

Year ended 31 July 2023

WEA statutory annual report and financial statements



WEA

Adult Learning
Within Reach

Workers' Educational Association

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

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

Introduction

The members of the Board of Trustees of the WEA, who are the Trustees of the charity, and Directors and Members of the Company, have pleasure in submitting the report and accounts for the year ended 31 July 2023.

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

- ▶ Have been properly prepared in accordance with UK accounting standards, including FRS102, the Financial Reporting Standard applicable in the UK and Republic of Ireland and with the 2019 Statement of Recommended Practice: Accounting and Reporting for Charities; and
- ▶ Meet the requirements of the ESFA funding agreement and financial memorandum dated 31 August 2022 and issued by the ESFA.

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

The Governance arrangements are explained in more detail in the Structure, Governance & Management section on page 26.

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

Reference and administrative details

Trustees

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

John Widdowson (Chair)

Catherine Armor (appointed 01/11/2023)

Robin Cook

Tracey Irving Craib (appointed 01/11/2023)

Kevin Doyle (appointed 01/10/2022)

Marion Flett (resigned 12/10/2023)

Jon Gamble (resigned 31/07/2023)

Malcolm Grady

Christine Grant

Jamey Johnson (appointed 01/11/2023)

Abda Khan (appointed 01/11/2023)

Pat Kynaston

Geoff Layer (Vice Chair)

Stephanie Mason (appointed 01/11/2023)

Karen McArdle (appointed 01/10/2022)

Lindsay Pearson

Marc Sherland (resigned 30/09/2022)

Peter Threadkell

Narinder Uppal (resigned 31/07/2023)

Company Secretary

Kathleen Formosa

Leadership team

Chief Executive & General Secretary

Director of Finance & IT

Director of Finance & IT

Director for Quality & Learner Services

Director for WEA Scotland

Director of Education (Community Learning)

Director of Education (Skills & Employability)

Director for Marketing,
Membership & Income Growth

Director of Governance

Director of People & Culture

Head of Human Resources &
Organisational Development

Simon Parkinson

Dympna McCoy (resigned 14/04/2023)

Shaun Tyndall (appointed 28/08/2023)

Preeya Buckley

Ray McCowan

Katie Easey

Chris Morgan

James Ward

Kathleen Formosa

Angie Evans (appointed 23/01/2023)

Margaret Johnson (resigned 31/08/2022)

Auditor

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

Bankers

Royal Bank of Scotland
250 Bishopsgate
Spitalfields, London
EC2M 4AA

Bank of Scotland
300 Lawnmarket
Edinburgh EH1 2PH

Solicitors

Bates Wells
10 Queen Street Place
London EC4R 1BE

Balfour & Manson
54-66 Frederick
Edinburgh EN2 1LS

Pension fund trustees and administrators

Teachers' Pensions
11b Lingfield Point
Darlington
DL1 1AX

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

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

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

WEA registered office

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Registered Charity Number
(England and Wales): 1112775
(Scotland): SC039239

Registered Company Number
(England and Wales): 2806910

Objectives and activities

In fulfilment of its charitable objects, to promote adult and general education for the benefit of the community regionally, nationally and internationally based on democratic principles in its organisation and practice, through the participation of its voluntary members, WEA built on its successes from previous years in its achievements during 2022/23, and also addressed some of its areas of development.

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

Throughout 2022/23, WEA's objectives and activities were aligned with the 2025 Strategy as refreshed in March 2020, demonstrating a commitment to delivering broad adult education across three strategic pillars – Learning for Life; Learning for Work; and Learning that Builds Communities.

WEA continues to negotiate the ongoing impact of Covid-19 on the public purse, and on the individuals and communities it serves. The need to build organisational agility and resilience in response to a rapidly shifting public funding landscape in England and in Scotland, and to respond to the needs and interests of learners has been recognised and has resulted in significant adjustments in WEA's approach to budgeting, staffing, and governance (particularly local governance). In all areas, the priority has been to ensure that resources were available and in place to give WEA the best chance of achieving its strategic priorities and serving the best interests of learners.

Our learners & learning

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

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

These outcomes have underpinned a systematised, more rigorous approach to curriculum planning during the year, and a whole-Association response to emerging opportunities and leveraging specific, successful initiatives developed across England and Scotland. With attention to local needs and to learner interests and aspirations, WEA has sought throughout the year to encourage and support learners in the completion of their learning programmes and to progress into higher level courses or into employment. To this end, the design and implementation of targeted interventions to increase participation and reduce drop-out of courses and qualification pathways was prioritised this year.

WEA has acknowledged the significant shift in public funding toward skills and employability, and away from WEA's historic strength in delivering community learning, arts/crafts, health and wellbeing, and cultural learning. It has responded by building a skills for work offer that includes both accredited and non-accredited provision, and that is supported by a growing range of provision in maths, English, and ESOL. As a relatively new entrant to the employability training arena, WEA has worked to build awareness of its capabilities and manage with less of a track record than more established providers.

WEA has and will continue to ensure that a positive learner experience remains at the centre of all activities and initiatives. Increased focus was placed on the quality of the learner experience throughout 2022/23 in the continued development and refinement of a peer-reviewed class visits programme, and pro-active support for learner progression through WEA programmes.

WEA continued to develop its use of technology to support teaching and learning and has improved its approaches to blended and digitally enabled learning for all provision. The use of Canvas is now embedded into most WEA classes so that learners can, at minimum, complete their learning plans and evaluations online. WEA has also begun to develop asynchronous learning tools in support of its Multiply provision. Consideration will be given to expanding the use of asynchronous learning tools where it makes sense to do so.

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

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

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

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

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

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

Our members & volunteers

WEA is constitutionally an Association of members and views an engaged membership as critical to its long-term success and sustainability. WEA has sought to deepen the engagement with its membership during the year to ensure the Association's reach, to grow its profile, and amplify its voice as a leading adult education organisation.

Many of WEA's members are also volunteers for the organisation. Through the year, WEA continued to build on the priorities emerging from the comprehensive volunteer survey undertaken in 2021, including developing and embedding a comprehensive volunteer induction and training programme and automating volunteer recruitment through the HR Amris system.

Our voice

WEA has used its position as the leading organisation in the UK for adult learning to demonstrate the positive difference that adult learning makes. In 2022/23, WEA continued to grow its network of like-minded organisations in the UK and internationally. WEA has strengthened its relationships with national and international organisations in the sector (e.g., Hoxley, SOLIDAR, IFWEA) engaging them in ways that builds WEA's profile within the sector, that builds enthusiasm for WEA's mission and values, and that advances the cause of individual access to lifelong learning generally. WEA also continued to support and engage the All-Party Parliamentary Group on Adult Learning.

Our people

WEA recognises that its people are its greatest asset. In 2022/23, WEA continued its commitment to supporting its paid and voluntary workforce by:

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

WEA continues to work toward Investors in People ("IIP") Gold accreditation, following the award of IIP silver accreditation in November 2021. The next IIP accreditation review is anticipated in 2024.

WEA also continues to work toward Investors in Diversity ("IID") accreditation, having achieved provisional IID accreditation in 2021/22.

WEA continues to be a living wage employer.

Our systems & processes

WEA Trustees agreed an investment of c. £3.4 million in WEA's digital infrastructure, new systems, and corresponding operations. Whereas the scope of work for this project focused on procurement and scoping in the previous financial year, work on the implementation of digital transformation and digital infrastructure projects began in earnest in 2022/23. Expenditure on digital transformation and digital infrastructure stood at £1.3m at 31 July 2023. Phase one of digital transformation and infrastructure work concluded in 2022/23. Phase two of investment will be carried out over the course of 2023/24.

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

Our finances

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

Throughout 2022/23 WEA has engaged in ongoing dialogue with mayoral authorities to protect its position through grant funding, particularly in areas where it has deep and long-term connections with local communities. WEA has also sought to explore alternative funding routes outside of funds available from the Department for Education (e.g., through UKSPF) in the interest of growing its reach and ensuring adult learners continue to have access to the supportive learning WEA provides.

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

The balance of unrestricted vs. restricted income continues to stay around 50/50 and this is likely to remain the case until the next tranche of devolution.

	2020/21	2021/22	2022/23
Unrestricted Income	56%	49%	53%
Restricted Income	44%	51%	47%

WEA has continued to maintain a strong cash flow profile. It ends the 2022/23 financial year with a self-assessed ESFA financial health rating of "good."

Covid-19 recovery

WEA responded positively to the Covid-19 pandemic crisis and was commended by various funders and other organisations for its demonstrated agility in quickly converting to high-quality online learning. From the start of the pandemic, WEA was first and foremost focused on the safety of learners, volunteers, and employees. In all decision-making, people safety and government advice were taken into account in decisions to re-open teaching and learning spaces, and to return to offices.

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

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

Impact

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

Strategic report

WEA is a leading adult education charity with a legacy stretching back over 120 years. WEA empowers adults through learning at all stages of life, reaching approximately 25,000 learners annually across England and Scotland.

WEA's purpose is to bring adult education within reach of everyone who needs it, fighting inequality and promoting social justice. WEA empowers adults by bringing great teaching to local communities across England and Scotland with a mission of providing access to education for adults right on their doorstep. WEA believes that the opportunity for a better future is too often made inaccessible for reasons including cost, location, and a lack

of information. WEA is committed to removing barriers to education so that individuals can improve their own life chances and have a positive impact on their communities and society as a whole.

