' Educational Association (WEA) is a company limited by guarantee in England and Wales (Number: 2806910) and a registered Charity in England and Wales (Number: 1112775) and in Scotland (Number: SC039239)

Registered Office:
4 Luke Street, London, EC2A 4XW

Introduction

Another year of challenge, opportunity and change

The past year, perhaps more than any other in recent times, has been one of great political, social and economic upheaval, with the conflicting issues surrounding Brexit increasingly dominating the headlines. We understand that the political decision to leave the European Union will bring about great changes in the near future, but what may be less well known are the more imminent changes that will impact the further education sector - not because of Brexit but because of the increasing number of educational policy initiatives and reviews currently in progress. This includes: a review of post 2018/19 funding; the setting up of a number of life long learning commissions and investigations; and radical reforms across our sector.

One particular reform soon to impact the WEA concerns the devolution of significant amounts of funding from the national Adult Education Budget (AEB) to a number of Mayoral Combined Authorities (MCAs) across England. We are actively involved in separate negotiations with each MCA to ensure our curriculum and educational offer is closely aligned with their individual local priorities in order to win a share of this funding. Influencing the decision makers, continuing to deliver business as usual and implementing our own internal reforms have presented us all with a series of operational, governance and management challenges.

Here at the WEA, we understand that change not only brings challenges but also creates

opportunities. Since it was founded in 1903 the WEA has always embraced change – which is why 115 years later, we continue to thrive as a relevant, learning organisation dedicated to changing people's lives for the better. But don't just take our word for it. This year we were inspected by OFSTED (the Office for Standards in Education, Children's Services and Skills) and achieved an official 'Good' rating; we also achieved a good financial health rating from our main funder, and made significant improvements to our systems and processes resulting in better student recruitment and the achievement of the Investors in People (IIP) award. You will also find personal case studies throughout this report that our learners have given us permission to publish about how learning with the WEA has positively impacted their lives.

There have been a number of highlights over this past year. Since last November, we have been building on our 'Good' OFSTED rating following our inspection for our provision in England, which validated our own assessment of the process improvements we have made and our approach to teaching and learning. But it also gave us some important learning points for the future. In particular, the need to keep focused on the learning experience and progression for our students and to improve further our consistency and compliance across not only England but also across our provision in Scotland.

During the year, we looked again at how we could improve and widen access to our courses, by offering more and different types of provision such as day schools and taster courses. As a result, both students and tutors have benefitted from extending our opening hours in the Leeds Support Centre to include evenings and Saturdays. Challenges such as these reinforce the values of the WEA to be open and accessible but also enables us to reach new students in ever-more flexible ways that they clearly prefer and increasingly demand. We have also invested much thought and time in developing pathways that lead to progression and accreditation for our students.

The WEA has always been an organisation deeply involved in the business of supporting our students through learning; so it is right that we should also give that same commitment to our dedicated staff, tutors and volunteers. Through our commitment to IIP and through day to day sharing of best practices we have supported and developed over 300 tutors via training and continuing professional development - delivered face to face via video conferencing. We plan to make ever more use of technology in our business, and thanks to all the hard work in 2017/18 we are now able to utilise an effective virtual learning environment facility for tutors and staff. Leadership webinars, workshops and regular dialogue between functions and regions, enables our managers to deliver better results across the WEA.

Inspiring people through teaching and learning is what the WEA is for. The transformative power of thoughtfully delivered, high quality learning and the positive impact it can have on all our lives is evidenced by the case studies you'll find in the following pages. Celebrating our learners' successes is another important activity as it validates their achievements and spurs them and others to even greater ambitions. So we were delighted to host another successful WEA Awards event in 2017 to celebrate the hard work and brilliant efforts of our students, volunteers, members, tutors and our staff. Now a regular yearly event in the WEA calendar, the events have revealed the stories of our people who are truly inspirational.

But we also took the time over the past year to host regular events designed to inspire, include, motivate and develop the skills of our staff, tutors, volunteers and members. For example the WEA:

- ▶ hosted a remarkable Conference in May, delivered across three hub venues in London, Salford and Edinburgh with a key note speech from Karl Wilding of National Council for Voluntary Organisations (NCVO) and thought provoking workshops with the National Trust for Scotland, the Canal and River Trust and the Imperial War Museum all designed to discuss with and listen to delegates on how our members can create and maximise social impact
- ▶ carried the motion to implement one member one vote at our Conference which marked an exciting point in our history and heritage
- ▶ made important progress with our current membership scheme including the relaunch of the much loved Highway Magazine for our members. We have committed to build and develop our offer in 2018/19 and beyond
- ▶ held our Annual Lecture, hosted by our partners at the Royal Society for the Encouragement of Arts, Manufactures and Commerce (RSA) and delivered by Chief Executive Matthew Taylor to a packed room. This focused on the challenge of raising the profile and impact of adult learning and the importance of recognising its value in today's society
- ▶ continued to publicise our annual impact study and to participate in high profile media launches and events, both through the All Party Parliamentary Group (APPG) and in partner forums
- ▶ consulted a wide cross section of staff, tutors, students, volunteers, members and supporters about the future direction of the WEA. Based on the feedback, a new strategy to take us to 2025 is being rolled out this autumn. We want to be the best educational provider for returners to learning

Our governance

As a dynamic organisation, one of the ways in which the WEA keeps pace with change is by ensuring its governance arrangements are refreshed to reflect contemporary trends, government policies and issues. It does this by a rolling cycle of new Trustee recruitment to bring fresh skills, experience, insights and profile to the Association. This year we've seen a number of changes to our Trustee Board - our former Chair Trevor Phillips OBE, Colin Hughes and Hugh Humphrey stepped down and we welcomed WEA Council Nominee Robin Cook, Deputy President Marc Sherland and our new Chair John Widdowson CBE. Our refreshed Board of Trustees will keep us alert and focused on the challenges and opportunities that lie ahead, keeping our vision, mission and values secure and relevant as we prepare to enter the post-Brexit world.

Our purpose, our culture and the year ahead

Finally, it goes without saying that our students are at the heart of everything we do but to help our students we need (and will continue to invest in) a pipeline of committed, compassionate and skilled staff, tutors and volunteers. Without their support and dedication, the WEA would not be the democratic and inclusive organisation it is today – and our success (and the successes of our students) this year can be attributed to their hard work, endurance and support. They embody our purpose and our culture every day – continuing to build and improve our strong track record of the past 115 years whereby the WEA has, through the power of learning, given the chance of a better life to hundreds and thousands of individuals.

We therefore implore all of our supporters in the corridors of power, in community centres, in libraries, in our village halls, in fact everywhere the WEA reaches, to continue to speak up for adult education and to speak out for the WEA.

We are and continue to be a unique learning organisation - our leadership, our national presence and our voice in both England and Scotland, our local intelligence and our tailored, inclusive educational offer have made a significant and measurable difference. We stand ready to meet the new challenges and opportunities ahead helping our learners to do the same.



Ruth Spellman OBE
Chief Executive and
General Secretary



John Widdowson CBE
Chair

Our vision, mission and values

The WEA has been providing high-quality educational opportunities to communities since 1903. Today, our vision, mission and values inform everything we do.

Vision

A better world - equal, democratic and just; through adult education the WEA challenges and inspires individuals, communities and society

Values

- ▶ Democratic
- ▶ Equal
- ▶ Inclusive
- ▶ Accessible
- ▶ Open

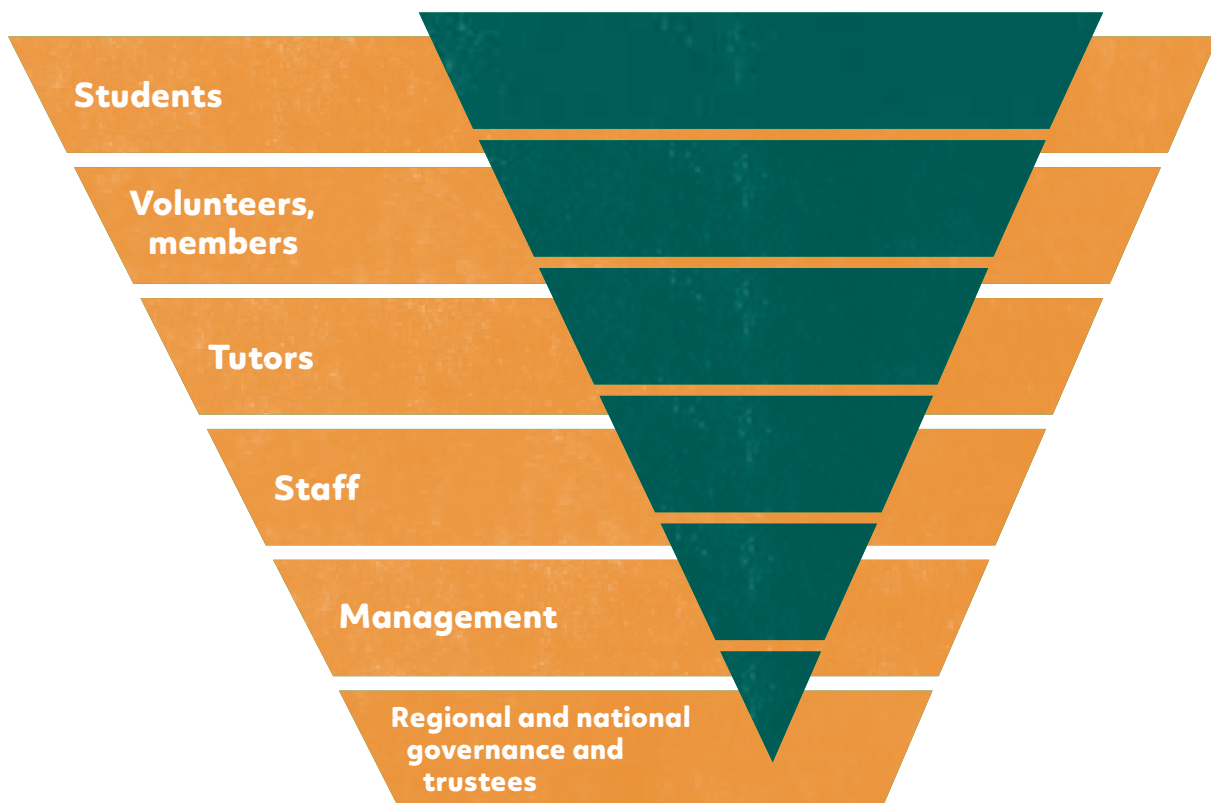
Mission

- ▶ Raising educational aspirations
- ▶ Bringing great teaching and learning to local communities
- ▶ Ensuring there is always an opportunity for adults to return to learning
- ▶ Developing educational opportunities for the most disadvantaged
- ▶ Involving students and supporters as members to build an education movement for social purpose
- ▶ Inspiring students, teachers and members to become active citizens

Strategic approach



The WEA is committed to adult education for social purpose and to achieve social justice



Our approach is to focus on the quality of the education we provide, building a more sustainable organisation and continuing to raise the profile of the WEA and the students that we serve. We deliver our mission by developing partnerships to meet individual and collective needs, using active learning and a student centred approach in which teachers and students work as equals. We constantly strive to adapt our services to meet people's needs, making full use of technology.

We are the WEA: our volunteers and members

The WEA continues to thrive because we value and honour the skills, enthusiasm and endless hours of time so freely given by our volunteers in organising local courses where no other provision exists to meet the identified needs. We also know that many of our courses would not be viable without their valuable and determined inputs and wider contributions.

For over a hundred years, since our foundation in 1903, the WEA has seen the involvement of volunteers, members and learners, not just as an extra, but as integral to our philosophy and ethos. This involves both decision-making and the organising of courses at all levels of our structure. We have been proud to continue this involvement during the past year.

The wide range of roles played by volunteers from governance at all levels through to classroom support is a key part of what distinguishes the WEA from other adult education providers. They play a crucial and enduring role in achieving the objectives of the Association. In short, the contribution of volunteers at the WEA makes our adult education work truly unique and enables us not only to reach but also to be a dynamic and relevant part of the communities we serve.

Many of the WEA's volunteers may be retired or not in paid employment, and are drawn primarily from the Association's membership. Whatever and wherever they contribute, we can never under-estimate their passion and enthusiasm for our vision, mission and values.

We need to invest and support our volunteers now. Like many other organisations, in a rapidly changing environment, we're acutely aware of the need to invest and constantly reinvest in our volunteer base – not just to support them in their valuable work by listening to and meeting where possible their identified training needs and requests, but also to create a pipeline for future volunteers – which is a key part of our succession planning strategy. In this way we can proactively develop our volunteer roles so that we can attract individuals from all backgrounds, and extend our reach and relevance still further.

The significant contribution of volunteers to the work of the WEA has consistently been identified as one of our key strengths, both internally and in our external assessments.

For our members, a key part of our governing structure, 2017/18 has also been an exciting year as it has seen the launch of the members' Highway Magazine, and the delivery of our first full annual multi-venue Conference. Having launched our new membership scheme in 2016/17, this year has seen a focus on steadily growing the membership numbers. The WEA acknowledges the need to engage those who support its vision, mission and values in developing the work of the existing programme and also enabling innovative new approaches in education and in the structural frameworks which facilitate the operations of a democratic movement committed to education for social justice.

2017/18 for WEA in highlights

We have delivered two research projects this year which have demonstrated the impact of adult education on mental health. The first was the 3 year Aspire project in the West Midlands region - where adult education was used to improve the wellbeing of those with mild to moderate mental health conditions. Impacts included:

- ▶ a fall in the average number of GP visits made by students
- ▶ 27% have either stopped or considerably reduced their use of mental health services; of the students on medication, 16% have stopped taking medication as a result

And in the East Midlands, the WEA community learning mental health research project pilot found that 37% of learners who took part in the WEA project and who started their course with clinically significant symptoms of anxiety and/or depression no longer had clinically significant symptoms at the end of their course.

Our ESFA funded courses in the Schools and Parenting Pathway have been delivered successfully across a number of localities including in Enfield, where 9 new schools became involved in a partnership delivering a range of courses including mentoring and getting ready for English for Speakers of Other Languages (ESOL).

The Linguacuisine project in the North East launched its mobile app which introduces recipes and helps students learn a language whilst cooking a meal. Linguacuisine has a range of recipes available for language learning from around the world, including English, Greek, Italian, French, Spanish, German, Quecha, Chinese and Korean.

The Get Socially Active Building Better Opportunities project in the Southern region supported 18 active participants, who face multiple barriers, to become work ready. "New Beginnings" community groups are being set up which aim to reduce social isolation, offer training and signposting as well as being job clubs.

We continue to support the resettlement of Syrian and Afghan families and refugees in Scotland through the delivery of ESOL provision and community based integration activities. This has been achieved through working with our partners, the Scottish Refugee Council and the Asylum Migration and Integration Fund.

In Scotland we are continuing to promote active citizenship and community engagement through our political literacies work, Conscientious Objectors project and combatting isolation caused by geography project through our Women in the Highlands initiative.

In Aberdeen, through the WEA's well established 'Reach Out' Programme, we continue to provide a safety net and accessible education to those most challenged by adverse economic or life chances.

We were awarded Living Wage employer status this year, a key achievement for us as we continue to invest in our staff.

We have extended opening hours on weekday evenings and Saturday mornings at the WEA Support Centre and through our improved online capabilities we are able to support our students and provide them with greater access to our courses.

WEA Educational Impact Awards 2018

The awards ceremony for the WEA Educational Impact Awards took place on 22 November at KPMG. It was a fantastic evening celebrating the incredible winners. Now in their sixth year, the awards celebrate students, tutors, volunteers, partners and staff – who have transformed their own lives and the lives of those around them through lifelong learning.

In addition to celebrating the winners, English screenwriter and producer, Jimmy McGovern and Former Chief Executive of Mitie Group, Baroness Ruby McGregor-Smith CBE were made fellows of the WEA.

The WEA Awards gives us the chance to say thank you to all our students, tutors, volunteers, members, staff, ambassadors and partners. Around 50,000 students study with us every year, and we're so proud of the positive change we bring across England and Scotland. Whether you are in low-paid jobs or whether you want to refresh your skills, or learn something new – the WEA is here for you, whoever you are.

Congratulations to all the winners. The awards are a fantastic opportunity for us to collate incredible stories and share the positive impact of the WEA. You can view the full list of winners, together with featured press coverage and a copy of the awards brochure on the WEA's website.