WEA differentiates itself from further education colleges by reaching into communities where learners live and work to deliver learning in surroundings where they are familiar and comfortable. WEA emphasises smaller class sizes so that learners receive more personal care, attention, and support from tutors. To achieve this, WEA works in partnership with over 800 community-based venues and local networks across the UK and with like-minded partners internationally.

Long-term strategic plan

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

WEA is committed to supporting all learners through exceptional service and high professional standards that result in an excellent quality learning experience that caters to learners' needs. WEA's aspirations are to surpass compliance and strive continually to improve teaching. To this end, WEA has implemented the largest organisational change project in recent memory – i.e., digital transformation – which has introduced best-in-class systems for learner records management, and all aspects of curriculum development and planning. Enabling more robust data reporting, WEA's new systems ensure that future decision-making around curriculum and resourcing for education delivery are based on clear, objective evidence and attention to emerging trends. As with all large-scale technology change programmes it will take time to embed and realise the full benefits. In the years ahead, WEA will continue to focus attention and resources on the use of technology to improve learner engagement and to make learning more accessible wherever its learners live. WEA will also aim to improve learners' understanding of the outcomes they can achieve and to support them to

track and celebrate their achievements. WEA has made a commitment to providing tailored and timely advice, guidance and support for learners throughout their learning journey.

Based on current performance, WEA estimates that by 2025/26 it can realistically achieve:

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

WEA's last Ofsted inspection of provision in England was in 2017. It has therefore prepared for its next Ofsted inspection in the near term. WEA seeks at minimum to maintain its Ofsted grading of "good" and aims to be "outstanding." WEA aims to be recognised within the sector as visionary and innovative in its teaching of skills, and to ensure quality and performance improvement initiatives are applied to every element of its work in order to continually review and improve upon its provision and other services.

2023/24 priorities

WEA's priorities for 2023/24 are aligned to the Creating Opportunities Strategy agreed by the Board of Trustees in July 2022, which places learner success at the heart of all WEA's activities. WEA aims to demonstrate its commitment to quality and learner success through encouraging and achieving high levels of learner attendance, retention, achievement, and enhancement of personal development, and accordingly has set ambitious internal targets in these areas.

Recognising that learner success is tied to tutor engagement and the quality of professional support provided to the tutor base, WEA will continue to build upon the programme of continuous professional development to tutors implemented in 2022/23 including

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

WEA will continue working to embed the practice of benchmarking performance against providers with an Ofsted grading of "outstanding" to identify best practice in others which can be embraced by WEA. It will also continue its work to embed improved course planning and recognising and recording progress and achievement ("RARPA"), and encourage inspiring and innovative teaching, learning, and assessment practice to ensure that learners achieve their goals and receive recognition for their achievements.

WEA continues its commitment to maximising learners' chances of success by providing an outstanding level of teaching and learning, and by providing additional support to help learners overcome any barriers to learning. To this end, WEA continues to work to the three strategic objectives agreed in the previous year:

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

The strategic objectives are supported by four enabling objectives:

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

Learning for life

WEA believes that open access to adult education creates a more equal and just society and improves outcomes for learners in terms of health, well-being, and independence. It helps individuals to meet challenges such as social isolation, lack of confidence, and low self-esteem. WEA is mindful that 43% of unemployed people in the UK report poor mental health¹. Whether in work or not, 7.1 million people in the UK have very poor literacy skills², and 9 million people report that they cannot use the internet without help³. WEA accepts estimates that 4 in 5 adults in the UK have a low level of numeracy⁴.

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

- ▶ Continue to drive the case for public funding at national level, and seek to secure funding from new and current sources aligned with our overall mission and values; and
- ▶ Build and share a specific evidence-based case to convince policy and funding decision-makers at a national and local level; and
- ▶ Continue to improve the WEA website and technology supporting teaching and learning to ensure the WEA offer is accessible to all.

As government funding priorities continue to shift their focus to investment in Skills for Jobs and higher-level qualifications, WEA will seek to bid successfully for funding to deliver skills for employment provision while also seeking to diversify its funding streams to ensure that community learning, arts/crafts, health and wellbeing, and cultural provision can continue to be supported. Support for provision outside the scope of Skills for Jobs will be sought through effective bidding for the public funding that does remain available, while also looking to alternative funders (e.g., government departments beyond DfE, trusts, foundations) and full-cost options for those learners who can afford to pay more for their courses.

WEA will evidence its effectiveness in delivering against its aims in 2023/24 by delivering:

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

¹ Health Foundation, 2021.

² National Literacy Trust, 2022.

³ Good Things Foundation, 2020.

⁴ National Numeracy, 2022.

Learning for work

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

WEA is mindful that four in 10 working age adults in the UK who have no qualifications live in poverty (compared to one in 10 with a degree or more)⁵, and accepts estimates that over 7 million working age adults in the UK do not have a level 2 (GCSE or equivalent) qualification⁶. WEA recognises that one in five members of the labour market (an estimated 6.2 million workers) in the last year experienced severely insecure work⁷, that 62% of UK unemployed adults are long-term unemployed⁸, and that by 2030, over 30 million people will need to be re-skilled⁹.

Since the Covid-19 pandemic, the over-50 workforce has been significantly impacted. The Office for National Statistics estimates that economic inactivity among the over-50 workforce has increased by 250,000 individuals¹⁰. Younger people too have been affected, with 43% (1.7 million) of unemployed workers between the ages of 16-64 reporting they would like to be in work¹¹. WEA accepts estimates that an extra 1.2 million people would receive training if those with low qualifications participated in learning as much as those with degrees¹².

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

- ▶ Develop new tutor recruitment and retention strategies to get the highest possible quality teachers and support staff who bring the best and most up-to-date industry knowledge; and
- ▶ Build and improve its use of technology to deliver education that is accessible to learners around their work and life commitments, as well as removing other barriers to learning; and
- ▶ Improve its approach to easing the transitions into and out of learning

WEA recognised last year that growing a skills curriculum will require recruitment of specialist tutors at scale in a market where competition with other organisations for in-demand experience will be significant. This was made harder by the Government's decision not to extend the 6.5% salary increase awarded to teachers and College lecturers to those teaching in the post 19 arena. In 2022/23, WEA initiated a programme of recruiting specialist tutors in specific subject areas where it did not have notable strengths previously (e.g., maths). In 2023/24, WEA will continue to review its education offer against its strategy, and to consolidate and rationalise its regional and national offer. A review of the existing tutor base has commenced, with attention focused on improving organisational knowledge of the expertise and teaching interests of its existing tutors, offering full-time or near full-time appointments where it makes strategic sense to do so.

In 2023/24, WEA will evidence its effectiveness in delivering against its Learning for Work aims by committing to:

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

⁵ Joseph Rowntree Foundation, 2022.

⁶ ONS, 2021.

⁷ The Work Foundation, 2022.

⁸ CBI/McKinsey, 2020.

⁹ ONS, 2022.

¹⁰ Learning & Work Institute, 2022.

¹¹ Learning & Work Institute, 2021.

¹² UK Gov, 2021.

Learning that builds communities

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

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

With 26% of adults reporting that they do not speak to their neighbours or members of the community on a regular (monthly) basis¹³, and 5% of adults claiming that they feel lonely often or always¹⁴, WEA aims to design and deliver learning networks which inspire passions, ignite friendships and bring communities together, enhancing their purpose and providing them with the skills and knowledge to make them self-sufficient.

WEA is confident in its position that learning builds communities. Feedback from learners enrolled in WEA's community learning and cultural programmes in 2022/23 confirmed that among this cohort of learners:

- ▶ 43% reported that their course had helped them to make new friends;
- ▶ 51% reported an increase in their self-confidence; and
- ▶ 84% reported improvements to their wellbeing after their course.

Acknowledging that the number of learners who may be able to pay for provision may be suppressed due to economic factors (e.g., increases in the cost of living and inflation), and that funding to enable those who cannot afford to pay to participate will need to be secured, WEA has committed to developing and delivering a pilot programme of full-cost provision of arts and cultural learning that may no longer be supported by tailored learning funds by 2025.

The aim of the full cost provision WEA intends to develop in 2023/24 will be to determine the full direct cost of delivering a particular course and to ask each learner with means to pay to pay a proportionate contribution toward that cost. Provision will be made for subsidising costs for any learner wishing to enrol who does not have means to pay. WEA will adhere to the principle that any learner, regardless of their means, should be enabled to join a full cost course. That said, WEA is keenly aware that public funding support for certain provision that WEA has historically offered is under threat from 2025.

To achieve its aims for full-cost provision in 2023/24, WEA will:

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

The three priorities detailed above are underpinned by distinct priorities for Scotland and England.

¹³ UK Gov, 2021.

¹⁴ ONS, 2021.

Scotland

While headline subject areas are broadly the same as in England, provision in Scotland is focused primarily on creating access to education for under-represented groups and those with low or no qualifications. In 2023/24 WEA Scotland will deliver a lifetime upskilling and retraining offer, including for jobs in green industries, concentrating on working-age people living in poverty. As in previous years, ESOL, readiness for employment, building confidence, enhancing social integration, mental health and well-being, and civic involvement will also continue to account for significant amounts of the provision in Scotland.

England

Across England, curricula are developed in response to local needs. Objectives are set in relation to improving ongoing quality and the learner experience, increasing the use of digital technologies in learning, recovery from the economic and social impact of lockdowns, and responding to the cost-of-living crisis.

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

Improving systems, processes and infrastructure

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

Over the last two years, WEA has made significant progress in modernising its IT infrastructure to ensure its reliability, resilience and futureproofing. It has transformed its digital environment, replaced its legacy student record system, and rebuilt its website. This has required a large change to business process, as well as adaptability from staff and learners. It will take time to embed and for WEA to fully realise the benefits. In 2023/24 WEA will continue to build on these changes and continue to strengthen digital infrastructure to ensure effective resolution of technical debt and using best-in-class technology to support a positive learner experience and to drive clear, data-driven decision making.

The evolution of an estate plan alongside developments in digital infrastructure and systems will enable WEA to more clearly evidence social value and achieve a carbon neutral target. WEA will use recent grant funding from DfE to invest in the existing estate, and to establish firm anchors in communities where it can make the greatest impact.

In 2023/24, WEA aims to:

- ▶ Continue its investment in systems to strengthen its digital infrastructure;
- ▶ Continue to realign skills and capabilities within its IT service to make best use of new systems and ensure robust data security;
- ▶ Maintain CyberEssentials+ accreditation; and
- ▶ Plan the future WEA estate with a focus on learning centres and sustainable buildings.

Building income & ensuring sustainability

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

As all current forecasts in both Scotland and England predict increasing pressure on the public purse, it is increasingly important that the WEA continues to look for new ways to diversify its income streams. In the interest of building sustainable income streams, WEA will seek to engage with a variety of funders to understand their needs, and to leverage its strengths and track record to create strong proposals to effectively bid for contracts, retain grants, apply for charitable funding, and to develop self-financing programmes of full cost provision. At the same time, WEA will work to determine an achievable balance between direct and indirect operational costs and central overheads, adapting its business plans accordingly.

Current market conditions suggest that these more reactive sources of income where WEA responds to tenders or bids, are likely to continue to see relatively small rates of return. If the WEA is to find more lucrative sources of income, a strategy to deliver this will be needed. Such a strategy is currently in development and will form a significant part of WEA's work in 2023/24.

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

WEA acknowledges the inherent challenges in seeking to grow and diversify income in a period of increasing constraints on public finances and rising costs of living. To meet and overcome these challenges in 2023/24, WEA aims to:

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

Engaging effectively with stakeholders

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

WEA will seek to embrace the passion of its members, learners, and volunteers to support the WEA mission and to help WEA achieve the full breadth of its charitable aims. WEA will seek to improve its methods of engagement with members and volunteers at the same time as it seeks to broaden its outreach to a more comprehensive range of stakeholders. In the interest of increasing its effectiveness in stakeholder engagement, WEA has committed in 2023/24 to:

- ▶ Improving the marketing of its courses and rationalising provision to ensure learners are able to find the courses they want or need;
- ▶ Increasing the understanding of marketing leads and WEA learners to more effectively target diverse learner and member cohorts;
- ▶ Implementing an enhanced volunteer stewardship programme; and
- ▶ Expanding stakeholder engagement with devolved authorities.

Developing WEA people & culture

WEA believes that its mission can unite and motivate employees and volunteers to deliver life-changing learning to those who need it, and that it can do so in an efficient and effective way to reach as many learners as possible. WEA will continue to work toward the “good work plan reforms,” ensuring greater transparency and protection for staff working under more flexible working arrangements.

WEA seeks to develop its people and build a resilient and responsive culture to embrace the opportunities and the challenges that it knows lie ahead. Through training and development experiences, WEA will aim to ensure employees and volunteers are equipped to deliver the strategy, and to deliver and respond to change in a way that is caring, innovative, and respectful. Included in this endeavour are updates and reforms to WEA's governance structures and practices nationally and locally.

In 2023/24, WEA will increase the size of its Board of Trustees from 12 to 15 members to ensure a robust collective skill set covering all areas of trustee duties and responsibilities, and to support a committee structure that can ensure the Board receives detailed specialist scrutiny and advice on matters of strategic importance. At local level, Regional Committees will be wound down in favour of implementing Local Advisory Panels who will advise on local need, the quality of the learner experience, and opportunities for WEA to extend its charitable reach. At all levels, WEA governance will embrace best practice and be supported by a professionalised governance team.

Recognising the importance of professionalised governance support, and in response to the DfE's Strengthening Governance White Paper (2021), WEA invested in its corporate governance team. Over the course of 2022/23, the governance team increased from a team of one governance professional to three corporate governance professionals (Head of Corporate Governance, and two Governance Officers) and one subject specialist in information governance, working under the supervision of a Director of Governance. The strength of governance procedures implemented by the governance team was confirmed by an internal audit in June 2023, returning adequate assurance.

WEA is aware of the risk to employee and volunteer engagement arising from the significant level of change that has been implemented progressively across the Association over the last few years. At the same time, the risk that the pace of change that has to date been tolerable to employees and volunteers may not be sufficient to satisfy external bodies' expectations is also acknowledged. With an eye toward achieving what it perceives to be a balance between these risks and the benefits of progressive change, WEA seeks to achieve the following in 2023/24:

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

Governance review

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

Phase 3 of the governance review, which has focused on a comprehensive update to the Articles of Association & Regulations, and on reforming local governance, commenced at the start of the 2022/23 financial year and is now nearing completion.

Following the changes made to WEA's Articles & Regulations in December 2022 concerning the composition of the WEA Council, and the introduction of clear term limits on trustee service, it was agreed that a working group of trustees and non-trustee members of Council should be convened to oversee a thorough review and redrafting of the practical aspects of the Articles & Regulations – i.e., not the objects and principles elements. Considering that the Articles define WEA's mission, and the scope of its work as an organisation, it was agreed that redrafting work should begin with the Regulations to enable the working group to consider how WEA wished to carry out the work that it does before considering any updates to the scope of its work. A set of fully redrafted Regulations were supported by the Council and accepted in principle by the Board of Trustees (subject to legal advice, and changes to the Articles) in July 2023. It is anticipated that new Articles of Association will be considered in 2023/2024.

The project of redrafting the Articles & Regulations has been guided by the following agreed aims:

- ▶ To preserve the current objects and principles of the Association (including the specific wording that WEA provides for the educational needs of the working class);
- ▶ To conform to current sector guidance and to funders' and regulators' expectations;
- ▶ To be drafted in clear, easily understood language; and
- ▶ To avoid being overly prescriptive or operationally detailed.

Work on Phase 3 also included clarifying WEA's overall governance model, which now includes three levels of formal governance – i.e., the Board of Trustees, committees of the Board, and Local Advisory Panels – with branches and local associations placed outside the curtilage of the formal governance structure. Implementation of Local Advisory Panels is expected to continue through the first half of 2023/24. Phase 3 of the governance review also included consideration of the role of Regional Committees, and ultimately agreement that these should be wound down. This decision has impacted on the role of WEA Council (which is, formally, a committee of the Board of Trustees and WEA's chief stakeholder body) which continues to be considered with resolution anticipated in early 2024.

It is expected that 2023/24 will be the final year of the formal programme of governance review, although the development of governance to ensure WEA keeps pace with governance best practice and the expectation of funders and regulators will continue. Priorities for governance in 2023/24 will include:

- ▶ Articulation of a clearer purpose and remit for the WEA Council, and its development as WEA's chief stakeholder body;
- ▶ Concluding the review of WEA's Articles & Regulations to ensure these are clear, understandable, simplified as much as possible, and up to date; and
- ▶ Implementing a process for ensuring the governing documents are regularly reviewed and refreshed.

Additional information on the governance review appears as part of the report on Structure, Governance & Management on page 26.

Equality, diversity & inclusion

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

WEA has held an IIP accreditation of Silver since November 2021. WEA considers the achievement of IIP Silver as significant, noting that IIP awards silver status to only 20% of the organisations it accredits.

WEA has also held provisional IID accreditation since 2022. Through its Human Resources team, WEA continues to work through its action plan to review, develop and embed the FREDIE (i.e., fairness, respect, equality, diversity, inclusion and engagement) principles in line with the latest Ofsted inspection framework, and to ensure that these principles are fully integrated through all aspects of business planning.

WEA's Board of Trustees will continue to monitor, scrutinise and constructively challenge WEA leadership on its effective support and development of WEA staff at all levels, and to ensure WEA remains an inclusive employer. WEA's Board of Trustees has also recognised that it has work to do to improve the diversity profile of its own membership and that of its committees and has made some recent progress toward greater diversity among its own numbers, partially through increasing the size of the Board, and partially through a greater focus on external recruitment. The Nominations Committee has made a commitment to take into consideration the diversity profile of the Board and its committees in recommending the appointment of new trustees and committee members, and in succession planning for Board and Committee leadership roles. Recruitment onto the new Local Advisory Panels has been undertaken with the aim of ensuring that the membership of each Advisory Panel reflects the diversity of its own locality. In due course, it is hoped that Local Advisory Panels will support greater diversity at other levels of governance as WEA seeks to support and develop new Advisory Panel members.