Building strong inner confidence

Carol is a stay-at-home mum with two children in primary school. Adult education has changed her outlook on life after family life became all-consuming.

"I look forward to lessons each week – they are my time. The courses have really expanded my knowledge, offered greater opportunities to further my education and kept me up to date with the real world – invaluable when I decide to return to paid work. I have developed really strong friendships with other parents and carers whom I'd previously only nodded to in the playground but never really had the time to get to know. They give me inner strength and confidence to deal with situations I would previously not have been able to tackle. I now have a strong support network.

My relationship with my children has greatly improved and using newly developed skills allowed me to deepen our relationship. They both look forward to our evening chats where I give them the space to talk – about anything!

On the practical side, the courses are manageable and affordable. They are during school hours and term time, which fits into my busy family life schedule. They have given me another chance in education and allowed me to explore and expand an interest in new topics. If you can muster up the courage to attend the first taster class, I can guarantee you will enjoy!"

Carol

WEA student



The courses have kept me up to date with the real world - invaluable when I decide to return to work



Objectives and achievements

2017/18 at a glance

WEA education changes lives and enables students to open doors they were not even aware existed. But as well as opening doors into work and into further learning, our students report other benefits including how learning with the WEA gives them greater confidence and self-esteem. Our focus in the coming year is to continue to improve the ways in which we support our students, to improve and widen access to our courses and to understand and better evidence the different impacts learning with the WEA has on them. We will do this across each of our four themes of employability, health and wellbeing, community engagement and culture.

The social, economic and political context in which we are and undoubtedly will continue to be working is the most challenging for our adults learners.

For example:

- ▶ 1 in 7 adults in England lack basic literacy skills, and 1 in 4 of adults in Scotland experience challenges due to their lack of literacy skills¹
- ▶ There are 4.3 million people (8%) in the UK with zero Basic Digital Skills²
- ▶ Advances in technology and the changing nature of work suggest that an estimated 10-35% of UK jobs are at high risk of replacement in the next 20 years and an ageing population is increasing the need for adults to reskill throughout their extended working lives³
- ▶ By 2020 another 13 million jobs need to be filled but only 7.5 million new adults are predicted to enter the UK labour market
- ▶ There is a huge productivity gap facing the UK (a 16% gap compared with the rest of the G7 group)⁴

- ▶ Public policy in both England and Scotland is focused on the educational needs of young people. What funding there is for adults is largely channelled into apprenticeships
- ▶ Increased expectations of students for access to ever more flexible ways of delivering learning to fit in with their competing commitment lifestyles and schedules

The WEA understands the scale of these challenges. We will meet them through the design and delivery of relevant programmes of learning in accordance with the values set out in our Education, Diversity and Inclusion (EDI) strategy. This strategy commits us to being an Adult Learning Institute with a relevant portfolio of courses open and accessible to all – and where recruitment of learners, staff, tutors, members and volunteers reflects the local diversity of the population and its needs.

There is continuing commitment to tackle inequality and disadvantage and to promote diversity and democracy through adult education. Our long term EDI strategy will evolve and respond to new changes and challenges; it will take us through to 2025 and will enable us to focus on groups who are ready (or want to get ready) for something new or to meet the new challenges they are facing. The WEA always stands ready to help individuals who may be facing a change in their circumstances or a transition in their lives. We will help them to set personal goals and achieve them through wider access to our education programmes.

1. Literacy Trust research (2011) for England, (2009) for Scotland - <https://literacytrust.org.uk/parents-and-families/adult-literacy/>
2. Lloyds Bank – UK Consumer Digital Index 2018
3. Adult Participation in Learning Survey 2017 – August 2018, Department for Education
4. Office for National Statistics, International Comparisons of UK Productivity, final estimates: 2016

Our ambition is to be an outstanding provider of adult education. Following our successful OFSTED inspection in November 2017, we are now focussing on ensuring all our tutors engage fully in development opportunities and in ensuring our approach to education and learning is powerfully evident in all our classrooms. This includes embedding English, maths and digital skills into our classes, and responding positively to the Prevent agenda. We are ambitious for our learners too and know that we must help more of them to achieve success in English, maths and ESOL (EME) provision. This in turn means that we must ensure we have robust and consistent quality improvement processes in place across the Association.

For some years now the WEA has been critically dependent on successive national governments for its core funding in England. In Scotland, funding is from both national and local government sources and partnerships with other third sector bodies and funders. In 2019, a percentage of the national Adult Education Budget is due to be devolved to Mayoral Combined Authorities (MCAs) in Greater Manchester, Liverpool, West Midlands, West of England, Tees Valley, Cambridge and Peterborough and the Greater London Authority. Devolution deals are also being negotiated in North of Tyne and Sheffield City Region. We are actively engaged with the MCAs to ensure that WEA provision is mapped to both the skills priorities and the broader priorities of each of the Mayors including health and wellbeing and digital inclusion.

To continue to thrive in this new environment we stand ready to respond flexibly to local needs, sustain and grow our student numbers and diversify our income. To do this we recognise that the WEA must work even harder to attract a broader range of partners, not least employers, and develop and deliver relevant and manageable education programmes in the workplace. Work is well underway as we model our employer engagement strategy to promote a more accessible in-work offer with a strong digital focus whilst continuing to build on the strength of our face to face connection with our students. Collaborative partnerships with other providers and networks will also be of greater importance as will funding arrangements which offer some stability and security over a longer term period.

This means that the WEA strives to shine in its:

- ▶ distinctive approach to learning
- ▶ approach to student recruitment reflecting the diversity of our students and supporters
- ▶ impact in communities and on the lives of our students
- ▶ progression pathways
- ▶ support for and engagement with our diverse members and volunteers
- ▶ close working relationships with our partners
- ▶ flexibility and agility as an organisation
- ▶ ability to innovate and respond to diverse needs


What did we achieve in 2017-18 in support of the five strategic objectives?

Educational excellence

We said we would...

- ▶ Excel in teaching, learning & assessment delivering outstanding outcomes, impact and progression for students
- ▶ Deliver a flexible and high quality curriculum across our four themes that meets the needs of our students
- ▶ Embed teaching of digital skills in all our classes; this will enable our students to use digital technology in their everyday lives
- ▶ Grow the number of students year by year, including disadvantaged students

What we delivered in 2017/2018:

- ▶ The main focus was to ensure that the new regional teams and support centres were working effectively to provide education and support for students. The implementation of the 'SWIFT' change programme to streamline financial processes and administration has been a complex process and created challenges for branches and staff as they settle into new roles. It has also created opportunities to improve efficiency and processes which help us focus on educational excellence in future years
- ▶ The first test of this and of the Quality Improvement Plan was the OFSTED short inspection which found the WEA to be a 'Good' provider. The report commented:


You, your colleagues and volunteers continue to work effectively to ensure that a high proportion of students achieve their personal learning goals and course objectives. The majority of students, all of whom are adults, continue into volunteering, community work, further education and/or employment. Students report improved health and wellbeing, improved self-confidence and a richer, more rewarding life as a result of the time they have spent at WEA.
- ▶ The quality improvements implemented this year were underpinned by the roll out of a comprehensive training programme for tutors and two externally funded professional exchange programmes, including supporting the recognition of progression and achievement in subject areas such as history
- ▶ In Scotland, WEA submits a progress report to Scottish Government on the Adult Learning and Empowering Communities (ALEC) infrastructure grant on a quarterly and annual basis. Evidence is provided on the breadth of bespoke educational activities delivered across Scotland which are making a positive difference to people's lives. Submitted information along with follow-up discussions with staff evidenced the continuing role of WEA to provide specialist provision where it is needed. Feedback from Education Scotland on the impacts and differences we are making via our ALEC Report submission has been very positive
- ▶ Our English, maths and ESOL improvement programme is now supported through dedicated leads in each region and we also have WEA Pathways to support students into work and those in work; into adult teaching and training; into health including social care; and into schools and parenting. The range of ESOL provision continues to be a growth area in Scotland. As

referenced earlier on in this report, WEA is a key partner in Aberdeenshire, South Lanarkshire and North Ayrshire Syrian Task Forces who are implementing the Home Office Resettlement of Vulnerable Persons Scheme

- ▶ Through increased collaboration between WEA colleagues in Scotland there was an increase in the use of film to record learner impact, all of which are powerful testimonials. There was also an increase in the availability of current research and project reports which were submitted as additional evidence to WEA Scotland's funders. These included: "Motivational Tales from the WEA", Narrative Enquiry, a publication from North East Scotland Local Association and WEA North Ayrshire ESOL and Employability Evaluation Report 2017/18
- ▶ Following the OFSTED Inspection an exercise to enable education staff to share ideas and challenges around the theme of 'Towards Outstanding' has enabled increasing cross regional sharing of good practice, and this has also been supported through regular video conferencing training and induction sessions led by the Education Team
- ▶ A key area of development has been in response to OFSTED's feedback on how we digitally engage our students in the classroom. During 2017/18 we have trained 72 tutors in digital resilience and commissioned a new virtual learning environment (VLE) known as Canvas. Canvas will facilitate much more effective blended and online learning capability and it will also promote improved assessment processes, feedback and resources, and online engagement with our learners between classes
- ▶ Finally, in the 7 MCAs (where devolution of adult education funding is happening in 2019/20), we have put in place the groundwork for working with the new devolved authorities. This will be a key focus for the next academic year. A vital part of our strategy will be to ensure we have the relevant curriculum offers in place to support the needs of the different adult education priorities of each of the MCAs

Outcomes and impact:

- ▶ 48,600 individual students have participated in WEA education in England and 2450 in Scotland.
- ▶ In Scotland, against a 3 year target (2016-2019) to improve the skills profile of 5,250 people with low or no qualifications in learning to enable progression towards, or achievement of, SCQF level 4 accreditation or above; at the end of September 2018 WEA Scotland had achieved over 10,000 enrolments against the target, and had achieved just under 5,000 of these during 2017/18
- ▶ In England, 81% of students seeking work said their courses boosted the skills they would need for work; 82% of students with mental health issues reported improvements in their condition; 64% of students reported an increase in self-confidence; and 54% of students enhanced their critical thinking skills⁵
- ▶ Fully established new education structures were mapped to Local Enterprise Partnership areas in England and strong relationships have been established in the MCAs in England
- ▶ A Good OFSTED rating in England which has driven a range of further improvement actions including an acceleration of our digital capabilities

Investing in our people

We said we would...

- ▶ Increase the level of engagement with and investment in the development of staff, tutors, volunteers, the membership and our governance to ensure all have opportunities for further development and progression
- ▶ Achieve Investors In People (IIP) accreditation
- ▶ Embed our communications strategy to improve satisfaction amongst staff and all levels of governance and volunteers
- ▶ Grow membership numbers to 6,000 with 5,000 paying fees and with 1,620 members from the under 55 age group
- ▶ Increase volunteering numbers to 3,100

What we delivered in 2017/2018:

- ▶ We launched a new membership scheme and relaunched the well known Highway Magazine
- ▶ Membership numbers are growing steadily and provide the organisation with a solid base from which to develop the WEA offer in 2018/19
- ▶ We delivered on mandatory training for all staff on General Data Protection Regulation (GDPR), Prevent, Safeguarding, Health & Safety, Manual Handling and Equality and Diversity
- ▶ We developed our People strategy and the Leadership development strategy, and introduced a CEO Leadership webinar focusing on key leadership areas for the WEA
- ▶ Working with Leeds Beckett University we introduced a management development pilot providing 30 management skills sessions. The evaluation showed that 88% agreed or strongly agreed that 'the functionality of the system has been able to support the learning experience'
- ▶ We also signed up to the Association of Chief Executives of Voluntary Organisations (ACEVO) Diversity pledge and agreed an organisation audit to understand how the organisation measures up on diversity

Outcomes and impact:

- ▶ We were awarded Living Wage employer recognition, and achieved Accredited apprenticeship status
- ▶ We have officially achieved the IIP 'Standard' accreditation which is a reflection of WEA's aim to achieve high standards in its people management and people development processes and practices and its desire to be a great employer
- ▶ We focused on actions to achieve a healthy, productive, skilled and engaged workforce that delivers value, aligning activities to the WEA's purpose and strategic objectives
- ▶ We are now working towards an environment where all our staff and volunteers achieve their goals in a progressive, collaborative, diverse and healthy working environment



Sustainable future

We said we would...

- ▶ Grow and diversify our income sources and partnerships, increasing the longevity and certainty of income streams in the future across England and Scotland
- ▶ Use our resources efficiently and effectively prioritising areas of greatest need
- ▶ Ensure education and business development activity in regions fully aligns to requirements of local commissioning arrangement in devolved and Local Enterprise Partnership (LEP) areas
- ▶ Ensure the SWIFT change programme delivers its benefits
- ▶ Achieve our income growth targets set out in the 3 year plan
- ▶ Introduce a new Customer Relationship Management (CRM) system which provides better service to students, members, volunteers, partners, and enables enhanced income generation
- ▶ Deliver the business plan within the approved budget and ensure that we meet the EBITDA (earnings before interest, tax, depreciation and amortisation) target of 2%
- ▶ Be compliant with the General Data Protection Regulations (GDPR), ensuring staff are trained and confirm their understanding of data protection and IT security

What we delivered in 2017/2018:

- ▶ There has been a turnaround in the sustainability of Scotland as the Association faces the challenges of integrating practice and operating as one entity in the context of two nations with their own governments and different educational and legal systems. Costs have been radically reduced and the income base is beginning to grow and diversify further. Scotland has built and developed its relationships not only with existing partners but also with new partners and funders
- ▶ We introduced a new stakeholder management tool (Salesforce Customer Relationship Management), which is fully operational for managing our pipeline of potential funding opportunities
- ▶ We have appointed a Senior Data Protection Officer to ensure new data protection regulations (GDPR) are met. Revised policies and processes have also been implemented
- ▶ We have embedded a business partnering model in HR and Finance across the Association to provide dedicated support to regions to support business planning decision making
- ▶ We carried out a series of premises improvements to improve the health, safety and wellbeing of our people and developed and issued Stay Safe guidance for students and staff
- ▶ We developed and implemented a co-ordinated timetable for planning and marketing for 2018/19 course activities and making these available for enrolment from June 2018. This included introducing a priority enrolment period for our members
- ▶ We relaunched a refreshed Sustainable Development Policy and developed our action plan for 2018/19

Outcomes and impact:

- ▶ Our students have benefitted from a range of customer service improvements including course reminder alerts, extended enrolment periods, waiting lists and available place notifications
- ▶ Our students and tutors now have access to support services for longer than ever before. Students have been able to secure more places and plan their learning
- ▶ More students have enrolled online or via the telephone giving them more choice about how they interact with us. Having electronic registers has meant that more time can be dedicated to learning in the classroom. This has also enabled us to reduce our administration costs and data security risks whilst improving student experience
- ▶ We now have a holistic approach to bidding for potential funding opportunities that coordinates both the national and regional approach to raising funds and therefore avoids duplication. We have also pooled our collective experience and best practice in funding applications in order to maximise our chances of success
- ▶ The financial improvements in Scotland have meant that we can now confidently plan our provision to support a large number of students, courses and ongoing projects across the country. The hard work led by staff and volunteers has given WEA Scotland a solid footing for 2018/19
- ▶ This year we have steadily increased by almost 8% the proportion of our online and telephone enrolments compared with 2016/17. We aim to increase this percentage further in 2018/19 as our students continue to demand easier and more flexible ways of enrolling
- ▶ We have invested in our IT structures, to keep our systems and data secure, always up to date and protected from malware and viruses. All data incidents are now reported and monitored through to conclusion and a post incident reporting system uncovers root causes to prevent a similar situation occurring again. Any Subject Access Requests, now under GDPR, are also triaged and monitored through our IT providers
- ▶ By starting to share funding best practice, we've been able to share good learning in more than one region
- ▶ By tracking each data incident and subject access request, we are increasing our protection of student and staff personal information. We are able to demonstrate that we are meeting our legal obligations to recognise, report and respond to any data incidents or Subject Access Requests

Influential

We said we would...

- ▶ Raise our profile as a successful provider of adult learning and to be widely recognised as such
- ▶ Be a key contributor and influencer of UK government policy making in the field of adult learning
- ▶ Implement the new brand refresh; project and promote the brand at all our events, in all our publicity, and through our delivery and venues
- ▶ Be a high profile advocate for adult education and demonstrate that we are influencing policy and persuading others of the importance of adult education
- ▶ Continue to build relationships in every LEP and MCA devolution area in order to ensure that adult education policy and funding meets the needs of all adults, including older students and those furthest from the labour market

What we delivered in 2017/2018:

- ▶ We lobbied Government and influencers and contributed to a selection of white papers and led on submissions for parliamentary debates in England
- ▶ We increased our partnership working, development and campaigning in the delivery of adult education including close collaboration with the Institutes of Adult Learning (IAL) group
- ▶ We delivered a sponsored national awards event with a range of new corporate and media sponsors and partners
- ▶ We raised and strengthened our profile and coverage through partnership events like the sold out annual lecture on the concept of 'learning cities' in conjunction with the RSA
- ▶ Our WEA brand refresh was launched – promoting a clear, consistent brand (One WEA) – understood and embraced by staff; clear branding on all our products, services and locations. All with the key focus of increasing funding, student numbers and overall growth and visibility
- ▶ We continued to lead and deliver on the Adult Education All Party Parliamentary Group
- ▶ We achieved an integrated approach to profile-raising across our organisation to create a platform for National and Regional media coverage about adult education
- ▶ We secured new funding from a range of bodies and corporations to engage more 'hard to reach' students within health and employability courses

Outcomes and impact:

- ▶ Through the integrated approach across marketing policy and funding, we saw a real step change in the way we work. We deepened existing relationships with our key partners across various sectors including the other partners in the Institutes for Adult Learning
- ▶ We were successful in attracting new and innovative funding such as a new fund to focus and build the digital skills of those in work and funding for a national programme to address health improvements by engaging families through a practical education approach
- ▶ We continued to build on the 'grow your own' programme developed by the education department engaging Clinical Commissioning Groups (CCGs) with a programme to develop and grow key staff into needed key roles within the NHS



Enhancing our accessibility

We said we would...

- ▶ Ensure that we are accessible to a wide range of people across diverse communities
- ▶ Work towards providing a more 24/7 orientated service providing opportunities for digital participation, attracting a more diverse range of students in the process
- ▶ Improve access to resources online and embed teaching of digital skills in all our classes which will enable our students to use digital technology in their everyday lives
- ▶ Extend opening hours; VLE for tutors, students, staff, members and volunteers

What we delivered in 2017/2018:

- ▶ We have increased the ways in which students can enrol on their course - with easier online enrolment and enrolment by telephone and increased opening hours, whilst still retaining the option to enrol by paper
- ▶ We have continued to deliver a broad curriculum in over 2,000 venues, with most of our students travelling less than 3 miles to their courses
- ▶ We have increased the number of day schools and taster courses across the country to provide a wider range of activities and reach new students
- ▶ Regions are increasingly offering courses as part of pathways that lead to progression for students to accredited provision. This will be developed further in 2018/19 so we have a consistent pathway offer across all regions
- ▶ We trialled our first fully online course using video conference functionality and this has been a success we will seek to build on through 2018/19 and beyond

Outcomes and impact:

- ▶ The number of courses run at weekends and evenings has been similar to last year, and progress has been made in other areas:
- ▶ We have increased the number of day schools and taster courses across the country to reach new students, with a 10% increase in the overall number of courses which run for up to 7 hours compared with 2016/17
- ▶ There is a steadily growing demand from students for our extended support hours service. This suggests increasing numbers of students are benefitting from our more flexible service
- ▶ In England, 40% of students reported a heightened sense of belonging to their community following their course; 39% gained a greater understanding of other cultures; 55% continued with independent learning on their own following their course⁶

Looking ahead to 2018/19

In 2018/19 we will focus on:

- ▶ Maintaining our student numbers as we prepare for major changes in our funding in England the following year
- ▶ Developing a core curriculum offer that is marketed widely to individuals, organisations, employers and partners
- ▶ Focusing our provision on areas where we can have a demonstrable and positive impact on the health and wellbeing and life chances of our students
- ▶ Ensuring students have opportunities to progress into employment, volunteering or to further or higher education to improve the quality of their lives and meet their aspirations
- ▶ Providing excellent Information, Advice and Guidance (IAG) to ensure students make informed choices and are supported in their learning. Going forwards we will ensure that our careers IAG offer expands and develops utilising external partnerships
- ▶ Ensuring that we have a mix of provision in every area which both meets student aspirations and is in line with funding priorities
- ▶ Developing our capacity and expertise to make full use of digital technology to support student experience and progression
- ▶ Developing and launching our in-work offer building on the experience of the Flexible Learning Funded project
- ▶ Continuing to ensure that we have high performance quality assurance and audit and risk monitoring procedures in place

Financial review

Financial results

Summary

The WEA's financial performance for 2017/18 shows a surplus of £1.5m (2016/17: £0.4m). The £1.5m surplus is wholly attributable to a large actuarial gain in the year of £1.7m for the FRS 102 adjustment for the WEA Pension Scheme.

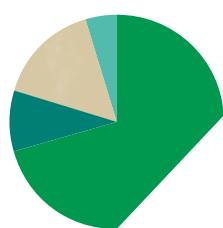
Prior to the FRS 102 actuarial gain adjustment there is an operating deficit of £0.1m which is a slightly better position than the deficit budget of £0.3m.

Income

The total income for 2017/2018 was £27.4m, the same as 2016/17. Although the overall figure is the same there is variation in its make up: fees and contracts have reduced by £0.1m and ESFA grants have reduced by £0.3m but this has been offset by a rise of other grants of £0.4m.

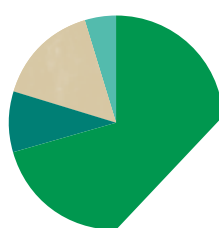
Analysis of WEA's £27.4m income for 2017/18 with a comparison for 2016/2017

Income 2017/18 £'000



ESFA grants	£19,210
Grants receivable	£3,718
Fees and contracts	£3,480
Other income	£985

Income 2016/17 £'000



ESFA grants	£19,469
Grants receivable	£3,301
Fees and contracts	£3,607
Other income	£973

Expenditure

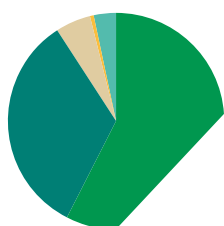
The total expenditure for 2017/18 was £27.5m, a decrease of £0.8m on the previous year (2016/2017: £28.3m). On unrestricted funds there is a reduction of £1.4m which is mainly attributable to the SWIFT redundancy costs which were included in 2016/17 expenditure and the ongoing reduction in staff costs. This is offset by increased expenditure of £0.6m

in restricted funds which is in line with additional restricted income.

There has been a shift in the year between support and direct costs. Regional costs for support roles were previously classed as direct costs but since the achievement of the Support Centre as part of SWIFT the roles are now classified as support.

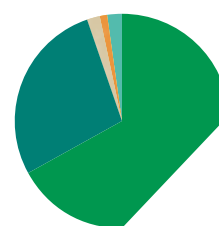
Analysis of WEA's £27.5m expenditure for 2017/2018 with a comparison for 2016/17

Expenditure 2017-18 £'000



Direct costs	£15,904
Support costs	£9,162
Grants payable	£1,407
Governance and fundraising	£215
Other costs	£850

Expenditure 2016-17 £'000



Direct costs	£18,534
Support costs	£7,888
Grants payable	£805
Governance and fundraising	£246
Other costs	£849

Reserves

The funds as at 31 July 2018 were £8.5m (2016/2017 £6.9m).

The Association has adopted a risk-based approach and made provision for the likelihood of risks materialising: for a sudden loss of funding, and unexpected gaps in working capital as well as other unexpected capital demands.

The Board is also mindful of ensuring the WEA is in a financial position to capitalise on appropriate opportunities as they are identified, both at a local and national level. Particular consideration has been given in 2017/18 to the changes the WEA will face as a result of the adult education budget being devolved to MCAs in 2019/20.

The WEA Reserves Policy is a living document, subject to regular review in light of new risks and circumstances faced by the WEA. The policy is therefore reviewed by the Board of Trustees on an annual basis and whenever senior management feel a material change has occurred such that the policy may need to be reviewed or adapted.

For the purposes of this policy the Association has defined reserves as being its unrestricted funds, excluding the pension deficit and designated funds. The trustees have set a target of £2.4m for free reserves and a plan is in place for the investment of reserves in excess of this target.

The actual free reserves available at 31 July 2018 amounted to £2.5m (2017/18: £2.9m).

Investments and treasury management

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

Treasury management is carried out within the context of the Association's statutory requirement, its Articles of Association and the Financial Memorandum with the Education and Skills Funding Agency (ESFA). Association 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, the Association has had no exposure to any known financial institution at risk.

Principal funding sources

The WEA receives its principal funding from the ESFA which provided around 70% of WEA's income from all sources and activities for the year (2016/17: 71%). There are no outstanding loans against the Association.

Pensions

The valuation of WEA's defined benefit pension scheme as at 31 July 2018 (under FRS 102 principles) decreased to a scheme deficit of £0.1m from £1.9m in 2016/2017. Estimates used by the actuary in the calculation of this accounting deficit valuation have been benchmarked by the trustees and are considered appropriate.

Further details relating to the pension schemes operated by the Association are shown in Note 18 to the accounts.

Cash flow and capital expenditure

In line with our Treasury policy, the Association 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 2020 returned to the ESFA in July 2017, the Association does not anticipate any liquidity problems.

The decrease in total net funds (cash and short term deposits) for the year ended 31 July 2018 was £1.6m (2016/17: £0.4m decrease). The decrease in cash available is partly due to the payments made in 2017/18 relating to redundancies accrued for in 2016/17 (£0.7m) and to the increase in debtors over the year - which is mainly attributable to accrued grant income at the year end. This is down to the timing of grant claims, particularly on European Social Fund (ESF) grants. Continued investment in developing computer software and systems, the majority of fixed asset purchases, has also contributed to our reduced cash balances.

Funds held as Custodian Trustees on behalf of others

The Association does not hold funds as Custodian Trustees on behalf of others.

Commercial activities

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

Principal risks

The Board of Trustees has reviewed the major risks to which the WEA is exposed, as identified in the Association's Risk Register and reported through the Audit and Risk Committee. Systems and procedures have been established to manage these risks and are themselves subject to regular review. The Board of Trustees has also reviewed the adequacy of the Association's internal controls.

The Association-wide Risk Register includes action plans for each of its key risks and a summary highlighting current and changing status of those risks as well as a so-called heat map.

The Audit & Risk Committee reviews the WEA's Risk Register at each quarterly meeting. It receives summary updates on risk management activity and also invites members of WEA management to present on significant issues. The Board of Trustees currently receives the Risk Register on an annual basis, and receives reports from the Audit & Risk Committee on a quarterly basis.

During 2017/18, the WEA began a continuous improvement process to strengthen its risk management framework. This included a progressive

review and consolidation of the organisation's Risk Register to make it more relevant and focused to drive the Board's attention to the most pertinent risks. The Risk Management Policy was reviewed again in 2017, and a set of Risk Management procedures for the organisation were developed to accompany the policy. More systematic reporting at a Senior Management Team level and engagement from the leadership on the risk framework through 'deep dive' risk sessions and workshops will continue into 2019 alongside further plans to raise risk awareness and to improve the understanding of risk at operational levels.

As at 31 July 2018, the Association Risk Register comprised 17 key risks. The areas of most significant risk are highlighted in the table below with mitigating action.

In 2019/2020, WEA will face challenges around its future funding as the adult education budget is devolved to the MCAs across England. This poses a significant risk to the organisation and further information is provided below in the table.

Risk	Mitigating action
Fall in the quality of the TLA provision and/or distinctiveness of WEA offer, or ability to meet ESFA targets, due to competing priorities and change processes	<ul style="list-style-type: none"> Retained education focus on Teaching and Learning Assessments (TLA) Focus on Quality Standards across our education provision Close monitoring of progression & outcomes Trustees monitor progress and advise on further strategic interventions through Education Strategy & Trustee Board
Devolution of Adult Education Budget (AEB) and skills focus of mayoral combined authorities impacts on WEA's ability to continue to meet the needs of our existing students in affected areas and on our overall sustainability	<ul style="list-style-type: none"> Close monitoring is in place and we are continuing constant local dialogue with key players. We need to see evidence that the strategy is working e.g. additional projects and funding from regional and local partners Regular oversight of regional activity to build relationships in MCAs and interventions to support areas of particular risk Probability funding model and 'worst case' financial modelling developed to mitigate potential risks from the devolution of the funding

Risk	Mitigating action
Sustainability of Scotland becomes a material problem during the plan period	<ul style="list-style-type: none"> Costs significantly reduced and new income targets exceeded. Large budget deficits now improved to a budget at or close to breakeven Business development and income growth plan for Scotland devised, implemented and delivering improvements to income generation SWIFT has been fully adopted and integrated to Scotland with efficiency savings realised Strategies in place to ensure cost and income relationship continues to substantially improve
Failure to generate sufficient new funding streams in time to mitigate future ESFA funding cuts	<ul style="list-style-type: none"> Dedicated business development team Targeting of new income streams SWIFT programme has strengthened sustainability
SWIFT programme is too all-encompassing to be delivered effectively and/or results in detrimental impacts on other aspects of WEA operations	<ul style="list-style-type: none"> Dedicated programme resource and robust programme plan with critical path analysis and careful consideration to sequencing Careful monitoring with agile planning approach Backfill resourcing where demands identified
Operational and resourcing pressures significantly affect business as usual activities	<ul style="list-style-type: none"> Additional short term resource has been put in place to enable key priorities to be delivered New structures have been carefully considered and designed around resource requirements New HR structure with strengthened resources and remit
Lack of clarity of or the understanding of the WEA governance structure affects the organisation's ability to make strategic decisions	<ul style="list-style-type: none"> External governance review scheduled following setting of long term strategic plan Further work on identifying roles/responsibilities and implementing a training programme for Trustees, Committee members and Council members Improved communication across the organisation - in particular between management and governance
Poor IT/data security leads to the WEA being non compliant with GDPR (and future data protection) legislation	<ul style="list-style-type: none"> Electronic security of WEA IT systems is actively managed and maintained through the use of software updates, firewall devices and anti-virus software Physical security of WEA central IT systems is actively managed and maintained through their location in a high grade Data Centre in a location subject to relatively little environmental risk and low threat level Senior Data Protection Officer and Data Protection Officer in position and effective procedures in place for data incidents
Failure to maintain effective Safeguarding and Prevent procedures and measures may lead to risks of threat or harm to WEA students, staff, stakeholders and the public. In addition to these physical risks reputational damage could follow a failure in our procedures or measures if there were a threat or harm to beneficiaries, staff or the public	<ul style="list-style-type: none"> Active Safeguarding and Prevent Policy which is kept up to date and relevant to the organisation Active culture of safeguarding practice in the WEA lead by a national safeguarding lead and a network of Safeguarding Designates in each English region and key areas of Scotland Effective Disclosure and Barring Service (DBS) checking process for all tutors and where appropriate for other staff, volunteers and governance Other necessary pre-employment or pre-volunteering checks on staff are carried out Awareness raising and student learning activities around safeguarding and prevent in WEA groups and classes

Going concern

The WEA secures a significant proportion of its income from service delivery contracts and grants awarded by the Education and Skills Funding Agency, European Social Fund, Big Lottery Fund, local authorities and other statutory bodies against specific service requirements.

Contracts and grant income generate a contribution towards the central costs of managing the charity which delivers central HR, IT, Support Services and Finance systems to support local contract educational delivery; a technology platform that delivers a highly secure data hosting environment; GDPR compliance; safeguarding compliance; the delivery of consistent service standards and quality across the regions; continual knowledge sharing; service innovation; research and data gathering on national trends and performance.

Recognising that the WEA has incurred losses whilst investing in and restructuring its operating model in the transition to the devolution of funding to Metropolitan Combined Authorities (MCAs), the trustees have considered several factors in concluding that the adoption of the going concern basis in the preparation of these financial statements is appropriate. These have included:

- ▶ The Association's business planning process, including financial projections, which have taken into consideration the current economic climate and its potential impact on the various sources of income and planned expenditure. The 2018/2019 business plan will generate a £0.5m surplus to further strengthen the cash and free reserves

- ▶ The Association has developed a devolution plan which includes: working closely with MCAs aligning our provision with their requirements, modelling various financial scenarios around potential funding losses in the MCA areas and the actions required to mitigate risk of income reductions. Devolution takes effect from 1 August 2019 and approximately 28% of our current ESFA funding will be devolved from the ESFA to the MCAs
- ▶ Close monitoring of the forward pipeline of secured and prospective contract and grant awards not only for 2018/19 but also for a period of at least one year from the date of approval of these accounts
- ▶ Cash management and working capital controls are in place to ensure restricted and unrestricted assets and reserves are appropriately managed

After making such enquiries the trustees are confident the organisation has adequate resources to operate for the foreseeable future and can adopt the going concern basis in preparing its financial statements.