During 2022 the WEA engaged with the FE Black Leadership Group to support its work on EDI and this engagement will continue going forward.

Within WEA's education provision, EDI learner data demonstrates that WEA courses engage a significantly higher number of learners from disadvantaged backgrounds and/or with protected characteristics

compared to the national demographic profile, including learners from minority ethnic backgrounds, refugees, those with low incomes and qualifications, and those who are older and/or disabled.

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

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

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

WEA encourages staff to be kind to each other and to talk openly about mental health. In 2022/23, WEA partnered with the Mental Health Foundation to invest in the development and training of a network of 12 mental health first-aiders across the Association. WEA's mental health first aiders are a point of support for anyone experiencing emotional or mental distress and provide a means of confidential colleague to colleague support for WEA staff. More generally, managers and staff are encouraged to have regular one-to-one meetings where open conversations can take place. WEA's Human Resources team also run a number of learning and development initiatives including equipping managers with a mental health toolkit, HR drop-in sessions and regular timetabled sessions supporting mental health awareness and management, stress management, and related issues.

As a benefit to employees, WEA has teamed up with BUPA and Westfield Health Care who offer well-being support to colleagues. BUPA provides occupational health support in order to support colleagues to remain in work, return to work, and to advise on ill health incapacity. Westfield Healthcare is our Employee Assistance Programme which provides colleagues with confidential support, advice, and guidance covering health and well-being, but also legal and financial well-being. Both organisations keep WEA colleagues well at work and support them in looking after their physical and mental well-being using clinical professionals to offer health checks and specialist support from qualified specialists offering practical advice and support.

Financial review

The financial statements show total income for 2022/2023 of £27.5m (2021/22: £28.5m) with expenditure of £26.1m (2021/22: £27.7m).

In 2022/23 income received from the ESFA increased to £12.9 from £11.5m in the prior year. The main recurrent grant increased in the year by £0.5m as a result of additional Adult Skills teaching but a larger increase is due to WEA being awarded two capital grants totalling £1m for energy efficiency measures and building improvements. A further grant of £8.6m for capital transformation has been awarded but requires submission and approval of an Estates Plan. This procedure was not complete at the 31 July 2023, therefore the funds received to date have been deferred until full approval is received.

The total income received from MCA areas in 2022/23 is £7.5m (2021/22: £7.2m). There were no new devolved areas in the year, however, delivery was increased and widened in some of the existing areas.

ESF grant income dropped to £0.9m (2021/22: £5.4m) following the completion of the North West Community Grant programmes in March 2023. The WEA has been successful in replacing this European income stream with funding from the UK Shared Prosperity Fund including Multiply grants which are aimed at improving basic maths skills for adults. In 2022/23 the WEA recognised income of £1.6m of Multiply funding in 16 different areas. Many of these grants are two-year programmes with further funding to come in future years. The WEA has also been selected to deliver Community Grants by Greater Manchester Combined Authority, a programme of £5.1m over two years will begin in 2023/24.

Income from Lottery funded projects has continued to reduce £0.2m (2021/22: £0.4m) as the projects wind down. Restricted grants from sources other than those mentioned above have fallen by £0.4m to £1.2m (2020/21: £1.6m).

Overall income from unrestricted fees and contracts has continued to decline, £1.2m (2021/22: £1.4m). Branch and regional tuition fees have reduced due to a fall in Community Learning delivery, with fewer active branches and teething issues with the new student records system.

Educational activity costs were £15.6m in 2022/23 (2021/22: £18.0m). The reduction can mainly be explained by the £4.1m reduction in grants awarded under the ESF programme which ended in the year. However, this was offset by higher levels of payments to tutors, sub-contractors, venues and other course costs due to increased activity, particularly face to face classes in the first academic year not to be affected by covid restrictions since 2019/20.

Governance and support costs rose to £9.4m (2021/22: £9.0m). The rise was due to increased legal costs, around contracts and the estates, and refurbishment of several offices.

The WEA's net movement in funds for 2022/23 is £0.9m (2021/22: £0.4m) after transfers and pension adjustments. There is a deficit of £0.4m on unrestricted funds, and although a deficit, it is smaller deficit than anticipated in the 2022/23 budget. The surplus on restricted funds of £1.3m is due to timing differences between income and related expenditure, in particular in 2022/23 it is due to the ESFA capital grants.

Reserves policy

The funds at 31 July 2023 were £14.9m (2022/23: £14.0m). This is represented by unrestricted funds of £13.0m and restricted funds of £1.9m.

The closing 2022/23 free reserves balance of £7.7m is made up as follows:

- ▶ General funds: £5.9m
- ▶ Branch funds: £0.4m
- ▶ Regional branch reserve fund: £1.4m

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

The free reserves balance as at 31 July 2023, being £7.7m, exceeds the free reserves target which was reviewed during 2021/22 and is currently set at £4.3m.

During 2020/21 the Trustees took the decision to spend some of the excess reserve funds investing in IT systems across the organisation. The Digital Transformation programme began in 2021/22 and the new student system and website went live in April 2023. Procurement of new systems for HR, Payroll and Finance is underway. There is also an ongoing programme of IT infrastructure projects.

In setting the free reserves at £4.3m the Trustees considered the amount that would be required to cover the resulting costs if the WEA were to lose varying amounts of income and has also ensured that the level of reserves will be sufficient to cover known outstanding payments on the TPT pension scheme. In all scenarios this figure was considered to be sufficient. The policy will be reviewed again during 2023/24.

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

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

Investments & treasury management

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

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

Trustees reviewed WEA's Investment Policy in 2022/23.

Principal funding sources

WEA receives its principal funding from ESFA, which provided 45% of WEA's income from all sources and activities for the year, excluding one-off capital grants. There are no outstanding loans against WEA.

Pensions

The valuation of WEA's defined benefit pension scheme at 31 July 2023 (under FRS102 principles) continues to be a nil balance. Estimates used by the actuary in the calculation of this accounting valuation have been benchmarked by the Trustees and are considered appropriate.

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

Cash flow & capital expenditure

In line with the Treasury Management Policy, WEA aims to maintain a healthy cash position, and its cash reserves are sufficient to ensure that balances are not overdrawn. Based on the two-year cash flow projections to July 2025 returned to ESFA in July 2023, WEA does not anticipate any liquidity problems.

Cash and short-term deposits for the year ended 31 July 2023 were £12.6m (2021/22: £10.3m).

Funds held as custodian trustees on behalf of others

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

Commercial activities

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

Fundraising statement

Although WEA does not raise substantial amounts of private funds, it is nevertheless dedicated to ensuring that any fundraising remains closely aligned with the Association's mission and values, and to ensuring efficiency in its approach. A guiding principle in its fundraising efforts is to work with a range of partners from corporate organisations to a range of charities and associations across the UK. WEA performs due diligence on all corporate donors including any gifts in kind. WEA does not use professional fundraisers or commercial participators to conduct any fundraising activities and so no monitoring activities are required.

WEA volunteers are supported and stewarded by the Fundraising, Membership and Volunteering Team. In 2022/23, WEA did not receive any complaints regarding its fundraising activities (2021/22: 0). As of September 2020, WEA is a member of the Fundraising Regulator and as such follows the Code of Fundraising Practice.

To ensure compliance with the Charities Act 2022, WEA follows the guidelines set out by the Institute of Fundraising on all donors with the four guiding principles of respect, fairness, responsiveness and accountability applied for all donors and members of the Association.

Risk management

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

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

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

The format and approach to risk scoring on the corporate risk register were substantially updated during the 2020/21 financial year. Further refinements to the corporate risk register format and scoring approach are ongoing, taking into account internal audit advice and developments in the funding and regulatory landscape.

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

As at 31 July 2023 there were 43 risks identified across five categories of risk on the corporate risk register. The level of risk posed by each matter reported in the risk register is assessed by attributing a score based on both the likelihood and impact of the respective risks.

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

Top five risks with mitigating actions taken:

Risk	Mitigating actions taken
Negative judgment by regulator (e.g., Ofsted NI judgment, ESFA financial notice to improve).	<p>While WEA has previously received an Ofsted rating of “good,” the new inspection framework places increased scrutiny on the provider's intent, implementation and impact of its curriculum rather than on data. This presents a greater challenge for WEA as traditionally (and especially in branch provision) there has been no set curriculum or any detailed articulation of intent. There is also a new requirement in inspection for providers to demonstrate how they are meeting local need. This is untested for a national provider like WEA. Failure to achieve a minimum rating of “good” in the next inspection could result in loss of funding and/or in the FE Commissioner's exercise of intervention powers. This risk will remain elevated until the outcome of any inspection is known.</p>
Diversity of the Trustee body does not reflect the diversity of WEA's beneficiaries.	<p>WEA's trustees have acknowledged and are seeking to proactively address the lack of diversity on the Board of Trustees and elsewhere within the formal governance structure of WEA. This risk has been persistently elevated pending changes to the Articles which would allow trustees greater control over the composition of the Board. Currently, the Articles require two-thirds of the trustee body be appointed from within the Association Membership, which has a marked diversity deficit. Changes to the Articles and corresponding Regulations have been accepted in principle by the Board of Trustees, pending legal advice. Proactive steps are also being taken to encourage applications from a diverse pool of candidates for vacancies at all levels of governance, and to recruit externally for Trustees where the Articles allow.</p>
Unmanaged “technical debt”	<p>WEA has historically underinvested in its technology infrastructure over many years. The significant investment made in new technology over the last 18 months has uncovered significant technical debt across the Association, which leaves WEA exposed to greater risks of hacking and malware. If left unaddressed technical debt has the potential to affect the future performance, reliability, and maintainability of new software and systems.</p>
Lack of diversity in voluntary income.	<p>Leadership Team have begun work to develop an income strategy collectively, and to address shrinking unrestricted income. It is anticipated that a draft income strategy will be available for review by the Finance & Capital Resources Committee before the end of the 2023/24 financial year.</p>
Culture not aligned to performance and resilience needed to meet strategic objectives	<p>A programme of change and organisational development is currently under way to ensure that WEA's business practices keep pace with sector best practice and the expectations of funders and regulators. WEA's Director of People & Culture is supporting WEA through an organised programme of change to enable it to fully deliver against the full breadth of its mission and strategy, and to build organisational resilience at a time of rapid internal and external change.</p>