Back from the brink



**I'm still alive
because of the
extraordinary
people I've
met**

In 2016, Richard's life was turned upside down by a violent crime. He lost his home and his income and his mental health suffered as a result. Then he found support from the Stonham Home Group, a long-standing partner of the WEA in Rotherham. Richard is now looking forward again.

"After my ordeal, I found it hard to do new things or to meet new people. So when Stonham recommended I join a WEA drop-in group at a local library, I'll be honest: I didn't want to go. But I needed to get out, so I agreed.

As the course went on, I found myself opening up to Julie, the tutor. I am now more confident and can talk about my problems more. I still have bad days and find things hard, but as soon as I see Julie and her big smiling face, things just seem to get better.

I was then invited to the WEA York conference. One thing led to another, and I'm now a volunteer and member of the Rotherham Branch, which is amazing.

I'm still alive because of the extraordinary people I've met. That's a fact. And if it wasn't for all Julie's hard work, her laughter, her smiles – oh, and her amazing baking – I wouldn't be as confident as I am today."

Richard

WEA student



Structure, governance and management

Our structure

The WEA is a charity registered in England and Wales (number 1112775), in Scotland (number SC039239) and is constituted as a company registered in England and Wales and limited by guarantee (number 2806910).

WEA's objectives and powers are set out on its website at wea.org.uk/about-us/governance. This includes the WEA's governing document (its Articles of Association and Regulations), originally approved by the WEA National Conference in 2005. Subsequent amendments have been made by the trustees, acting as company members, to ensure it remains current and relevant.

The WEA is the UK's largest voluntary sector provider of adult education and operates at local, regional, and national levels being organised into 9 regions and Scotland, and with over 300 branches in England and 6 local Associations in Scotland. 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 the Association, which is governed by its members. At branch, regional and association levels, voluntary members are involved in the planning and provision of courses, as well as the governance of the organisation. The WEA maintains staffed offices and structures in Scotland and English Regions.

Our governance

The Board of Trustees has ultimate responsibility for the strategic direction of the Association. The Board comprises 12 trustees who are also the directors and members of the company. The Board meets at regular intervals throughout the year and WEA Trustees ensure that the Association's activities carry into effect the charity's object. Their work includes setting strategic direction, scrutiny of performance, quality and finances and agreeing budgets. They also actively shape and lead strategy and have a key role in scrutiny.

The composition of the Board of Trustees is:

- ▶ Four Association Officers elected by Association Members from England and Scotland
- ▶ Four nominees from WEA Council including three from the English Regions and one from Scotland
- ▶ Four externally co-opted trustees

The Board is currently chaired by an externally co-opted trustee. A full term for any trustee is up to four years and they may be re-appointed to serve for a further one term in any given office, either by election in the case of the Association's Officers or by Council or trustees in the case of our Council-elected trustees and our co-opted trustees.

WEA members shape the WEA's direction through the WEA Conference, which previously took place typically every two years, but provision was granted in 2017/18

for this to be held annually to include and engage more of our strong membership base.

The WEA Council represents all Association members, practically demonstrating the democracy of the WEA between Association Conferences and acts as the principal advisory body to the Board of Trustees. The WEA Council is the key forum linking communication and governance within and across the Association. It is made up of one voluntary representative elected from each English Region and two from WEA Scotland, regional chairs and the Scottish Convenor, two Association officers and two staff representatives. The WEA President chairs the WEA Council.

The Board of Trustees considers recommendations, advice, and information received from the WEA Council, Association Conference, English Regional, and the Scotland Board, local and other committees across England and Scotland, staff reports and consultations with WEA members and stakeholders.

The Chief Executive & General Secretary meets regularly with the Chair of the Board of Trustees and the President to ensure that they are all kept fully informed about the Association's operations. Delegated decisions made at other levels of the Association are regularly reported to the Board to ensure trustees are fully aware of the duties they have discharged to sub-committees and constituted bodies, enabling them to be sufficiently informed to carry out their roles effectively.

Our committees

As at 31 July 2018, there were five trustee sub-committees:

- ▶ Audit & Risk
- ▶ Education Strategy
- ▶ Scotland Board
- ▶ Membership, Volunteering, Governance & Marketing
- ▶ Finance & General Purposes

Each Committee met at least four times throughout the year. The four Association Officers (President, Treasurer, two Deputy Presidents) and the Chair met as Remuneration Panel and an Appointments Panel. The Audit & Risk Committee (chaired by a trustee) reports to the Board of Trustees and comprises up to 7 members; three trustees (one of whom may be an officer); two nominations through WEA Council and approved by the trustees; a member representing WEA Scotland; and up to two co-opted members.

It meets four times a year to consider reports from both external and internal auditors. Crucially, the Audit & Risk Committee assists the trustees in discharging its oversight responsibilities by reviewing the effectiveness of the Association's internal controls and compliance systems. The Audit & Risk Committee is responsible for reviewing and monitoring audit related aspects relating to the preparation and production of the Trustees' Annual Accounts. It reviews the performance and results of external and internal auditors' work and reports regularly to trustees. It makes recommendations regarding the appointment of auditors and approves their terms of engagement.

In addition to the Audit & Risk Committee, trustees and other senior members of governance serve on trustee sub-committees. The Scotland Board now operates as a fully constituted Trustee Sub-Committee.

Our trustee recruitment, induction and training

Trustee attendance figures of board and committee meetings can be found on page 35.

New trustees are recruited using an open and transparent basis. The WEA seeks to encourage diversity in its wider sense within its governance structures and attract new trustees from all sectors of society.

The WEA's Governing Document (Articles and Regulations) sets out the categories from which trustees are elected and appointed. Those trustees who are appointed from Council are nominated by Council. If the trustee is to fill a Council nominee vacancy, the vacancy is open to all members of the WEA's Council (apart from officers who are members of the Board in that capacity). External (co-opted) trustees are sought through advertisement and/or recruitment search agencies. As part of the process for appointment, the Board of Trustees approves a small panel to oversee shortlisting and interviewing

prior to a recommendation being submitted to the full Board for approval. As mentioned above, the WEA's four officers (President/two Deputy Presidents and Treasurer) are members of the Board by virtue of their Officer status.

Once appointed to the Board, a tailored induction programme for new trustees is put into operation. During that programme new trustees meet members of staff, take part in 'learning walkthroughs' to participate in and understand the student experience, and are encouraged to access a range of online training materials. In 2016 trustees were provided with access to a comprehensive 'Handbook' which articulates the roles and responsibilities of WEA trustees and provides a helpful overview of the Association's governance structure. This is due to be updated for 2019.

Our management

The CEO/General Secretary is appointed by the Board of Trustees to manage the day to day operations of the charity. The CEO/General Secretary works with the Senior Management Team (SMT) as identified in the Reference and Administrative Details section. The SMT meets at least monthly and reviews the effectiveness of teaching, learning and assessment and organisational performance, formulates strategy for trustees' consideration and ensures the delivery of that strategy.

The role of reviewing and monitoring all WEA's contracts and projects (including the ESFA contract) is performed by the SMT, which provides regular reports to trustees.

Review of the pay and conditions for the CEO/General Secretary and other members of the Senior Management Team is within the remit

of the Remuneration Panel. Membership of the Remuneration Panel comprises the WEA's four Association Officers and the Chair of the Board of Trustees. The Remuneration Panel use relevant benchmarking information in their deliberations.

The Association seeks to engage all employees and volunteers in its activities and achievements. There are a number of regular communication methods including management meetings, team meetings and bulletins on the re-launched staff intranet. All staff are kept informed of Association activities and development in a monthly e-briefing by the CEO/General Secretary. The recognised trade union is engaged in consultation through the Joint Negotiating Consultative Committee.

Public benefit statement

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

The charitable object of the WEA 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.

Trustee attendance at board and committee meetings during 2017/18

Trustee	Committee	Attendance
Cliff Allum	Treasurer Chair: Finance & General Purposes (F&GP)	Board: 4/6 F&GP: 4/4
Michael Crilly	Council-nominated Trustee Chair: Audit & Risk (A&R)	Board: 4/6 A&R: 4/4
Marion Flett	Council-nominated/Scottish Trustee Education Strategy Committee (ESC) (Chair from June) Scotland Board (SB) Audit & Risk Committee (A&R)	Board: 6/6 ESC: 4/4 SB: 4/4 A&R: 4/4
Jon Gamble MBE	Co-opted Trustee Finance & General Purposes	Board: 3/6 F&GP: 3/4
Colin Hughes	Co-opted Trustee	Board: 2/4
Lindsay Pearson	Deputy President Membership, Volunteering, Governance & Marketing (MVGM)	Board: 5/6 MVGM: 3/4
Trevor Phillips OBE Until July 2018	Co-opted Trustee Chair	Board: 6/6
Lynne Smith	President Chair: Scotland Board Education Strategy Committee	Board: 5/6 SB: 4/4 ESC: 3/4
Ruth Tanner Until March 2018	Deputy President Chair: Education Strategy Committee Scotland Board	Board: 3/4 ESC: 3/3 SB: 3/3
Peter Threadkell	Council-nominated Trustee Chair: Membership, Volunteering, Governance & Marketing	Board: 5/6 MVGM: 4/4
Narinder Uppal	Co-opted Trustee	Board: 4/6
Hugh Humphrey	Council-nominated Trustee Education Strategy Committee Audit & Risk Committee	Board: 6/6 ESC: 4/4 A&R: 3/4
John Widdowson CBE From July 2018	Co-opted Trustee Chair	

The Board meeting figures include two strategy meetings, one held in Q1, and the second held in Q4.

Total number of Trustee Board meetings held in 2017/18 was 6 (Including 4 quarterly meetings and 2 strategy-focused sessions).

Average Board attendance during the year was 77% (83% 2016/17).

Reference and administrative details

Trustees and officers

The following trustees served on the Board during the year:

Trustees are registered with the Charity Commission and Companies House as Directors.

Trevor Phillips OBE (Chair – Until 18 July 2018)

John Widdowson CBE (Chair – from 18 July 2018)

Cliff Allum (Treasurer)

Lynne Smith (President)

Lindsay Pearson (Deputy President)

Ruth Tanner (Deputy President – Until March 2018)

Marc Sherland (Deputy President – from 18 July 2018)

Michael Crilly (Council-nominated Trustee)

Robin Cook (Council-nominated Trustee - from 18 July 2018)

Marion Flett (Council-nominated Trustee)

Peter Threadkell (Council-nominated Trustee)

Jon Gamble MBE (Co-opted Trustee)

Colin Hughes (Co-opted Trustee - Until 18 July 2018)

Hugh Humphrey (Council nominated Trustee - until 18 July 2018)

Narinder Uppal (Co-opted Trustee)

Patrons

Baroness Shephard of Northwold

Stephen Twigg MP

Sir Bob Russell

Company Secretary

Alice Williams

Senior management team

Chief Executive and General Secretary
Director for Education and Deputy Chief Executive
Director for Quality and Curriculum
Chief Operating Officer Ian Hanham
(Until December 2017)
Director for WEA Scotland
Director for Student Services
Director for Marketing, Membership
& Income Growth

Ruth Spellman
Joanna Cain
Greg Coyne
Jane Swift
(From April 2018)
Ray McCowan
Fiona Parr
James Ward

Auditor

Crowe U.K. LLP
(formerly Crowe Clark Whitehill LLP)
St Bride's House
10 Salisbury Square
London EC4Y 8EH

Bankers

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

Bank of Scotland
300 Lawnmarket
Edinburgh EH1 2PH

Solicitors

Bates, Wells and Braithwaite
2-6 Cannon Street
London EC4M 6YH

Balfour and Manson
54-66 Frederick
Edinburgh EN2 1LS

Taylor Vinters Solicitors
Merlin Place
Milton Road
Cambridge CB4 0DP

Pension fund trustees and administrators

The Pensions Trust
Verity House
6 Canal Wharf
Leeds LS11 5BQ

NOW: Pensions
3rd Floor
164 Bishopsgate
London EC2M 4LX

Teachers' Pension
Mowden Hall
Darlington
DL3 9EE

WEA registered office

4 Luke Street
London EC2A 4XW

T. +44 (0) 20 7426 3450
W. wea.org.uk

Registered Charity Number
(England and Wales): 1112775

Registered Charity Number (Scotland):
SC039239

Registered Company Number
(England and Wales): 2806910

Compliance statements

Charity code of governance

The WEA Board of Trustees have adopted the Charity Governance Code and have discussed and assessed the organisation's performance against the main principles and recommended practice. As the organisation develops, continues to embed a major change programme, and sets its strategy through to 2025, it will be developing and producing a roadmap to ensure it fully meets and then exceeds the expectation of the code.

Fundraising statement

Income generation is forming an ever more important part of our work at the WEA. As such we work to ensure that we are closely aligned with the mission and values of the WEA. We are dedicated to ensuring efficiency in our approach and a guiding principle in this is to work with a range of partners from corporate organisations to a range of charities and associations across the UK. We aim to follow our ethical fundraising policy and perform due diligence on all corporate donors including any gifts in kind. The WEA does not use professional fundraisers or commercial participators to carry out any fundraising activities and so no monitoring activities are required.

Although they are not bound by any formal voluntary scheme regulating their conduct our volunteers are supported and guided by the business development and volunteering team who are members of the Institute of Fundraising (IoF) and follow the guidelines of the IoF. In 2017/18 the Charity did not receive any complaints regarding its fundraising activities.

To ensure compliance with the Charities Act 2016 the 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 organisation. The WEA also reviews the code of fundraising practice through the Director for Marketing, Membership & Income Growth to ensure any changes are implemented and to ensure we are compliant with the code. Specifically with regard to the protection of vulnerable people the WEA uses the guidelines set out by the Institute of Fundraising in their document 'Fundraising with people in vulnerable circumstances' to ensure that all areas are covered and that fundraisers or those who come into contact with donors across the organisation are aware of the standards.

Statement on disability policy

The Association strives hard to ensure that no employee or potential employee will receive less favourable treatment due to disability. The Equality, Diversity and Inclusion Policy operates within the context of the Equality Act 2010 and states that reasonable and practicable adjustments will be considered to ensure employment for people with a disability.

Trustees Annual Report signed on behalf of the full Trustees Board by the Chair of the Board.



Signed:
John Widdowson CBE
Chair of Trustees

Notes on the Trustees Annual Report narrative

These notes provide some context and a backdrop to the non-financial aspects of the report and are to support the reader in some of the sector-specific language applied in the report.

Explanation of terms

Student numbers and unique learners - the WEA uses the word 'students' instead of 'learners' but in common usage these terms are interchangeable. The differences are explained in the bullet points below:

- ▶ **Enrolments** - enrolments are the number of people registered and recorded for a particular course or programme of courses. To be counted, their enrolment information must have been recorded regardless of funding or whether or not they meet the requirements of being a start. Please note: students (see below) may enrol for multiple courses and each enrolment is counted towards the total number of enrolments for that year

- ▶ **Students** - students are the number of unique people who have attended the WEA in a given year. Each individual student is counted only once, however one individual student can account for multiple starts and/or enrolments
- ▶ **Unique learners** - unique learners are the same as students but are referred to in the funding and contract methodology as unique learners. They are provided with a number which is an identification number for each individual which enables their tracking across providers and age ranges

Curriculum - this phrase is often used to describe WEA's educational programmes which reflect the flexible framework the WEA uses to provide learning opportunities across its four themes.

Statement of trustees' responsibilities

The trustees are responsible for preparing the Strategic Report, the Trustees' Report and the financial statements in accordance with applicable law and regulations. Company law requires the trustees to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards) and applicable law.

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 its net incoming resources for that period. In preparing these financial statements, the trustees have been required to:

- ▶ select suitable accounting policies and then apply them consistently
- ▶ make judgments and estimates that are reasonable and prudent
- ▶ state whether applicable 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 charity will continue to operate

The trustees are responsible for keeping proper accounting records that are sufficient to:

- ▶ show and explain the charitable company's transactions and

- ▶ 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

They are also responsible for safeguarding the assets of the charity and ensuring their proper application under charity law and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees ensure that there are appropriate financial and management controls in place sufficient to safeguard public funds and that these funds are used only in accordance with the conditions under which they have been made available. In addition the trustees are responsible for ensuring the economic, efficient and effective management of the Association's resources so that the benefits that should be derived from the application of public funds from the Education and Skills Funding Agency and others are not put at risk.