Fraud Risk Assessment

The risk of financial fraud at WEA is considered to be low. On behalf of the Board of Trustees, the Finance & Capital Resources Committee receives a quarterly financial report, which includes management accounts. The committee also has oversight of capital projects and receives regular reports on procurement and performance against project budgets. A separate Audit & Risk Committee receives a quarterly risk register, including an assessment of financial risks. The full Board receives the management accounts (quarterly), consolidated risk reports (quarterly), and the risk register (at least annually).

WEA maintains strong internal controls supported by Financial Regulations and policies which have been recently updated and are regularly reviewed. Financial controls have recently been tested through internal audit, with auditors confirming a high level of assurance that these are robust.

Financial policies, including Fraud Prevention, Anti-Bribery & Corruption, and Whistleblowing were updated in 2021 and are scheduled for next review in 2024. Internal auditors confirmed adequate assurance of fraud awareness across the Association through an internal audit conducted in 2022/23. WEA will seek to build greater awareness of fraud awareness through induction and training programmes for staff and volunteers in the 2023/24 financial year.

Going concern

The trustees have assessed WEA's ability to continue as a going concern. The trustees have considered several factors when forming their conclusion as to whether the use of the going concern basis is appropriate when preparing these financial statements. This has included a review of budgets and cash flow forecasts through to July 2026 and consideration of the key risks, including devolution and forecast changes in the split between restricted and unrestricted income. WEA has prepared a number of financial scenarios and the trustees consider that the WEA is well positioned to manage its business risks successfully. After consideration and enquiry, the Trustees have a reasonable expectation that the WEA has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the Trustees continue to adopt the going concern basis in preparing these financial statements.

Structure, governance and management

Status

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

Governing documents

WEA is governed in accordance with the object and powers set out in its governing documents, the Articles of Association (last amended 8 December 2022) and Regulations (last amended 8 December 2022). The governing documents are available to the public through the WEA website at: **WEA Articles and Regulations (amended December 2022) (1).pdf**

Object of WEA

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

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

WEA operates at local, regional and national levels, providing adult education through its network of six English regions and Scotland, and with 153 branches and six Local Associations. Courses are created and delivered in response to local need, often in partnership with local community groups and organisations. There is a proud tradition of voluntary and democratic process within WEA. Association Members are involved in the planning and provision of courses as well as in the local and national governance of WEA.

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

Public benefit

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

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

Board of Trustees

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

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

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

In consideration of guidance from ESFA, and the Charity Governance Code, the Board of Trustees has sought to appoint additional Trustees having qualifications in accounting and/or financial management, human resources and organisational development, and knowledge of the public sector and/or public funding. Recruitment of five new trustees was completed in November 2023.

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

The Board of Trustees is currently chaired by a co-opted Trustee. In accordance with Article 55, a Deputy Chair of Trustees, appointed from among the sitting members of the Board of Trustees, chairs meetings of the Board of Trustees in the event of the Chair's unavailability. The Deputy Chair also supervises the annual performance review of the Chair of Trustees, conducted by an external consultant. Trustees, whether appointed or elected, serve on the Board for a term of four years, renewable subject to re-election (in the case of Association Officers) or re-appointment.

Committees of the Board of Trustees

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

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

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

During the 2022/23 financial year there were six delegated committees of the Board of Trustees. These were:

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

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

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

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

A strategic Health & Safety Committee was implemented in the first half of the 2023/24 financial year as a bridge between Trustees' duties and responsibilities in relation to health and safety, and the managerial and operational policies and procedures within which the executive manages health and safety responsibilities. The People Committee receive quarterly reports on any health and safety incidents, accidents, or near misses, and a consolidated annual report for consideration and recommendation to the Board of Trustees.

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

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

During the 2022/23 financial year there were two additional committees of the Board of Trustees convened for specific advisory purposes. These were:

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

Nominations Committee – The Nominations Committee oversaw the recruitment and ongoing support and development for Trustees and the non-Trustee members of the committees of the Board of Trustees, taking into account the diversity and skills profiles and needs of each group.

Each committee of the Board of Trustees includes at least two and ideally three Trustees as members of the committee. Other committee members are drawn from the Association Membership. Where appropriate skills are not found within the Association Membership, committee members may be externally co-opted. An exception is the Remuneration Committee, which includes only Trustee members.

Trustee attendance figures of Board and Committee meetings can be found on page 33.

Election of association officers & the Annual conference

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

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

Trustee recruitment, induction & training

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

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

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

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

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

Chief Executive & General Secretary

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

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

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

Leadership team

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

The role of reviewing and monitoring WEA's contracts and projects (including the ESFA contract) is performed by a Contracts Management Board overseen by Leadership Team. Bidding activity for new or renewed contracts and the success rate of bids is regularly reported to Leadership Team and reported on to Trustees by the CEO/GS on their behalf.

Review & remuneration of senior employees

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

Salaries for other Leadership Team posts are in principle set by the CEO/GS within the salary structures laid out from time to time by the People Committee and approved by the Board of Trustees, and within the scope of budget constraints agreed annually by the Board of Trustees. In practice, spot salaries for senior roles appointed to in 2023 were agreed in advance of recruitment with limited scope for negotiation at the time of offer. There were two senior appointments made during 2022/23.

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

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

Engagement with employees (CA2006 Section 172 Disclosure)

This report on WEA's compliance with Companies Act 2006, section 172 ("CA2006 s.172") should be read in conjunction with the Strategic Report on pages 10 - 19. CA2006 s.172 as applicable to incorporated charities requires Trustees (who are the Directors of the Company under CA2006) to take into consideration the interests of employees and other stakeholders in their decision-making. Trustees continue to have regard to the interests of WEA's employees and other stakeholders, including the impact of its activities on the community, the environment and WEA's reputation, when making decisions. Acting in good faith and fairly between members, the Trustees consider what is most likely to promote WEA's success for its learners, volunteers, and Association Members in the long term. Whilst the importance of giving due consideration to stakeholders is not new, WEA is explaining in more detail how the Board engages with stakeholders, thus seeking to comply with the requirement to include a statement setting out how Trustees have discharged this duty.

Trustees are fully aware of their responsibilities to promote WEA's success in accordance with CA2006 s.172. Ongoing support and periodic training from WEA's legal advisors, Bates Wells, is provided to ensure the Board continues to operate in line with good corporate practice and to respond to changes within the sector (e.g., reclassification as part of the public sector). In January 2023, Trustees received updated training and detailed legal advice on their duties and obligations following reclassification as a public sector body.

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

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

Through these activities, Trustees reflect (inter alia) on how WEA engages with its stakeholders and opportunities for enhancement in future.

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

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

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

Charity Governance Code

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

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

Principles of Equality, Diversity, and Inclusion – WEA received provisional IID accreditation in March 2022. Through the ongoing process of governance review, Trustees and members of Council have identified certain provisions in WEA's Articles & Regulations which may be inadvertently discouraging diversity within the formal governance structure and is in the process of updating these provisions, starting with amendments to the composition of WEA Council in December 2022, and additional changes to the Board's composition, nomination and recruitment procedures anticipated for agreement and implementation in 2023/24.

Principle of Integrity – Trustees have sought to address power imbalances within WEA's structure of Board and local governance committees by introducing term limits on non-trustee appointments. Non-trustee members of committees are now limited to two terms of three years' service on any one committee. In December 2022, the Articles were changed to introduce absolute term limits on Trustee appointments, closing a loophole in the Articles which created potential opportunities for certain individuals to remain on the Board of Trustees for as long as six terms of four years.

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

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

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

Board effectiveness – The Board of Trustees has successfully filled the skills gap identified in a recent skills audit through the recruitment of five additional Trustees, adding greater depth of financial expertise among the Board, and also adding expertise in law, human resources and organisational development, and knowledge of the public sector.

The Vice Chair of Trustees has a clear role description which includes acting as a sounding board for the Chair of Trustees for matters arising on the Board, and acting as an intermediary for other Trustees, if needed. The Vice Chair of Trustees has also taken responsibility for ensuring a performance review of the Chair of Trustees and overseeing the implementation of an annual process for Trustee self-assessment.

The constitution of a Nominations Committee means that there is now a clear route for nominations to the Board of Trustees and any of its committees to be considered. In addition to each committee regularly reviewing the terms of service for each of its members, the Nominations Committee also reviews vacancies arising in relation to clear skills and diversity profiles for each committee. This allows for vacancies arising to be anticipated and advertised well in advance to generate interest, and ensures clear and consistent recruitment procedures. At committee level, recruitment of new committee members is undertaken with priority placed on recruitment from within the Association Membership, and opening recruitment externally only if requisite skills and experience are not found within the Association Membership.

In accordance with DfE guidance on strengthening governance and ESFA conditions of funding, WEA will undertake an external review of its governance effectiveness to commence in January 2024. The law firm Stone King has been engaged for this purpose.

Governance review

WEA has continued to progress the review of its governance to ensure that its governance structures, procedures and practices are brought up to date and aligned with the guidance set out in the Charity Governance Code (larger charities) as updated in 2020, and with DfE's statutory guidance on supporting governance. Key milestones during the year were:

- ▶ Adopting new Articles & Regulations which clarified the role and remit of WEA Council (including the inclusion of learner voice), and introduced absolute term limits for trustees;
- ▶ Removing branches and local associations from within the curtilage of WEA's formal governance, enabling their greater focus on education delivery and learner support and outreach;
- ▶ Winding down Regional Committees and planning for implementation of Local Advisory Panels ("LAPs") from 2023/24;
- ▶ Continuing to refine and embed the practice of termly joint meetings between WEA Council and the Board of Trustees, which are used for deliberation and debate on matters relating to ongoing governance development and support for delivery against the agreed strategy.

Throughout 2022/23, WEA Council continued to take an active role in the governance review and provide an important conduit for communication and feedback to and from Trustees and local governance committees. During the year, Trustees and Council agreed together that areas of focus would include:

- ▶ Clarification of the overall governance model, with specific consideration given to local governance structures and practices;
- ▶ Consideration of the learner voice, and appropriate methods for ensuring learner voice is heard within formal governance; and
- ▶ Continuing the review of WEA's Articles & Regulations to ensure these reflect current regulation and guidance, and that they are clear, understandable, and simplified as much as possible.

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

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

It has been acknowledged previously by Trustees and Council that additional changes to the Articles and/or Regulations should be considered and agreed to increase WEA's alignment with provisions in the Charity Governance Code, and the expectations of funders and regulators. With support from a working group of trustees and members of Council, new Regulations – streamlined and simplified – have been drafted and accepted in principle. Subject to legal advice and any permissions that may be required from Charity Commission and/or ESFA, the Articles will also be updated. New Articles & Regulations are anticipated to be presented to the Board of Trustees for formal approval and adoption at the end of the 2023 calendar year, or in early 2024.

Attendance at Board and Committee Meetings during 2022/23

Abbreviations:

- ▶ **A&R** Audit & Risk Committee
- ▶ **EC** Education Committee
- ▶ **F&CR** Finance & Capital Resources Committee
- ▶ **NomCo** Nominations Committee

- ▶ **PC** People Committee
- ▶ **SB** Scotland Board
- ▶ **T/WEAC** Joint meeting of the Board of Trustees & WEA Council
- ▶ **WEAC** WEA Council

Trustee	Board/ Committee	2022/23 meetings	Attendance
John Widdowson	Board* (Chair)	4/4	100%
	T/WEAC	2/3	67%
Cliff Allum+	BoardT/WEAC	1/1	100%
	F&CR	1/1	100%
Robin Cook	Board*	4/4	100%
	T/WEAC	2/3	67%
	A&R	4/4	100%
	SB	4/4	100%
	WEAC	3/3	100%
Kevin Doyle	Board*	4/4	100%
	T/WEAC	3/3	100%
	F&CR (Chair)	3/3	100%
Marion Flett	Board*	3/4	75%
	T/WEAC	3/3	100%
	SB (Chair)	4/4	100%
Jon Gamble	Board*	4/4	100%
	T/WEAC	2/3	67%
	F&CR	4/4	100%
Malcolm Grady	Board*	4/4	100%
	T/WEAC	2/3	67%
	EC	4/4	100%
Christine Grant	Board*	4/4	100%
	T/WEAC	2/3	67%
	A&R (Chair)	4/4	100%
	NomCo	2/2	100%

Trustee	Board/ Committee	2022/23 meetings	Attendance
Pat Kynaston	Board*	3/4	75%
	T/WEAC	3/3	100%
	F&CR	2/4	50%
	WEAC (Chair)	3/3	100%
Geoff Layer	Board*	3/4	75%
	T/WEAC	2/3	67%
	EC	4/4	100%
Karen McArdle	Board*	3/4	75%
	T/WEAC	3/3	100%
	People	4/4	100%
	SB	3/4	75%
Lindsay Pearson	Board*	2/4	50%
	T/WEAC	3/3	100%
	A&R	3/4	75%
	EC (Chair)	4/4	100%
	WEAC	2/3	67%
Marc Sherland+	BoardT/WEAC	1/1	100%
	People	1/1	100%
Peter Threadkell	Board*	3/4	75%
	T/WEAC	3/3	100%
	People (Chair)	3/4	75%
	EC	4/4	100%
	NomCo	1/2	50%
Narinder Uppal	Board*	3/4	75%
	T/WEAC	0/3	0%
	People (Chair)	2/4	50%
	NomCo (Chair)	2/2	100%

+ Term ended during 2022/23.

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

Average attendance at meetings of the Board of Trustees in 2022/23 was 85%, excluding the three joint meetings between the Board of Trustees and WEA Council. Including these meetings, overall Trustee attendance was 76% (2021/22: 82%).

Average Trustee attendance at joint meetings of the Board of Trustees and WEA Council was 80%.

Average attendance at all Board and Committee meetings in 2022/23 was 84% (2021/22: 84%).

Trustees' declaration

Statement of trustees' responsibilities

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

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

- ▶ Select suitable accounting policies and then apply them consistently;
- ▶ Observe the methods and principles in the Charities SORP;
- ▶ Make judgments and estimates that are reasonable and prudent;
- ▶ State whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- ▶ Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

Approved on behalf of Trustees on 14 December 2023.



Signed: John Widdowson, CBE
Chair of Trustees

Statement of corporate governance & internal control

The following statement is provided to enable readers of the Annual Report and Accounts of the Charity to obtain a better understanding of its governance and legal structure. This statement covers the period from 1 August 2022 to 31 July 2023 and up to the date of approval of the Annual Report and Financial Statements.

The Charity endeavours to conduct its business:

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

The Charity is committed to exhibiting best practice in all aspects of corporate governance and, as a registered charity, follows compliance guidelines set by the Charity Commission. We have reported on our Corporate Governance arrangements by drawing upon best practice available, including those aspects of the UK Corporate Governance Code we consider to be relevant to the further education sector and best practice.

The Board of Trustees recognises that, as a body entrusted with both public and private funds, it has a particular duty to observe the highest standards of corporate governance at all times.

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

Approved by order of the Board of Trustees on 14 December 2023 and signed on its behalf by:



John Widdowson, CBE
Chair of Trustees



Simon Parkinson
CEO/GS

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

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

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

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

Approved by order of the Board of Trustees on 14 December 2023 and signed on its behalf by:

John Widdowson, CBE
Chair of Trustees

Simon Parkinson
CEO/GS

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

Opinion

We have audited the financial statements of WEA ('the charitable company') for the year ended 31 July 2023 which comprise the statement of financial activities, the balance sheet, the cash flow statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- ▶ give a true and fair view of the state of the charitable company's affairs as at 31 July 2023 and of its income and expenditure, for the year then ended;
- ▶ have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- ▶ have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities and Trustee Investment (Scotland) Act 2005 and Regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (amended).

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of Trustees

As explained more fully in the trustees' responsibilities statement [set out on page 34], the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

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

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

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

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

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

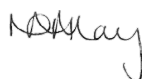
We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing of recognition of income, and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management, and the Audit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

reviewing accounting estimates for biases, reviewing regulatory correspondence with the Charity Commission, and reading minutes of meetings of those charged with governance.

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

Use of our report

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



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

Date 15th December 2023

Independent reporting accountant's report on regularity 31 July 2023

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

In accordance with the terms of our engagement letter dated 6 May 2021 and further to the requirements and conditions of funding in the ESFA's grant funding agreements and contracts, or those of any other public funder, including the Authorities we have carried out an engagement to obtain limited assurance about whether anything has come to our attention that would suggest, in all material respects, the expenditure disbursed and income received by the WEA during the period 1 August 2022 to 31 July 2023 have not been applied to the purposes identified by Parliament and the financial transactions do not conform to the authorities which govern them.

The framework that has been applied is set out in the post-16 audit code of practice (the Code) issued by the ESFA and in any relevant conditions of funding concerning adult education notified by a relevant funder.

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

Respective responsibilities of the WEA and the reporting accountant

The trustees of the WEA are responsible, under the requirements of the Further & Higher Education Act 1992, subsequent legislation and related regulations and guidance, for ensuring that expenditure disbursed, and income received, are applied for the purposes intended by Parliament, and the financial transactions conform to the authorities that govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Code. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received, during the period 1 August 2022 to 31 July 2023 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

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

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

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

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

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects, the expenditure disbursed and income received during the period 1 August 2022 to 31 July 2023 has not been applied to purposes intended by Parliament, and the financial transactions do not conform to the authorities that govern them.