In so far 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 he/she 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 13 December 2018.



Signed:
John Widdowson CBE
 Chair of Trustees

Statement of corporate governance and 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 1st August 2017 to 31st July 2018 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 2016

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 13 December 2018 and signed on its behalf by:

Signed:



John Widdowson CBE
Chair of Trustees



Ruth Spellman OBE
CEO and General Secretary

Governing body's statement on the Charity's 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 of material irregularity, impropriety and non-compliance with the Education and Skills Funding Agency terms and conditions of funding, under the financial memorandum in place between the Charity and the Education and Skills Funding Agency. 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 Education and Skills Funding Agency'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 Education and Skills Funding Agency.

Approved by order of the Board of Trustees on 13 December 2018 and signed on its behalf by:

Signed:



John Widdowson CBE
Chair of Trustees



Ruth Spellman OBE
CEO and General Secretary

New connections and new beginnings

Tulay was unable to access the ESOL classes she needed when she arrived in the UK from Turkey – until she discovered the WEA's New Links project in Coventry.

When Tulay arrived in the West Midlands, immigration restrictions prevented her from enrolling on publicly-funded courses to improve her English language skills.

But the WEA's New Links project gave Tulay a lifeline. Designed to offer help to both new and settled migrants who cannot access welfare benefits, New Links gave her the chance to start a course in English for Speakers of Other Languages (ESOL).

Since then, Tulay has progressed to further WEA courses and her new confidence enabled her to enrol on a course at the local college.

Tulay is now working as a language advisor to the Office of Qualifications and Examinations Regulation (Ofqual) and is an examiner at the International Baccalaureate.

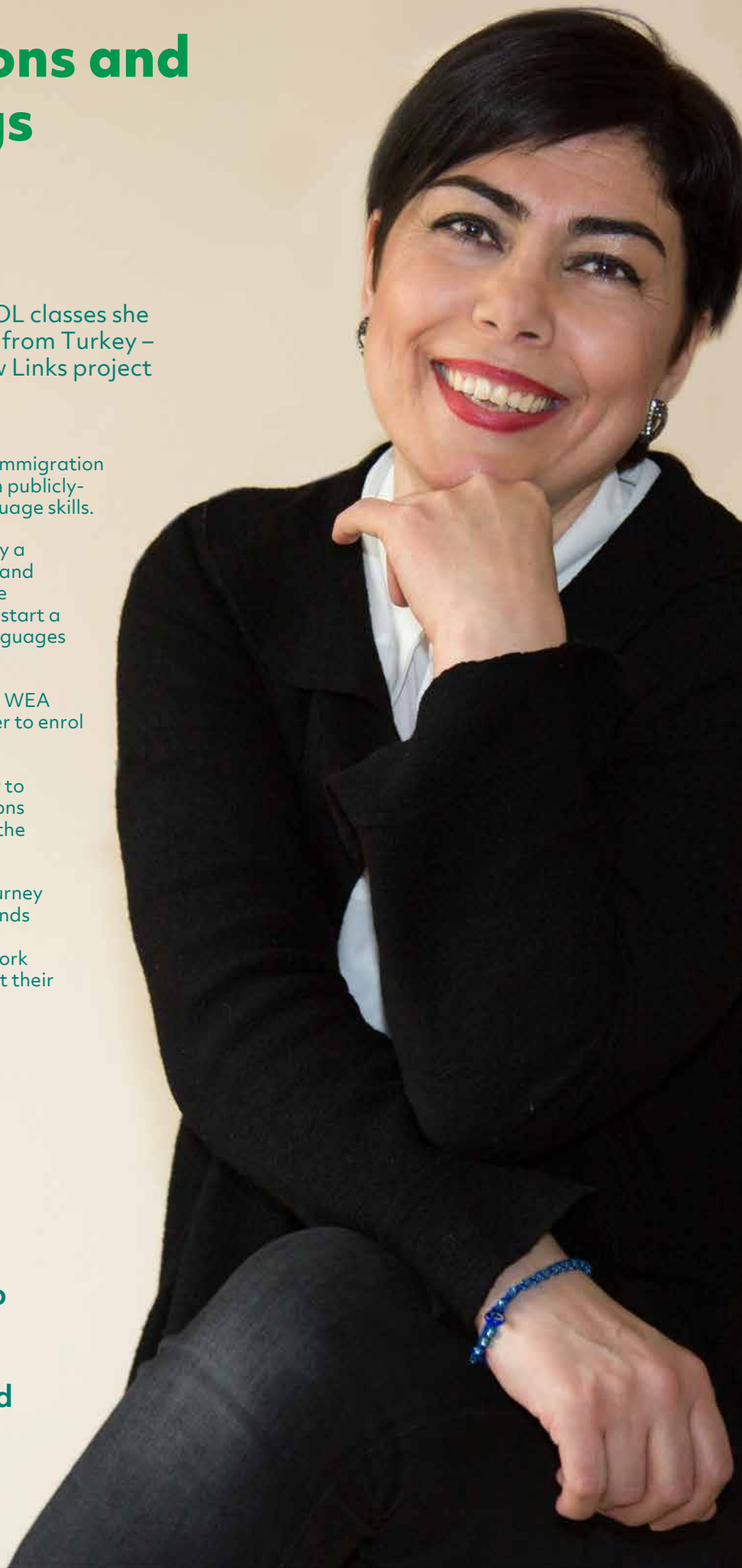
Tulay's tenacious efforts on her learning journey have paid off. She has made many new friends in the city she now calls home and is able to support her two children with their schoolwork and communicate with their teachers about their progress at school.

Tulay

WEA student



Now I stand on my own two feet as an independent woman. I am learning lots of new things about life and people – I do not feel alone anymore



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

Opinion

We have audited the financial statements of the WEA for the year ended 31 July 2018 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of 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 2018 and of its incoming resources and application of resources 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, the Charities and Trustee Investment (Scotland) Act 2005 and Regulation 8 of the Charities Accounts (Scotland) Regulations 2006

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the 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

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

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

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion based on the work undertaken in the course of 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 its 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 require 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 (page 40), 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

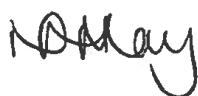
We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with the Acts and relevant regulations made or having effect thereunder.

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.

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. This description forms part of our auditor's report.

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 and trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company, 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

14 December 2018

Independent reporting accountant's report on regularity 31 July 2018

To the Trustees of the Workers' Educational Association (the WEA) and Secretary of State for Education, acting through the Department for Education (the Department)

In accordance with the terms of our engagement letter dated 6 November 2018 and further to the requirements and conditions of funding in ESFA's grant funding agreements and contracts we have carried out an engagement to obtain limited assurance about whether anything has come to our attention that would suggest that in all material respects the expenditure disbursed and income received by the WEA during the period 1 August 2017 to 31 July 2018 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 ESFA. In line with this framework, our work has specifically not considered income received from the main funding grants generated through the Individualised Learner Record returns, for which ESFA has other assurance arrangements in place.

This report is made solely to the trustees of the WEA and ESFA 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 ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the trustees of the WEA and ESFA 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, is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the 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 2017 to 31 July 2018 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 ESFA. We performed a limited assurance engagement as defined in that framework.

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

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

Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the WEA's income and expenditure. The work undertaken to draw to our conclusion includes a review of the design and implementation of the WEA's internal controls and review processes on regularity, supported by detailed tests on samples 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 2017 to 31 July 2018 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Crowe U.K. LLP

Crowe U.K. LLP

14 December 2018

Financial statements

Statement of financial activities for the year ended 31 July 2018

	Notes	2017/18 Unrestricted funds £'000	2017/18 Restricted funds £'000	2017/18 Total funds £'000	2016/17 Unrestricted funds £'000	2016/17 Restricted funds £'000	2016/17 Total funds £'000
Income from:							
Donations and legacies		41	5	46	37	22	59
Charitable activities	2	22,515	3,904	26,419	23,001	3,384	26,385
Investments	19	827	-	827	779	-	779
Other		97	4	101	126	1	127
Total income		23,480	3,913	27,393	23,943	3,407	27,350
Expenditure on:							
Raising funds	3	-	-	-	39	-	39
Charitable activities	3	22,733	3,955	26,688	24,063	3,371	27,434
Other	18b	850	-	850	849	-	849
Total expenditure		23,583	3,955	27,538	24,951	3,371	28,322
Net (expenditure) / income		(103)	(42)	(145)	(1,008)	36	(972)
Transfers between funds	13	(55)	55	-	(65)	65	-
Other recognised gains/(losses):							
Actuarial gains/(losses) on defined benefit pension scheme	18e	1,658	-	1,658	1,387	-	1,387
Net movement in funds		1,500	13	1,513	314	101	415
Reconciliation of funds:							
Total funds brought forward		5,950	999	6,949	5,636	898	6,534
Total funds carried forward		7,450	1,012	8,462	5,950	999	6,949

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 52 to 76 form part of these accounts.

Balance sheet as at 31 July 2018

	Notes	31 July 2018 £'000	31 July 2017 £'000
Fixed assets			
Tangible assets	8	5,217	5,104
Total fixed assets		5,217	5,104
Current assets			
Debtors	9	1,253	749
Investments	16	1,546	2,547
Cash at bank and in hand	16	3,390	3,970
Total current assets		6,189	7,266
Liabilities			
Creditors: amounts falling due within one year	10	(2,656)	(3,320)
Net current assets		3,533	3,946
Total assets less current liabilities		8,750	9,050
Creditors: amounts falling due after more than one year	10	(32)	(44)
Provisions for liabilities	23	(150)	(206)
Net assets excluding pension liability		8,568	8,800
Defined benefit pension scheme liability	18a	(106)	(1,851)
Total net assets		8,462	6,949
Funds of the Charity			
Restricted funds	13	1,012	999
Unrestricted funds		2,483	2,856
Designated funds		5,073	4,945
Pension deficit	18a	(106)	(1,851)
Total unrestricted funds	13	7,450	5,950
Total charity funds		8,462	6,949

The financial statements on pages 49 to 76 were approved by the Board of Trustees and authorised for issue on 13 December 2018, and are signed on its behalf by:

Company Number: 2806910



John Widdowson CBE
Chair of Trustees



Ruth Spellman OBE
CEO and General Secretary

Cash flow statement for the year ended 31 July 2018

	Notes	2017/18 £'000	2017/18 £'000	2016/17 £'000	2016/17 £'000
Cash flows from operating activities:					
Net cash provided by operating activities	14		(867)		137
Cash flows from investing activities:					
Interest received		21		10	
Purchase of tangible assets	8	(735)		(589)	
Net cash used in investing activities			(714)		(579)
Net cash provided by / (used in) financing activities			-		-
Change in cash and cash equivalents in the reporting period			(1,581)		(442)
Cash and cash equivalents at the beginning of the reporting period			6,517		6,959
Cash and cash equivalents at the end of the reporting period			4,936		6,517

	2017/18 £'000	2016/17 £'000
Notes to the cash flow statement		

Analysis of cash and cash equivalents

Bank and cash	3,390	3,970
Short term deposits	1,546	2,547
Total cash and cash equivalents	4,936	6,517

Notes to the financial statements for the year ended 31st July 2018

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 Board of Trustees has a reasonable expectation that there are adequate resources to continue in operational existence for the foreseeable future.

The Trustees' Annual Report (Going Concern-page 30) discusses the matters that were considered in reaching that conclusion, specifically the Association's business planning, including the development of devolution plans for different funding scenarios, the plans to access alternative income sources, and the position of cash, working capital and reserves.

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 for the public benefit. A public benefit statement can be found on page 34 and examples of public benefit are cited throughout the Trustees Annual Report.

Fund accounting:

Unrestricted funds are funds which 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 which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Charity for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each material restricted fund are set out in the notes to the financial statements. 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 which 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.

Notes to the financial statements for the year ended 31st July 2018

1. Accounting policies (continued)

Fixed assets and depreciation

Tangible fixed assets costing more than £1,000 are capitalised and included at cost including any incidental costs of acquisition. 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 equipment	over the life of the project
Other equipment	over 3 years

WEA has taken advantage of the option under FRS 102 to revalue two properties prior to the transition date (January 2014) which has been accounted for as deemed cost. These are:

The property at 4 Luke Street, London, EC2A 4XW; and
The property at 163 Kings Street, Aberdeen, AB24 5AE.

The Luke Street property was revalued by Gerald Eve LLP at the market value of the freehold interest subject to vacant possession. The historical cost was £200,108 and is revalued at £3,000,000 and brought into the fixed asset register at deemed cost.

The Kings Street property was revalued by FG Burnett at the market value of the heritable interest subject to vacant possession. The historical cost was £12,000 and was revalued at £90,000 and brought into the fixed asset register at deemed cost.

Investments and management of liquid resources

The Association's Treasury Policy allows investment in UK institutions that meet rating requirements from a recognised rating agency. The Association's cashflows comprise of increases or decreases in cash. Cash includes cash in hand and at bank. No deposits and short term investments are included in cash. Liquid resources comprise assets held as a readily disposable store of value. They include short term deposits and other investments held as part of the Association's treasury management activities. Movements in all short term investments, deposits and cash repayable at the end of the investment periods are reported under the heading of Management of Liquid Resources.

Pension costs

Retirement benefits to employees are provided by the NOW: Pension Scheme, the Teachers Pension (TP) and the Charity's own Workers' Educational Association pension scheme (WEA Scheme) whose Trustee and Administrator is The Pensions Trust. The NOW: Pension Scheme is a defined contribution scheme. The TP and WEA pension schemes are defined benefit schemes, the former being externally funded. Contributions to the TP are recognised as incurred, being a multi-employer pension scheme. The contributions are determined by qualified actuaries on the basis of triennial valuations using the projected unit method for the WEA Scheme and quinquennial valuations using the prospective benefit method for the TP scheme.

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 Income and Expenditure Account or the SOFA in accordance with Financial Reporting Standards (FRS 102) - Retirement Benefits. The surplus / (deficit) arising from the adoption of FRS 102 is recognised as an addition / (reduction) in the general reserves.

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 31st July 2018

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.

Agency arrangement

The Association acts as an agent in the collection and payment of Learner Support Funds (LSF). Related payments received from the Education and Skills Funding Agency (ESFA) and subsequent disbursements to students are excluded from the Statement of Financial Activities and are shown separately in note 21, except for 5 percent of the grant received which is available to the Association to cover administration costs relating to the grant.

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 £5,981,015 (2017: £7,015,922) and financial liabilities at amortised cost of £2,399,598 (2017: £3,669,661).

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 group 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 short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

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.

Notes to the financial statements for the year ended 31st July 2018

2. Incoming resources from charitable activities

Educational provision	Unrestricted £'000	Restricted £'000	Total 2017/18 £'000	Total 2016/17 £'000
Fees and contracts	3,203	277	3,480	3,607
Education & Skills Funding Agency (ESFA) grant	19,190	20	19,210	19,469
Other grants receivable	111	3,607	3,718	3,301
Other income from activities	11	-	11	8
Total incoming resources from charitable activities	22,515	3,904	26,419	26,385

2a. Analysis of income from charitable activities

	Total 2017/18 £'000	Total 2016/17 £'000
ESFA unrestricted grants		
ESFA contract	19,178	19,386
Other ESFA grants and contracts	12	-
ESFA unrestricted grants	19,190	19,386
Total ESFA restricted grants	20	83
Total ESFA contracts & grants	19,210	19,469
Other unrestricted grants		
Local authority grants	41	15
Central government grants	-	190
Sundry other grants	70	41
Total other unrestricted grants	111	246
Total other restricted grants	3,607	3,055
Total other grants	3,718	3,301

Notes to the financial statements for the year ended 31st July 2018

3. Resources expended on charitable activities

Educational Provision	Unrestricted £'000	Restricted £'000	Total 2017/18 £'000	Total 2016/17 £'000
Tutor costs - staff	5,000	291	5,291	5,821
Tutor costs - travel & subsistence	233	23	256	328
Direct costs - staff	6,231	952	7,183	8,525
Direct costs - other	2,942	232	3,174	3,860
Grants payable	58	1,349	1,407	805
Governance costs (note 4)	215	-	215	207
Support costs (note 5)	8,054	1,108	9,162	7,888
Total resources expended on charitable activities	22,733	3,955	26,688	27,434
Fundraising costs	-	-	-	39
Total operating resources expended	22,733	3,955	26,688	27,473

4. Governance costs

	Total 2017/18 £'000	Total 2016/17 £'000
External audit fees		
Crowe U.K. LLP (note 7)	51	44
Internal audit fees		
Crowe U.K. LLP (note 7)	11	25
Legal and professional fees	16	10
Trustees meetings and other costs (note 17)	15	7
Support costs (note 5)	122	121
Total governance costs	215	207

Legal and professional costs represent the costs of strategic planning and providing support to trustees.

5. Support costs

Educational provision	Educational 2017/18 £'000	2016/17 £'000	Governance 2017/18 £'000	2016/17 £'000	Fundraising 2017/18 £'000	2016/17 £'000
Central & regional management - staff	4,637	3,611	122	121	-	39
Central & regional management - other	2,179	2,228	-	-	-	-
Facilities management	916	841	-	-	-	-
IT & communications	1,430	1,208	-	-	-	-
Total support costs	9,162	7,888	122	121	-	39

Notes to the financial statements for the year ended 31st July 2018

6. Staff costs

	Total 2017/18 £'000	Total 2016/17 £'000
Wages and salaries	14,796	15,521
Social security costs	1,078	1,144
Pension costs	1,359	1,452
Redundancy costs	52	1,022
Total staff costs	17,285	19,139

The above figure does not include agency staff employed by the Association at a cost of £419,020 (2016/17: £278,029).

The number of employees during the year was as follows:	2017/18	2016/17
Core staff	405	442
Tutors*	1,041	1,107
Total average number of employees	1,446	1,549

Number of employees earning £60,000 per annum and above are as follows:	2017/18	2016/17
£60,001 - £70,000	3	3
£70,001 - £80,000	2	3
£90,001 - £100,000	1	-
£120,001 - £130,000	1	1
	7	7

Pension benefits are accruing for all 7 (2016/17: 7) higher paid employees. Total employer pension contributions of £44,198 (2016/17: £44,718) have been made in relation to higher paid employees.

The key management personnel of the Charity comprise the Board of Trustees (12) and the Senior Management Team (7). The total employee remuneration and benefits, employer NI and pension contributions of the key management personnel were £594,267 (2016/17: £643,301). The COO post was vacant for a period within the year and was covered by interim agency staff.

* In prior years the tutor number has included all tutors paid in the year.

7. Analysis of charitable expenditure

	Total 2017/18 £'000	Total 2016/17 £'000
Charitable expenditure includes:		
External auditors' remuneration	51	44
Other assurance services performed by external auditors*	11	25
Depreciation	617	479
Loss on disposal of tangible assets	5	-
Operating lease charges	361	409
Total	1,045	957

* Other assurance services performed by the external auditors include regularity audit to meet the conditions of the ESFA contract.

Notes to the financial statements for the year ended 31st July 2018

8. Tangible fixed asset schedule

	Land and Buildings £'000	Education Equipment £'000	Other Equipment £'000	Total 2017/18 £'000
Cost				
At 1 August 2017	5,716	1,672	3,739	11,127
Additions	142	4	589	735
Disposals	(1)	(135)	(123)	(259)
At 31 July 2018	5,857	1,541	4,205	11,603
Depreciation				
At 1 August 2017	1,434	1,638	2,951	6,023
Charge for the year	205	20	392	617
Disposals	-	(135)	(119)	(254)
At 31 July 2018	1,639	1,523	3,224	6,386
Net book value				
At 31 July 2018	4,218	18	981	5,217
At 1 August 2017	4,282	34	788	5,104

There is a charge granted over the freehold property 4 Luke Street, London, EC2A 4XW in favour of The Pensions Trust. At 31 July 2018 the charge was capped at £1.9m.

WEA has taken advantage of the option under FRS 102 to revalue two properties prior to the transition date (January 2014) which has been accounted for as deemed cost (full details given at note 1).

9. Debtors: amounts falling due within one year

	2017/18 £'000	2016/17 £'000
Trade debtors	367	249
Other debtors	598	180
Prepayments	207	250
Other grant income receivable	81	70
Total	1,253	749

10. Creditors: amounts falling due within one year and after more than one year

Amounts falling due within one year	2017/18 £'000	2016/17 £'000
Trade creditors	442	655
Accruals	1,311	1,823
Social security & other taxes	595	598
Deferred income	308	244
Total	2,656	3,320

Amounts falling due after more than one year comprise of an accrual for office accommodation rents payable.

Notes to the financial statements for the year ended 31st July 2018

10a. Deferred income

	2017/18 £'000	2016/17 £'000
Opening balance	244	233
Amounts released	(244)	(233)
Amounts deferred	308	244
Closing balance	308	244

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.

11. Financial commitments - leases

As at 31st July 2018, the charity has annual commitments under non-cancellable leases as follows:

Expiry date:	Land and building leasehold £'000	Total 2017/18 £'000	Total 2016/17 £'000
Within one year	277	277	203
One to five years	436	436	513
Over five years	40	40	73
Total financial commitments - leases	753	753	789

12. Analysis of net assets by fund

	2017/18 Unrestricted funds £'000	2017/18 Restricted funds £'000	2017/18 Total Funds £'000	2016/17 Unrestricted funds £'000	2016/17 Restricted funds £'000	2016/17 Total funds £'000
Net assets						
Tangible fixed assets	5,073	145	5,218	4,945	159	5,104
Net current assets	2,665	868	3,533	3,106	840	3,946
Long term liabilities	(183)	-	(183)	(250)	-	(250)
Pension liability	(106)	-	(106)	(1,851)	-	(1,851)
Net assets	7,449	1,013	8,462	5,950	999	6,949

Notes to the financial statements for the year ended 31st July 2018

13. Statement of funds

	At 1 August 2017 £'000	Income £'000	Expenditure £'000	Transfers £'000	At 31 July 2018 £'000
Unrestricted funds:					
General funds	1,357	20,510	(21,037)	(46)	784
Branch funds	979	1,558	(1,358)	(137)	1,042
Regional branch reserve fund	520	-	-	137	657
	2,856	22,068	(22,395)	(46)	2,483
Designated funds	4,945	475	(338)	(9)	5,073
Pension deficit	(1,851)	2,595	(850)	-	(106)
Total unrestricted funds	5,950	25,138	(23,583)	(55)	7,450
Restricted funds:					
Revenue	840	3,913	(3,931)	46	868
Fixed asset fund	159	-	(24)	9	144
Total restricted funds	999	3,913	(3,955)	55	1,012
Total funds	6,949	29,051	(27,538)	-	8,462

Fixed asset fund represents the part of the Association's funds balance represented by purchase of fixed assets.

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:

Fixed asset funds: the transfer of £9,283 from designated funds to the ESFA-funded capital expenditure fund reflects the match funding that the WEA has provided during the year.

Restricted revenue: the transfer of £46,474 from unrestricted funds to restricted funds reflects match funding that the WEA has provided during the year.

Prior year statement of funds

	At 1 August 2016 £'000	Income £'000	Expenditure £'000	Transfers £'000	At 31 July 2017 £'000
Unrestricted funds:					
General funds	2,700	20,550	(21,842)	(51)	1,357
Branch funds	993	1,974	(1,852)	(136)	979
Regional branch reserve fund	390	-	(3)	133	520
	4,083	22,524	(23,697)	(54)	2,856
Designated funds	4,822	540	(406)	(11)	4,945
Pension deficit	(3,268)	2,266	(849)	-	(1,851)
Total unrestricted funds	5,637	25,330	(24,952)	(65)	5,950
Restricted funds:					
Revenue	725	3,407	(3,346)	54	840
Fixed asset fund	172	-	(24)	11	159
Total restricted funds	897	3,407	(3,370)	65	999
Total funds	6,534	28,737	(28,322)	-	6,949

Notes to the financial statements for the year ended 31st July 2018

13a. Statement of funds (continued)

Lottery funded projects

	At 1 August 2017 £	Received income £	Accrued/ Deferred/ Matched income £	Funded expenditure £	Transfer from / (to) General Fund £	At 31 July 2018 £
Eastern						
Big Lottery Fund and ESF Building Better Opportunities Grant - Papworth Community Connections South	7,295	14,649	1,988	(23,881)	-	51
Big Lottery Fund and ESF Building Better Opportunities Grant - Papworth Community Connections South	17,363	2,722	10,203	(30,288)	-	-
East Midlands						
Big Lottery Fund Funding - Leicester Ageing Together	29,895	134,523	-	(145,795)	-	18,623
Big Lottery Fund Funding - Mental Health and Wellbeing	-	4,047	3,776	(7,823)	-	-
Big Lottery Fund and ESF Building Better Opportunities Grant - Money Sorted in D2N2	(1,409)	11,986	27,300	(37,877)	-	-
Big Lottery Fund and ESF Building Better Opportunities Grant - Greater Lincolnshire Engagement Into Learning	-	19,120	-	(2,280)	-	16,840
North East						
Big Lottery Fund Grant - Greening Wingrove	(11,270)	69,281	-	(50,881)	-	7,130
Heritage Lottery Fund - North East 1918-1928	22,740	29,160	864	(56,150)	-	(3,386)
North West						
Big Lottery Fund and ESF Building Better Opportunities Grant - Working Well in Carlisle & Eden Development Grant	-	-	-	(5,747)	5,747	-
Ageing Better Programme - Brightlife Cheshire (Arts of Ageing)	15,144	6,750	713	(8,908)	-	13,699
Big Lottery Fund and ESF Building Better Opportunities Grant - New Leaf Cheshire	14,707	24,558	10,397	(51,426)	-	(1,764)
Big Lottery Fund and ESF Building Better Opportunities Grant - Sefton Liverpool Digital Inclusion	(171)	34,518	-	(21,829)	-	12,518
Big Lottery Fund and ESF Building Better Opportunities Grant - Halton Liverpool Digital Inclusion	(9)	32,871	-	(27,576)	-	5,286
Big Lottery Fund and ESF Building Better Opportunities Grant - Liverpool Financial Inclusion	(350)	18,506	-	(23,734)	5,578	-
Big Lottery Fund and ESF Building Better Opportunities Grant - Lancashire ReachIT Development Grant	16,887	-	-	(28,749)	11,862	-
Big Lottery Fund and ESF Building Better Opportunities Grant - Working Well in Carlisle & Eden Grant	-	215,314	-	(195,423)	-	19,891
Big Lottery Fund and ESF Building Better Opportunities Grant - Lancashire Digital Inclusion	-	527,034	30,700	(418,578)	-	139,156
Big Lottery Fund and ESF Building Better Opportunities Grant - Reach IT Digital Inclusion Lancashire	-	-	5,815	(251)	-	5,564
Balance carried forward	110,822	1,145,039	91,756	(1,137,196)	23,187	233,608

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

	At 1 August 2017 £	Received income £	Accrued/ Deferred/ Matched income £	Funded expenditure £	Transfer from / (to) General Fund £	At 31 July 2018 £
Balance brought forward	110,822	1,145,039	91,756	(1,137,196)	23,187	233,608
Southern						
Big Lottery Fund and ESF Building Better Opportunities Grant - Oxford and Cherwell Valley College Active Learning	1,322	3,000	-	(4,322)	-	-
Big Lottery Fund and ESF Building Better Opportunities Grant - Routes Community Works	984	31,849	-	(24,397)	-	8,436
Big Lottery Fund and ESF Building Better Opportunities Grant - Get Socially Active	2,641	11,102	-	(3,886)	-	9,857
Big Lottery Fund and ESF Building Better Opportunities Grant - Slough Borough Council-Ways into Work	-	-	3,128	(3,128)	-	-
Big Lottery Fund and ESF Building Better Opportunities Grant - Aspire - Family Learning Surrey	1,226	16,071	-	(13,939)	-	3,358
Big Lottery Fund and ESF Building Better Opportunities Grant - Building Family Bridges	26,325	133,604	80,587	(240,516)	-	-
West Midlands						
Big Lottery Fund Grant - New Links	11,523	10,185	-	(21,708)	-	-
Big Lottery Fund and ESF Building Better Opportunities Grant - Aspire	(198)	39,649	-	(28,282)	-	11,169
Big Lottery Fund and ESF Building Better Opportunities Grant - Accelerate	(900)	-	21,704	(23,496)	-	(2,692)
Big Lottery Fund and ESF Building Better Opportunities Grant - Community Matters	2,548	1,910	18,978	(22,277)	-	1,159
Yorkshire & Humber						
Big Lottery Fund and ESF Building Better Opportunities Grant - Action Towards Improvement	397	23,500	1,854	(23,118)	-	2,633
Big Lottery Fund and ESF Building Better Opportunities Grant - Stronger Families	18,419	531	(5,574)	(13,376)	-	-
Heritage Lottery Fund - Painted Fabrics	49,200	3,000	-	(45,731)	-	6,469
Scotland						
Heritage Lottery Fund - Conscientious Objection	31,295	-	9,492	(40,787)	-	-
Total lottery fund projects	255,604	1,419,440	221,925	(1,646,159)	23,187	273,997
Other projects						
ESF (note 13b)	(12,510)	533,008	335,402	(852,583)	-	3,317
Other restricted funds (note 13c)	597,287	1,335,909	66,493	(1,432,464)	23,287	590,512
Total restricted revenue funds (note 13)	840,381	3,288,357	623,820	(3,931,206)	46,474	867,826

Notes to the financial statements for the year ended 31st July 2018

13b. Statement of funds (continued)

European Social Funds (ESF) and other European funding

	At 1 August 2017 £	Received income £	Accrued/ Deferred/ Matched income £	Funded expenditure £	Transfer from / (to) General Fund £	At 31 July 2018 £
North East						
Erasmus	3,876	5,417	-	(5,976)	-	3,317
North West						
ESF 1618 Community Grants Liverpool	(16,588)	477,122	284,721	(745,255)	-	-
ESF 1618 Community Grants Halton	202	50,469	50,681	(101,352)	-	-
Total European restricted funds (note 13a)	(12,510)	533,008	335,402	(852,583)	-	3,317

Notes to the financial statements for the year ended 31st July 2018

13c. Statement of funds (continued)

Other restricted funds

	At 1 August 2017 £	Received income £	Accrued/ Deferred/ Matched income £	Funded expenditure £	Transfer from General Fund £	At 31 July 2018 £
Association Services						
Olive Cordell	6,908	(900)	-	-	-	6,008
Restricted Gift	-	500	-	-	-	500
ESFA-Flexible Learning Pilot	-	20,000	-	(6,111)	-	13,889
East Midlands						
Joan Freeman Legacy	2,339	-	-	-	-	2,339
Algy Beaven Legacy	1,375	-	-	-	-	1,375
John Rhodes Fund	9,581	-	-	-	-	9,581
C & G England Co-op Bakery Project	-	1,098	-	(1,098)	-	-
Leicester City Council - Shire Community Grant	-	1,500	-	(1,142)	-	358
Nottinghamshire ACLS 17-18 Inspire Learning	-	52,789	23,194	(75,983)	-	-
Money Advice Vista - What Works Funding	15,536	(2,675)	-	(16,140)	3,279	-
Eastern						
The Basil Slaughter Trust for Adult Education	239	-	-	(239)	-	-
NALEP and Action	19,294	-	-	(19,294)	-	-
Lester John Desmond Legacy	2,000	-	-	(532)	-	1,468
Active Practitioners	-	7,500	-	(752)	-	6,748
London						
Ilford Legacy	16,321	-	-	(50)	-	16,271
Hackney CVS	-	4,602	-	(2,757)	-	1,845
Cottier Legacy	10,118	-	-	-	-	10,118
North East						
100 Club	1,788	15	-	-	-	1,803
Unison Bridges to Learn (VI)	(198)	122,748	7,381	(116,236)	-	13,695
Comic Relief - Active Ageing	-	17,324	-	-	-	17,324
Original Active Voices	-	3,230	-	(3,230)	-	-
NHS Newcastle Workshops	-	543	-	(543)	-	-
North West						
RSC - Any Old Ions	16,442	10,000	-	(11,145)	-	15,297
RAS - Look Up to the Skies	57,140	-	(12,500)	(12,563)	-	32,077
Wellcome Trust	114,375	-	-	(42,447)	-	71,928
IoP Excite with Science	1,953	-	-	(1,953)	-	-
South West						
Reuben George	323	-	-	-	-	323
Swindon Borough Council - Community Learning	-	5,041	-	(9,402)	4,361	-
Southern						
Southampton CC - Writing Courses	8,009	7,909	-	(1,378)	-	14,540
F Adler Legacy	87,507	-	-	(4,287)	-	83,220
J Taylor Legacy	1,354	-	-	(542)	-	812
K Smith Legacy	32,242	-	-	(380)	-	31,862
Santander	-	5,000	-	(2,491)	-	2,509
HiWCF Solent	-	9,013	-	(7,541)	-	1,472
Southampton City Council - Community Learning		21,081	-	-	-	21,081
ESOL Project OCC	1,974	3,428	-	(673)	-	4,729
ESOL Pathways	1,590	1,666	-	(1,677)	-	1,579
Balance carried forward	408,210	291,412	18,075	(340,586)	7,640	384,751