Crowe U.K. LLP

Crowe U.K. LLP

Date: 15th December 2023

Financial statements

Statement of financial activities for the year ended 31 July 2023

	Notes	2022/23 Unrestricted funds £'000	2022/23 Restricted funds £'000	2022/23 Total funds £'000	2021/22 Unrestricted funds £'000	2021/22 Restricted funds £'000	2021/22 Total funds £'000
Income from:							
Donations and legacies		41	148	189	46	2	48
Charitable activities	2	13,119	12,425	25,544	12,928	14,628	27,556
Investment income	19	1,343	-	1,343	712	-	712
Other		37	362	399	157	14	171
Total income		14,540	12,935	27,475	13,843	14,644	28,487
Expenditure on:							
Charitable activities	3	13,547	11,485	25,032	12,243	14,767	27,010
Other	18b	1,089	-	1,089	650	-	650
Total expenditure		14,636	11,485	26,121	12,893	14,767	27,660
Net income/(expenditure)		(96)	1,450	1,354	950	(123)	827
Transfers between funds	13	138	(138)	-	(30)	30	-
Other recognised losses:							
Adjustment for defined benefit pension scheme	18e	(448)	-	(448)	(433)	-	(433)
Net movement in funds		(406)	1,312	906	487	(93)	394
Reconciliation of funds:							
Total funds brought forward		13,360	634	13,994	12,873	727	13,600
Total funds carried forward		12,954	1,946	14,900	13,360	634	13,994

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 45 to 75 form part of these accounts.

Balance sheet as at 31 July 2023

		2022/23	2021/22
	Notes	£'000	£'000
Fixed assets			
Tangible assets	8	4,070	4,210
Intangible assets	8	1,213	281
Total fixed assets		5,283	4,491
Current assets			
Debtors	9	2,050	2,071
Investments	16	6,693	2,602
Cash at bank and in hand	16	5,934	7,664
Total current assets		14,677	12,337
Liabilities			
Creditors: amounts falling due within one year	10	(4,696)	(2,412)
Net current assets		9,981	9,925
Total assets less current liabilities		15,264	14,416
Creditors: amounts falling due after one year	10	(38)	-
Provisions for liabilities	22	(326)	(422)
Total net assets		14,900	13,994
Funds of the Charity			
Unrestricted funds	13	7,671	8,989
Designated funds	13	5,283	4,371
Total unrestricted funds	13	12,954	13,360
Restricted funds	13	1,946	634
Total charity funds		14,900	13,994

The financial statements on pages 42 to 75 were approved by the Board of Trustees and authorised for issue on 14 December 2023, and are signed on its behalf by:



John Widdowson, CBE
Chair of Trustees



Simon Parkinson
CEO/GS

Cash flow statement for the year ended 31 July 2023

	Notes	2022/23 £'000	2022/23 £'000	2021/22 £'000	2021/22 £'000
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Cash flows from operating activities:

Net cash provided by operating activities	14		3,164		684
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Cash flows from investing activities:

Interest received	19	156		13	
Purchase of tangible and intangible assets	8	(1,404)		(463)	

Net cash used in investing activities			(1,248)		(450)
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Cash flows from financing activities:

Sale of Fixed Assets		445		-	
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Net cash provided by / (used in) financing activities			445		-
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Change in cash and cash equivalents in the reporting period			2,361		234
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Cash and cash equivalents at the beginning of the reporting period			10,266		10,032
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Cash and cash equivalents at the end of the reporting period			12,627		10,266
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	2022/23 £'000	2021/22 £'000
Notes to the cash flow statement		

Analysis of cash and cash equivalents

Investments	6,693	2,602
Bank and cash	5,934	7,664

Total cash and cash equivalents	12,627	10,266
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Notes to the financial statements for the year ended 31 July 2023

1. Accounting policies

Basis of preparation

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

The Trustees have assessed WEA's ability to continue as a going concern. The Trustees have considered several factors when forming their conclusion as to whether the use of the going concern basis is appropriate when preparing these financial statements. This has included a review of budgets and cash flow forecasts through to July 2026 and consideration of the key risks, including devolution and forecast changes in the split between restricted and unrestricted income.

WEA has prepared a number of financial scenarios and the trustees consider that the WEA is well positioned to manage its business risks successfully. After consideration and enquiry, the Trustees have a reasonable expectation that the WEA has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the Trustees continue to adopt the going concern basis in preparing these financial statements.

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

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

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

Fund accounting:

General funds are unrestricted funds 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.

Designated funds represent the Associations funds relating to fixed assets.

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 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 measured reliably.

Voluntary income is received by way of donations and gifts and is recognised on a receivable basis where the receipt is probable and the amount can be reliably measured.

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 are included in the the SOFA on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds in the balance sheet. Where income is received in advance of meeting any performance related conditions, there is not unconditional entitlement to the income and its recognition is deferred and included in creditors as deferred income until the performance related conditions are met. Where entitlement occurs before income is received, the income is accrued.

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

Capital grants are recognised in full when there is unconditional entitlement to the grant. Unspent amounts of capital grants are reflected in the balance sheet in a restricted fund. Capital grants are recognised where there is entitlement and are not deferred over the life of the asset on which they are expended.

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 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.

15th December 2023

Cuswe U.K. LLP

Notes to the financial statements for the year ended 31 July 2023

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 building improvements	over the life of the project
Grant funded equipment	over the life of the project
Other equipment	over 3 years
Computer software	over 3 years

Investments and management of liquid resources

Cash includes cash in hand and at bank. Investments are short term deposits of up to 95 days notice, 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 cash and cash equivalents in the cash flow statement.

Pension costs

At 31 July 2023 retirement benefits to employees are provided by the People's Pension, the Teachers Pension (TP), the Scottish Public Pensions Agency (SPPA) and the Charity's own Workers' Educational Association pension scheme (WEA Scheme) whose Trustee and Administrator is The Pensions Trust.

The People's Pension is a defined contribution scheme.

The TP, SPPA and WEA pension schemes are defined benefit schemes.

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

For the WEA Scheme, the difference between the fair value of the assets held in the Association's defined benefit pension scheme and the scheme's liabilities measured on an actuarial basis using the projected unit method are recognised in the Association's balance sheet as a pension scheme asset or liability as appropriate. Changes in the defined benefit pension scheme asset or liability arising from factors other than cash contribution by the Association are charged to the SOFA in accordance with Financial Reporting Standards (FRS 102) - Retirement Benefits. The deficit arising from the adoption of FRS 102 is recognised as a reduction in the general reserves.

Surpluses are not recognised unless they are considered recoverable.

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

Notes to the financial statements for the year ended 31 July 2023

1. Accounting policies (continued)

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

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

Financial instruments

WEA has financial assets and liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transition value, and subsequently measured at the settlement value.

Debtors

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

Creditors

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

Cash at bank and in hand

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

Investments

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

Key judgements and assumptions

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

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

Redundancy

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

Dilapidations Provision

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

Notes to the financial statements for the year ended 31 July 2023

2. Incoming resources from charitable activities

	Unrestricted 2022/23 £'000	Restricted 2022/23 £'000	Total 2022/23 £'000	Total 2021/22 £'000
Educational provision				
Fees and contracts	1,172	4,372	5,544	4,811
Education and Skills Funding Agency (ESFA) grant	11,919	986	12,905	11,464
Other grants receivable	17	7,067	7,084	11,282
Other income from activities	11	-	11	(1)
Total incoming resources from charitable activities	13,119	12,425	25,544	27,556

2a. Analysis of income from charitable activities

	Total 2022/23 £'000	Total 2021/22 £'000
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ESFA unrestricted grants

ESFA contract	11,615	11,121
Other ESFA grants and contracts	304	343

Total ESFA unrestricted grants	11,919	11,464
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Total ESFA restricted grants	986	-
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Total ESFA contracts & grants	12,905	11,464
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Other unrestricted grants

Total other unrestricted grants	17	52
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Total other restricted grants	7,067	11,230
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Total other grants	7,084	11,282
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3. Resources expended on charitable activities

	Unrestricted 2022/23 £'000	Restricted 2022/23 £'000	Total 2022/23 £'000	Total 2021/22 £'000
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Educational activity costs

Tutor costs - staff	2,410	1,866	4,276	3,808
Tutor costs - travel & subsistence	141	43	184	117
Regional costs - staff	3,561	2,869	6,430	6,953
Regional costs - other	882	450	1,332	1,095
Grants and subcontractor payments	-	3,366	3,366	6,051

Total educational activity costs	6,994	8,594	15,588	18,024
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Governance costs (note 4)	332	21	353	278
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Support costs (note 5)	6,221	2,870	9,091	8,708
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Total resources expended on charitable activities	13,547	11,485	25,032	27,010
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Notes to the financial statements for the year ended 31 July 2023

4. Governance costs

	Total 2022/23 £'000	Total 2021/22 £'000
External audit fees		
Crowe U.K. LLP (note 7)	56	51
Other Assurance fees		
Crowe U.K. LLP (note 7)	20	19
Internal Audit Fees	12	11
Legal and professional fees	85	34
Trustees meetings and other costs (note 17)	11	1
Support costs - staff	169	162
Total governance costs	353	278

5. Support costs

	Total 2022/23 £'000	Total 2021/22 £'000
Support costs - staff	5,273	5,370
Support costs - other	1,806	1,492
Facilities management	661	545
IT & communications	1,351	1,301
Total support costs	9,091	8,708

Notes to the financial statements for the year ended 31 July 2023

6. Staff costs

	Total 2022/23 £'000	Total 2021/22 £'000
Wages and salaries	13,433	13,436
Social security costs	1,153	1,136
Pension costs	1,364	1,263
Redundancy costs	198	459
Total staff costs	16,148	16,294

The above figure does not include agency staff employed by the Association at a cost of £123,084 (2021/22: £28,391) At the year end £34,469 (2021/22: £nil) of the redundancy costs remained unpaid.