Notes to the financial statements for the year ended 31st July 2018

13c. Statement of funds (continued)

Other restricted funds (continued)

	At 1 August 2017 £	Received income £	Accrued/ Deferred/ Matched income £	Funded expenditure £	Transfer from General Fund £	At 31 July 2018 £
Balance brought forward	408,210	291,412	18,075	(340,586)	7,640	384,751
West Midlands						
NHS Stoke-on-Trent - Get Out Stay Well Pt 3	4,706	-	-	(4,706)	-	-
Dudley MBC - Healthy Towns	-	55,200	-	(70,847)	15,647	-
Yorkshire & Humber						
Mike Haywood Fund	2,115	-	-	-	-	2,115
Yorkshire Adult Schools Union	8,300	-	-	-	-	8,300
Learning Consortium	3,994	-	-	(3,994)	-	-
British Council Active Citizens	5,361	-	-	(2,509)	-	2,852
C&G Canal and River Trust	-	2,740	-	(1,358)	-	1,382
Scotland						
Scottish Government - ALEC Fund Grant	-	252,500	24,170	(276,670)	-	-
Scottish Government - Women in the Highlands Project	15,934	83,072	-	(76,893)	-	22,113
Scottish Government - Self Directed Support Project	19,927	68,637	-	(71,866)	-	16,698
Scottish Government - Highland Womens' Choir	-	5,000	-	-	-	5,000
Scottish Government - Home School Link Project	-	4,000	-	(4,000)	-	-
Highland Community Planning Partnership - ESOL Programme	760	25,156	1,994	(20,071)	-	7,839
Highlife Highland - Open Programme	-	5,000	-	-	-	5,000
Calouste Gulbenkian Foundation	17,890	23,965	-	(28,203)	-	13,652
Edinburgh Community Learning & Development Partnership - ESOL Programme	2,850	12,000	-	(8,250)	-	6,600
Falkirk Council Partnership - ESOL Programme	-	2,795	-	(2,795)	-	-
Falkirk Council - Job Clubs	20,255	22,280	-	(30,024)	-	12,511
Scottish Refugee Council - SRIS - ESOL Programme	-	23,000	-	(23,000)	-	-
British Red Cross - Chrysallis Project	-	10,976	4,270	(15,246)	-	-
Aberdeenshire Council - SLA	20,232	24,900	-	(23,393)	-	21,739
Aberdeen City Literacy Partnership - ESOL Programme	-	4,374	3,626	(4,644)	-	3,356
NHS - Seed to Feed Project	1,376	-	-	(1,376)	-	-
Aberdeenshire Literacy Partnership - ESOL Programme	-	9,091	5,829	(14,920)	-	-
Aberdeen City Council - Parenting Project	12,770	-	-	-	-	12,770
Aberdeen City Council - Family Learning ESOL Project	2,230	-	-	(2,230)	-	-
South Lanarkshire Literacy Partnership - ESOL Programme	-	5,000	-	(4,200)	-	800
Aberdeen City Council - ESOL Enrichment Programme	-	4,100	-	(4,100)	-	-
Glasgow Literacy Partnership - ESOL Programme	-	20,045	-	(20,045)	-	-
Endrick Trust	825	-	-	-	-	825
Glasgow Literacy Partnership - ALNs 2017/18	15,790	55,158	-	(70,948)	-	-
Glasgow Literacy Partnership - ALNs 2018/19	-	55,126	-	(29,969)	-	25,157
FSF - Galgael Centre Project	-	2,000	-	(2,000)	-	-
Glasgow Clyde Education Foundation - Science for a Successful Scotland	-	32,705	-	(32,705)	-	-
Reach Out Project - General	13,510	2,800	-	(8,410)	-	7,900
Aberdeen City Council - Education Grant	1,000	4,500	-	(5,500)	-	-
Aberdeen City Council - Fairer Aberdeen Fund	5,190	31,296	(5,242)	(27,787)	-	3,457
Scottish Natural Heritage	-	10,746	(940)	(9,806)	-	-
Aberdeen City Council - Health & Social Care Partnership	-	39,000	(13,185)	(25,815)	-	-
Aberdeen City Council - Health & Social Care Partnership	-	-	13,000	(13,000)	-	-
North Ayrshire Council - ESOL Programme	-	60,553	90	(53,187)	-	7,456
South Lanarkshire Council - Additional ESOL Programme	-	15,375	-	(15,375)	-	-
Scottish Refugee Council - Sharing Lives Sharing Languages	4,010	-	-	(4,010)	-	-
Fife Council - Revenue Grant	-	26,915	2,447	(29,362)	-	-
Fife Council - Teaching Grant	3,540	13,335	1,099	(9,061)	-	8,913
Highland Council - Revenue Grant	-	7,042	-	(7,042)	-	-
Highland Council - Teaching Grant	950	1,595	-	(2,545)	-	-
Aberdeen City Council - Revenue Grant	-	15,000	7,500	(22,500)	-	-
Aberdeen City Council - Teaching Grant	5,562	7,520	3,760	(7,516)	-	9,326
Total other restricted funds (note 13a)	597,287	1,335,909	66,493	(1,432,464)	23,287	590,512

Notes to the financial statements for the year ended 31st July 2018

13d. Statement of funds (continued)

Prior year statement of funds

Lottery funded projects

	At 1 August 2016 £'000	Received income £'000	Accrued/ Deferred/ Matched income £'000	Funded expenditure £'000	Transfer from / (to) General Fund £'000	At 31 July 2017 £'000
Eastern						
Big Lottery Fund and ESF Building Better Opportunities Grant - Papworth Community Connections South	-	16,206	-	(8,911)	-	7,295
Big Lottery Fund and ESF Building Better Opportunities Grant - Papworth Community Connections	-	17,474	-	(111)	-	17,363
East Midlands						
Big Lottery Fund Funding - Leicester Ageing Together	44,315	158,832	-	(173,252)	-	29,895
Big Lottery Fund Funding - Vista - Awareness Training	(6,620)	14,702	-	(8,082)	-	-
Big Lottery Fund and ESF Building Better Opportunities Grant - Money Sorted in D2N2	-	2,491	-	(3,900)	-	(1,409)
Big Lottery Fund and ESF Building Better Opportunities Grant - Greater Lincolnshire Engagement Into Learning	-	199	284	(483)	-	-
North East						
Big Lottery Fund Grant - Greening Wingrove	56,259	200,674	-	(268,203)	-	(11,270)
Heritage Lottery Fund - First World War	1,151	(557)	-	(594)	-	-
Heritage Lottery Fund - North East 1918-1928	-	35,250	-	(12,510)	-	22,740
North West						
Big Lottery Fund and ESF Building Better Opportunities Grant - Working Well in Carlisle & Eden Development Grant	49,654	-	-	(53,632)	3,978	-
Ageing Better Programme - Brightlife Cheshire (Arts of Ageing)	-	20,250	-	(5,106)	-	15,144
Big Lottery Fund and ESF Building Better Opportunities Grant - New Leaf Cheshire	-	30,065	-	(15,358)	-	14,707
Big Lottery Fund and ESF Building Better Opportunities Grant - Sefton Liverpool Digital Inclusion	-	-	-	(171)	-	(171)
Big Lottery Fund and ESF Building Better Opportunities Grant - Halton Liverpool Digital inclusion	-	-	-	(9)	-	(9)
Big Lottery Fund and ESF Building Better Opportunities Grant - Liverpool Financial Inclusion	-	17,266	-	(17,616)	-	(350)
Big Lottery Fund and ESF Building Better Opportunities Grant - Lancashire ReachIT Development Grant	-	50,000	-	(33,113)	-	16,887
South West						
Heritage Lottery Fund - WEA The Story in the S.West	(6,778)	30,893	-	(24,115)	-	-
Balance carried forward	137,981	593,745	284	(625,166)	3,978	110,822

Notes to the financial statements for the year ended 31st July 2018

13d. Statement of funds (continued)

Prior year statement of funds (continued)

Lottery funded projects (continued)

	At 1 August 2016 £'000	Received income £'000	Accrued/ Deferred/ Matched income £'000	Funded expenditure £'000	Transfer from / (to) General Fund £'000	At 31 July 2017 £'000
Balance brought forward	137,981	593,745	284	(625,166)	3,978	110,822
Southern						
Big Lottery Fund and ESF Building Better Opportunities Grant - Oxford and Cherwell Valley College Active Learning	-	5,691	-	(4,369)	-	1,322
Big Lottery Fund and ESF Building Better Opportunities Grant - Routes Community Works	-	20,118	-	(19,134)	-	984
Big Lottery Fund and ESF Building Better Opportunities Grant - Get Socially Active	-	13,507	-	(10,866)	-	2,641
Big Lottery Fund and ESF Building Better Opportunities Grant - Building Family Bridges Development Grant	44,830	-	-	(44,830)	-	-
Big Lottery Fund and ESF Building Better Opportunities Grant - Aspire - Family Learning Surrey	-	9,262	-	(8,036)	-	1,226
Big Lottery Fund and ESF Building Better Opportunities Grant - Building Family Bridges	-	124,117	-	(97,792)	-	26,325
West Midlands						
Big Lottery Fund Grant - TANDRUSTI	-	28,358	-	(74,266)	45,908	-
Big Lottery Fund Grant - CHEST	12,237	25,973	5,684	(47,345)	3,451	-
Big Lottery Fund Grant - New Links	14,117	40,063	-	(42,657)	-	11,523
Big Lottery Fund and ESF Building Better Opportunities Grant - Aspire	-	36,330	-	(36,528)	-	(198)
Big Lottery Fund and ESF Building Better Opportunities Grant - Accelerate	-	-	14,088	(14,988)	-	(900)
Big Lottery Fund and ESF Building Better Opportunities Grant - Community Matters	-	28,331	-	(25,783)	-	2,548
Yorkshire & Humber						
Big Lottery Fund and ESF Building Better Opportunities Grant - Action Towards Improvement	-	5,174	-	(4,777)	-	397
Big Lottery Fund and ESF Building Better Opportunities Grant - Stronger Families	-	18,419	-	-	-	18,419
Heritage Lottery Fund - Painted Fabrics	-	49,200	-	-	-	49,200
Scottish Association						
Big Lottery Fund Grant - Awards for All - Lothian Local Association	2,634	-	-	(2,634)	-	-
Heritage Lottery Fund - Conscientious Objection	-	48,150	-	(16,855)	-	31,295
Total lottery funded projects	211,799	1,046,438	20,056	(1,076,026)	53,337	255,604
Other projects						
ESF (note 13e)	(2,343)	571,680	33,217	(615,064)	-	(12,510)
Other restricted funds (note 13f)	516,943	1,704,349	30,639	(1,655,080)	436	597,287
Total restricted revenue funds (note 13)	726,399	3,322,467	83,912	(3,346,170)	53,773	840,381

Notes to the financial statements for the year ended 31st July 2018

13e. Statement of funds (continued)

Prior year statement of funds (continued)

European Social Funds (ESF) and other European funding

	At 1 August 2016 £'000	Received income £'000	Accrued/ Deferred/ Matched Income £'000	Funded expenditure £'000	At 31 July 2017 £'000
Association Services					
Active Citizens Europe	(2,343)	34,085	-	(31,742)	-
North East					
Erasmus	-	8,774	207	(5,105)	3,876
North West					
ESF 1618 Community Grants Liverpool	-	480,376	23,818	(520,782)	(16,588)
ESF 1618 Community Grants Halton	-	48,445	9,192	(57,435)	202
Total European restricted funds (note 13d)	(2,343)	571,680	33,217	(615,064)	(12,510)

Notes to the financial statements for the year ended 31st July 2018

13f. Statement of funds (continued)

Prior year statement of funds (continued)

Other restricted funds

	At 1 August 2016 £'000	Received income £'000	Accrued/ Deferred/ Matched income £'000	Funded expenditure £'000	Transfer from / (to) General Fund £'000	At 31 July 2017 £'000
Association Services						
Olive Cordell	6,908	-	-	-	-	6,908
East Midlands						
Joan Freeman Legacy	2,339	-	-	-	-	2,339
Algy Beaven Legacy	1,375	-	-	-	-	1,375
John Rhodes Fund	9,581	-	-	-	-	9,581
National Numeracy - National Numeracy Project	1,510	-	-	(1,510)	-	-
Community Mental Health	5,625	-	-	(5,625)	-	-
Nottinghamshire ACLS	-	6,938	-	(6,938)	-	-
Nottinghamshire ACLS 16-17	-	46,932	-	(46,932)	-	-
Tinder Foundation Future Digital Inclusion	1,250	-	-	(1,250)	-	-
Action learning for Living	6,738	-	-	(6,738)	-	-
Action learning for Living 16-17	-	83,454	-	(83,454)	-	-
Money Advice Vista - What Works Funding	-	6,808	30,639	(21,911)	-	15,536
Eastern						
The Basil Slaughter Trust for Adult Education	-	960	-	(721)	-	239
NALEP and Action	-	20,000	-	(706)	-	19,294
Lester John Desmond Legacy	-	2,000	-	-	-	2,000
London						
Ilford Legacy	17,242	-	-	(921)	-	16,321
Cinema to Synagogue	10,000	(3,437)	-	(6,563)	-	-
Cottier Legacy	-	10,118	-	-	-	10,118
North East						
100 Club	1,731	57	-	-	-	1,788
Unison Bridges to Learn (V)	(796)	75,426	-	(74,630)	-	-
Unison Bridges to Learn (VI)	-	38,096	-	(38,294)	-	(198)
Northumbria Water - EveryDrop Campaign	6,390	13,970	-	(20,360)	-	-
North West						
RSC - Any Old Ions	13,677	20,000	-	(17,235)	-	16,442
RAS - Look Up to the Skies	40,428	50,000	-	(33,288)	-	57,140
HLF2	2,358	-	-	(2,358)	-	-
Alderdale Healthy Weights	4,944	(1)	-	(4,943)	-	-
Merseytravel Dementia	(264)	179	-	(351)	436	-
Wellcome Trust	-	122,640	-	(8,265)	-	114,375
IoP Excite with Science	-	1,974	-	(21)	-	1,953
South West						
Reuben George	623	-	-	(300)	-	323
Dartmouth National Park Authority -	-	845	-	(845)	-	-
Reach Out to Dartmoor						
Santander Foundation - Community Plus Grant	1,362	-	-	(1,362)	-	-
Teachstand	-	1,000	-	(1,000)	-	-
Balance carried forward	133,021	497,959	30,639	(386,521)	436	275,534

Notes to the financial statements for the year ended 31st July 2018

13f. Statement of funds (continued)

Prior year statement of funds (continued)

Other restricted funds (continued)

	At 1 August 2016 £'000	Received income £'000	Accrued/ Deferred/ Matched income £'000	Funded expenditure £'000	Transfer from / (to) General Fund £'000	At 31 July 2017 £'000
Balance brought forward	133,021	497,959	30,639	(386,521)	436	275,534
Southern						
Southampton CC - Writing Courses	7,405	7,909	-	(7,305)	-	8,009
F Adler Legacy	121,017	8,947	-	(42,457)	-	87,507
J Taylor Legacy	1,734	-	-	(380)	-	1,354
K Smith Legacy	39,923	-	-	(7,681)	-	32,242
Slough Funding	120	-	-	(120)	-	-
Oxford CC - Creative Arts - Blackbird Leys & Littlemore	1,397	888	-	(2,285)	-	-
Surrey CC - Get Socially Active 50+	1,479	2,892	-	(4,371)	-	-
ESOL Project OCC	-	9,955	-	(7,981)	-	1,974
ESOL Pathways	-	3,428	-	(1,838)	-	1,590
West Midlands						
NHS Stoke-on-Trent - Get Out Stay Well Pt 3	(12)	43,545	-	(38,827)	-	4,706
Dudley MBC - Community Gym	-	37,300	-	(37,300)	-	-
Dudley MBC - Healthy Towns 1617	-	15,900	-	(15,900)	-	-
Worcestershire CC - CLT 2016/17	-	19,764	-	(19,764)	-	-
Yorkshire & Humber						
Mike Haywood Fund	2,115	-	-	-	-	2,115
Community Covenant Grant Scheme - Learning Together	-	(158)	-	158	-	-
Yorkshire Adult Schools Union	8,500	(200)	-	-	-	8,300
Learning Consortium	-	17,475	-	(13,481)	-	3,994
British Council Active Citizens	-	5,600	-	(239)	-	5,361
Scotland						
Scottish Government Headquarters Grant	-	263,333	-	(263,333)	-	-
Scottish Government - Women at Work Project	18,630	62,587	-	(81,217)	-	-
Scottish Government - Women in the Highlands Project	-	21,250	-	(5,316)	-	15,934
Scottish Government - Self Directed Support Project	13,958	61,502	-	(55,533)	-	19,927
Highland Council CPP - ESOL	-	30,000	-	(29,240)	-	760
Calouste Gulbenkian Foundation	10,007	24,000	-	(16,117)	-	17,890
Creative Carbon Scotland - Carbon Literacy Project	-	4,476	-	(4,476)	-	-
CLAN - Edinburgh Literacy Partnership - Workplace ESOL	78	12,025	-	(9,253)	-	2,850
Falkirk Council - ESOL Project	1,616	3,795	-	(5,411)	-	-
Falkirk Literacy Partnership - Workplace	22,949	29,708	-	(32,402)	-	20,255
NHS Bridges Project	2,270	-	-	(2,270)	-	-
VAF - Lip Reading Project	4,567	-	-	(4,567)	-	-
STUC Programme	-	35,193	-	(35,193)	-	-
Balance carried forward	390,774	1,219,073	30,639	(1,130,620)	436	510,302

Notes to the financial statements for the year ended 31st July 2018

13f. Statement of funds (continued)

Prior year statement of funds (continued)

Other restricted funds (continued)

	At 1 August 2016 £'000	Received income £'000	Accrued/ Deferred/ Matched income £'000	Funded expenditure £'000	Transfer from / (to) General Fund £'000	At 31 July 2017 £'000
Balance brought forward	390,774	1,219,073	30,639	(1,130,620)	436	510,302
Scotland (continued)						
Aberdeenshire Literacy Partnership - Workplace	28,500	24,900	-	(33,168)	-	20,232
Aberdeenshire Council - ESOL Workplace	3,574	10,926	-	(14,500)	-	-
NHS - Seed to Feed Project	407	2,496	-	(1,527)	-	1,376
Aberdeenshire Council - ESOL Workplace	-	14,921	-	(14,921)	-	-
Aberdeen City Council - PDA ITESOL Project	19,032	-	-	(19,032)	-	-
Aberdeen City Council - Parenting Project	13,523	-	-	(753)	-	12,770
Aberdeen City Council - Family Learning ESOL Project	-	3,922	-	(1,692)	-	2,230
South Lanarkshire Literacy Partnership - Workplace & ESOL	10,000	-	-	(10,000)	-	-
South Lanarkshire Literacy Partnership - ESOL	-	5,000	-	(5,000)	-	-
Aberdeen City Council - ESOL Enrichment Programme	-	7,200	-	(7,200)	-	-
Glasgow Literacy Partnership ESOL Strategy Grant	-	28,915	-	(28,915)	-	-
Endrick Trust	1,042	-	-	(217)	-	825
Glasgow Literacy Partnership - ALN's 2016/17	19,310	54,483	-	(73,793)	-	-
Glasgow Literacy Partnership - ALN's 2017/18	-	53,311	-	(37,521)	-	15,790
FSF - Galgael Centre Project	-	2,000	-	(2,000)	-	-
Glasgow Clyde Education Foundation - Science for a Successful Scotland	-	26,961	-	(26,961)	-	-
Glasgow Clyde Education Foundation - Counting on a Greener Scotland	-	15,000	-	(15,000)	-	-
Reach Out Project	21,056	83,455	-	(84,811)	-	19,700
North Ayrshire Council - ESOL Project	-	33,069	-	(33,069)	-	-
South Lanarkshire Council - Syrian Refugee Research	-	10,000	-	(10,000)	-	-
Scottish Refugee Council - Sharing Lives Sharing Languages	-	12,638	-	(8,628)	-	4,010
Edinburgh City Council - Syrian Refugee Research	-	5,000	-	(5,000)	-	-
Fife Council - Revenue	-	29,360	-	(29,360)	-	-
Fife Council - Teaching	2,615	13,191	-	(12,266)	-	3,540
Highland Council - Revenue	-	11,505	-	(11,505)	-	-
Highland Council - Teaching	948	3,243	-	(3,241)	-	950
Aberdeen City Council - Revenue	-	22,500	-	(22,500)	-	-
Aberdeen City Council - Teaching	5,162	11,280	-	(10,880)	-	5,562
City of Edinburgh Council - Teaching	1,000	-	-	(1,000)	-	-
Total other restricted funds (note 13d)	516,943	1,704,349	30,639	(1,655,080)	436	597,287

Notes to the financial statements for the year ended 31st July 2018

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

	2017/18 £'000	2016/17 £'000
Net outgoing resources	(145)	(972)
Loss on disposal of fixed assets	5	-
Depreciation	617	479
Other finance charges	850	849
Increase in debtors	(504)	(8)
Increase/(decrease) in creditors and provisions	(732)	678
Interest received	(21)	(10)
Other finance income	(806)	(769)
Non cash movements in respect of FRS 102 s.28	(131)	(110)
Net cash inflow from operating activities	(867)	137

15. Return on investments and servicing of finance

	2017/18 £'000	2016/17 £'000
Income from investments and interest receivable	21	10
Net cash inflow for return on investments and servicing of finance	21	10

16. Analysis of change in net funds

	At 1 August 2017 £'000	Cash flow £'000	At 31 July 2018 £'000
Net cash			
Short term deposits	2,547	(1,001)	1,546
Bank & cash	3,970	(580)	3,390
Total net funds	6,517	(1,581)	4,936

17. Trustees' expenses

	2017/18 £'000	2016/17 £'000
Trustees' expenses		
Trustee meeting	3	-
Trustee travel	11	7
Trustee subsistence & accommodation	1	-
Trustee training	-	-
Trustee recruitment	-	-
Total trustees' expenses	15	7

The number of trustees reimbursed out of pocket travel and subsistence expenses was 12 (2016/17:10).

The trustees hold indemnity insurance. During the year, the Association spent £1,680 (2016/17: £1,860) to purchase this indemnity insurance policy.

Notes to the financial statements for the year ended 31st July 2018

18. Pension schemes

The pension schemes operated by the Association are the Teachers Pension (TP), the WEA pension scheme for staff who joined the scheme before 31 December 2012 and whose Trustee and Administrator is The Pensions Trust (TPT) and the NOW: Pension Scheme for auto-enrolment of new staff and those existing staff who want to contribute at a lower rate than in other schemes.

The TP Scheme is an unfunded defined benefit scheme. Contributions on a pay-as-you-go basis are credited to the Exchequer, under arrangements governed by the Superannuation Act 1972. Actuarial valuations are carried out on a notional set of investments. Under the definitions set out in Financial Reporting Standard 102 s.28, the TP is a multi-employer pension scheme. The WEA is unable to identify its share of the underlying (notional) assets and liabilities of the scheme. Accordingly, the Association has taken advantage of the exemption in FRS 102 s.28 and has accounted for its contributions to the scheme as if it were a defined contribution scheme.

The employer TP contribution rate is 16.48%, which is a single level contribution and not tiered the same way as employee contributions which attract rates of between 7.4% and 11.7%. This is necessary to make the scheme more sustainable and fairer. The WEA has a Grant Aided Voluntary Organisation (GAVO) membership with the Teachers' Pensions, and has elective rather than auto-enrolment status as a result.

The NOW: Pension (auto-enrolment) Scheme is a defined contribution scheme contracted to NOW: Pension, a pension scheme provider to oversee the WEA's legal obligation to enrol into a workplace pension workers who are not already participating in a qualifying workplace pension scheme, and who meet other stipulated criteria as to monthly taxable earnings if aged over 22 years, and their age in relation to State Pension age. The lowest permitted contributions are 2% from the employee and 3% from the WEA. The WEA contribution is set at 1% above that chosen by the employee but with an upper limit of 7%. Employees contributing more than 6% attract no further WEA contribution.

The WEA Scheme is a defined benefit scheme in the UK and provides benefits on a final remuneration basis for service up to 31 July 2016 and on a Career Average Revalued Earnings (CARE) basis for service from 1 August 2016. A full actuarial valuation was carried out at 30 September 2014 and has been updated to 31 July 2016 by a qualified actuary independent of the scheme's sponsoring employer.

This most recent actuarial valuation showed a deficit of £4.3m. The WEA had agreed with the TPT Trustee that they would aim to eliminate the deficit over a period of 10 years from 1 August 2016 by the payment of annual contributions of £250,000 per annum until 31 July 2018 and then £493,000 per annum (increasing by 3% per annum). However, following the decrease in the deficit in the 2017 triennial valuation (2014 valuation: £5.7m) the deficit payments have been renegotiated and the £493,000 per annum will be reduced to £348,000 per annum from 1st January 2019 (increasing by 3% per annum). A further charge on 4 Luke Street will be granted to TPT and the charge will rise from £1.9m to £2.5m.

With effect from 1 August 2016, employer contributions of 9.3% (CARE 100th members) and 9.1% (CARE 80th members) of pensionable earnings are payable in respect of the cost of accruing benefits. The employer also contributes £92,220 per annum towards the scheme expenses and PPF levies. Member contributions are payable in addition at the rate of 7.0% (CARE 100th members) and 8.5% (CARE 80th members) of pensionable earnings. Members below the age of 30 pay a reduced rate of 5% rising to the aforementioned rates on 1st April following the member's 30th birthday.

The principal assumptions used by the actuary in accordance with FRS 102 s.28 are shown below. The trustees have relied upon advice from the TPT in determining the financial assumptions.

	2017/18	2016/17
Principal assumptions		
Discount rate	2.65%	2.50%
Inflation (RPI)	3.20%	3.20%
Inflation (CPI)	2.20%	2.20%
Salary increases	3.20%	3.20%
Allowance for pension in payment increases of CPI, or 5% p.a. if less	2.20%	2.20%
Allowance for pension in payment increases of CPI, or 3% p.a. if less	1.90%	1.90%
Allowance for pension in payment increases of CPI, or 2.5% p.a. if less	1.70%	1.70%
Allowance for commutation of pension for cash at retirement	75%	90%
using notional commutation factors	of maximum	of maximum

The mortality assumptions adopted at 31 July 2018 (2017) imply the following life expectancies (in years):

Male retiring at age 65 in 2018 (2017)	22.3	23.0
Female retiring at age 65 in 2018 (2017)	24.0	24.6
Male retiring at age 65 in 2038 (2037)	23.7	24.4
Female retiring at age 65 in 2038 (2037)	25.3	25.8

Notes to the financial statements for the year ended 31st July 2018

18. Pension schemes (continued)

a) The amounts recognised in the balance sheet are as follows:

	31 July 2018 £'000	31 July 2017 £'000
Present value of scheme liabilities	(33,804)	(34,630)
Fair value of scheme assets	33,698	32,779
Deficit	(106)	(1,851)
Amounts in the balance sheet		
Liabilities	(106)	(1,851)
Net liability to be recognised	(106)	(1,851)

b) Reconciliation of present value of scheme liabilities and assets

	2017/18 £'000	2016/17 £'000
Present value of the defined benefit scheme		
Opening scheme liabilities	34,630	34,169
Current service cost	297	398
Expenses	112	112
Interest cost	850	849
Contributions by employees	163	228
Past service granted during the year	-	-
Actuarial (gains)/losses	(440)	38
Benefits paid	(1,808)	(1,164)
Closing defined benefit obligations	33,804	34,630

c) Change in the fair value of the scheme assets are as follows:

	2017/18 £'000	2016/17 £'000
Opening fair value of the scheme assets	32,779	30,901
Interest income	806	769
Actuarial gains	1,218	1,425
Contributions by employer	540	620
Contributions by employees	163	228
Benefits paid	(1,808)	(1,164)
Closing fair value of the scheme assets	33,698	32,779

The actual return on the scheme assets over the period ended 31 July 2018 was £2,024,000.

d) The amounts included within the statement of financial activities are as follows:

	2017/18 £'000	2016/17 £'000
Current service cost	297	398
Expenses	112	112
Net interest cost	44	80
Total amounts charged within net incoming resources	453	590

Notes to the financial statements for the year ended 31st July 2018

18. Pension schemes (continued)

e) Analysis of the amount recognised in the statement of financial activities

	2017/18 £'000	2016/17 £'000
Net actuarial gain recognised in the year	1,658	1,387
Net actuarial gain	1,658	1,387

f) Fair value of assets

	Value at 31 July 2018 £'000	Proportion	Value at 31 July 2017 £'000	Proportion
Equity type assets	14,205	42.2%	15,805	48.2%
Bonds	17,563	52.0%	15,060	46.0%
Property	1,845	5.5%	1,865	5.7%
Other	85	0.3%	49	0.1%
Total value of assets	33,698	100.0%	32,779	100.0%

g) The amounts included within the statement of financial activities are as follows:

	2017/18 £'000	2016/17 £'000	2015/16 £'000	2014/15 £'000	2013/14 £'000
Present value of scheme liabilities	(33,804)	(34,630)	(34,169)	(30,118)	(25,818)
Scheme assets	33,698	32,779	30,901	26,859	23,501
(Deficit)	(106)	(1,851)	(3,268)	(3,259)	(2,317)
Experience adjustments on scheme liabilities	(630)	783	219	(264)	167
Percentage of the present value of scheme liabilities	1.9%	2.2%	0.6%	(0.9%)	0.6%
Experience adjustments on scheme assets	1,218	1,425	3,256	1,884	396
Percentage of the fair value of scheme assets	3.6%	4.3%	10.5%	7.0%	1.7%

h) Additional information for The Pensions Trust - WEA Pension Scheme

The Scheme is a defined benefit (final salary) funded pension scheme. The Scheme is for staff who joined before 31 December 2012.

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 employer expects to contribute £783,200* for the period beginning after 31 July 2018: (2017/18: £555,036). The current arrangements as regards to contribution levels are described in the Schedule of contributions dated 1 August 2016.

The Scheme holds Contingent Assets in the form of a security in favour of the Trustees over the office property situated at 4 Luke Street, London, EC2A 4XW which was valued at £3.0m on 12 October 2015, in respect of all sums which are, or may become due and payable by the sponsoring employer to the Scheme. The charge is currently capped at £1.9m.

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

* This figure is a best estimate as provided by the Actuary, and it includes an allowance for the cost of Death in Service Insurance Premium, Administrative Expenses and PPF levies.

Notes to the financial statements for the year ended 31st July 2018

19. Investment income

	2017/18 £'000	2016/17 £'000
Interest on cash deposits	21	10
Interest on pension scheme assets	806	769
	827	779

20. Investments in subsidiaries

At 31st July 2018 the Association owned the entire issued share capital of 1 ordinary shares (2016/17: 1 share) of WEA Trading Ltd. At 31st July 2018 the aggregate of share capital and reserves of WEA Enterprises Limited was £1 (2016/17: £1).

The name of the company was changed to WEA Trading Ltd on 18th March 2016. It has not traded during the period and has nil assets at 2017/18 (2016/17: 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. Amounts disbursed as agents

	2017/18 £'000	2016/17 £'000
Learner support funds		
ESFA Grants - Hardship Funds	-	48
ESFA Grants - Childcare	-	-
ESFA Grants - ESOL	-	-
	-	-
Disbursed to learners		
Staffing & other costs	-	-
Administration fees	-	-
	-	48

22. 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 inevitable that transactions will take place with organisations in which a member of the 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 no related party transactions (2016/17: nil).

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

23. Provisions

	£'000 Total
At 1 August 2017	206
Provisions charged	-
Provisions released	(56)
At 31 July 2018	150

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.

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