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

	2022/23	2021/22
Staff	353	369
Tutors	506	597
Total average number of employees	859	966

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

£60,001 - £70,000	5	3
£70,001 - £80,000	5	4
£80,001 - £90,000	-	5
£90,001 - £100,000	-	2
£100,001 - £110,000	-	1
£130,000 - £140,000	1	1
	11	16

One member of staff (2021/22: Seven members) received redundancy payments in 2022/23 which took their earnings into the above brackets. Pension benefits are accruing for the other 10 (2021/22: 9) higher paid employees. Total employer pension contributions of £63,884 (2021/22: £105,460) have been made in relation to higher paid employees.

The key management personnel of the Charity comprise the Board of Trustees (12) and the Leadership Team 9 (2021/22:9). The total employee remuneration and benefits, employer NI and pension contributions of the key management personnel were £852,443 (2021/22: £887,756).

7. Analysis of charitable expenditure

Charitable expenditure includes:	Total 2022/23 £'000	Total 2021/22 £'000
External auditors' remuneration	56	51
Other assurance services performed by external auditors*	20	19
Depreciation	526	487
Profit/(loss) on disposal of tangible assets	359	40
Operating lease charges	182	179

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

Notes to the financial statements for the year ended 31 July 2023

8. Fixed asset schedule

	Land and Buildings £'000	Education Equipment £'000	Other Equipment £'000	Assets in the course of construction £'000	Total 2022/23 £'000
Tangible fixed assets					
Cost					
At 1 August 2022	6,069	1,927	4,351	121	12,468
Additions	240	4	128	7	379
Transfers	91	-	-	(91)	-
Disposals	(409)	(1,473)	(3,023)	-	(4,905)
At 31 July 2023	5,991	458	1,456	37	7,942
Depreciation					
At 1 August 2022	2,244	1,809	4,205	-	8,258
Charge for the year	239	89	105	-	433
Disposals	(336)	(1,473)	(3,010)	-	(4,819)
At 31 July 2023	2,147	425	1,300	-	3,872
Net book value					
At 31 July 2023	3,844	33	156	37	4,070
At 1 August 2022	3,825	118	146	121	4,210

There is a charge granted over the freehold property 4 Luke Street, London, EC2A 4XW in favour of The Pensions Trust. At 31 July 2023 the charge is capped at £2,500,000.

	Software £'000	Assets in the Course of Construction £'000	Total 2022/23 £'000
Intangible fixed assets			
Cost			
At 1 August 2022	-	281	281
Additions	-	1,025	1,025
Transfers	1,125	(1,125)	-
At	1,125	181	1,306
Depreciation			
Charge for the year	93	-	93
Net book value			
At 31 July 2023	1,032	181	1,213
At 1 August 2022	-	281	281

Notes to the financial statements for the year ended 31 July 2023

9. Debtors: amounts falling due within one year

	2022/23 £'000	2021/22 £'000
Trade debtors	348	361
Other debtors	20	76
Prepayments	246	151
Accrued Income	1,436	1,483
Total	2,050	2,071

10. Creditors: amounts falling due within one year

Amounts falling due within one year	2022/23 £'000	2021/22 £'000
Trade creditors	733	634
Accruals	983	944
Social security & other taxes	477	541
Deferred income	2,503	293
Total	4,696	2,412

Creditors falling due after one year represents a rent accrual due to a rent free period on the lease of the new Leeds office.

Notes to the financial statements for the year ended 31 July 2023

10a. Deferred income

	2022/23 £'000	2021/22 £'000
Opening balance	251	285
Amounts released	(250)	(284)
Amounts deferred	2,502	292
Closing balance	2,503	293

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

11. Financial commitments - leases

As at 31 July 2023, the charity has annual commitments under non-cancellable leases as follows:

Expiry date:	Land and building leasehold £'000	Total 2022/23 £'000	Total 2021/22 £'000
Within one year	115	115	90
One to five years	498	498	123
Over five years	405	405	19
Total financial commitments - leases	1,018	1,018	232

12. Analysis of net assets by fund

	Unrestricted funds 2022/23 £'000	Restricted funds 2022/23 £'000	Total Funds 2022/23 £'000	Unrestricted funds 2021/22 £'000	Restricted funds 2021/22 £'000	Total funds 2021/22 £'000
Net assets						
Fixed Assets	5,283	-	5,283	4,371	120	4,491
Net current assets	7,997	1,946	9,943	9,411	514	9,925
Long term liabilities	(326)	-	(326)	(422)	-	(422)
Net assets	12,954	1,946	14,900	13,360	634	13,994

Notes to the financial statements for the year ended 31 July 2023

13. Statement of funds

	At 1 August 2022 £'000	Income £'000	Expenditure £'000	Transfers £'000	Pension adjustment £'000	At 31 July 2023 £'000
General funds	7,172	11,510	(12,811)	-	-	5,871
Branch funds	485	439	(456)	(47)	-	421
Regional branch reserve fund	1,332	-	-	47	-	1,379
	8,989	11,949	(13,267)	-	-	7,671
Designated funds	4,371	1,404	(630)	138	-	5,283
Pension deficit	-	1,187	(739)	-	(448)	-
Total unrestricted funds	13,360	14,540	(14,636)	138	(448)	12,954
Restricted funds:						
Revenue	514	11,599	(11,474)	-	-	639
Capital Grants	120	1,336	(11)	(138)	-	1,307
Total restricted funds	634	12,935	(11,485)	(138)	-	1,946
Total funds	13,994	27,475	(26,121)	-	(448)	14,900

Designated funds represents the part of the Association's funds balance represented by 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 £138,094 from restricted funds to the designated fund reflects the capital expenditure from capital grants.

Prior year statement of funds

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

Notes to the financial statements for the year ended 31 July 2023

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

	At 1 August 2022 £	Received income £	Accrued/ Deferred income £	Funded expenditure £	Transfer from/(to) General Fund £	At 31 July 2023 £
South East						
Big Lottery Fund and ESF Building Better Opportunities Grant - Papworth Community Connections Essex	(6,411)	28,597	-	(22,186)	-	-
BBO BLF Wk Tog.	-	5,329	-	(5,329)	-	-
BBO BLF Routes	7,808	3,956	-	(3,956)	-	7,808
Midlands						
Big Lottery Fund and ESF Building Better Opportunities Grant - Vista Will	17,819	52,147	-	(69,966)	-	-
Big Lottery Fund St Ann's Advice Centre - D2N2 Money Sorted	502	2,528	-	(3,030)	-	-
North West						
Big Lottery Fund and ESF Building Better Opportunities Grant - Sefton Liverpool Digital Inclusion	(798)	49,049	13,740	(61,991)	-	-
Big Lottery Fund and ESF Building Better Opportunities Grant - Halton Liverpool Digital inclusion	10,522	12,703	20,028	(43,253)	-	-
Big Lottery Fund and ESF Building Better Opportunities Grant - Cumbria, Carlisle & Eden	42,271	(4,737)	-	-	-	37,534
UKSPF Liverpool	-	17,188	(508)	(16,680)	-	-
Southern						
Big Lottery Fund and ESF Building Better Opportunities Grant-Aspire - Family Learning Surrey	(4,399)	-	-	-	-	(4,399)
Big Lottery Fund and ESF Building Better Opportunities Grant - Building Family Bridges	809	-	-	-	-	809
Slough Borough Council - Ways Into Work	618	-	-	-	-	618
Yorkshire & Humber						
BLF Men's Health Lounge	927	-	-	-	-	927
ATI	-	18,696	-	(19,851)	-	(1,155)
Scotland						
Big Lottery Fund - Reach Out Project	37,415	-	-	-	-	37,415
Total lottery fund projects	107,083	185,456	33,260	(246,242)	-	79,557
Other projects						
ESF (note 13b)	7,643	892,094	30,065	(896,388)	-	33,414
Other (note 13c)	398,481	10,129,773	329,058	(10,330,884)	-	526,428
Total restricted revenue funds	513,207	11,207,323	392,383	(11,473,514)	-	639,399

Notes to the financial statements for the year ended 31 July 2023

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

	At 1 August 2022 £	Received income £	Accrued/ Deferred income £	Funded expenditure £	Transfer from/(to) General Fund £	At 31 July 2023 £
Scotland						
Scottish Refugee Council - EU Asylum, Migration and Integration Fund: Sharing Lives Sharing Languages	4,562	-	-	-	-	4,562
Scottish Refugee Council - EU Asylum, Mitigation & Integration Fund: New Scots Integration- A Pathway to Social and Economic Inclusion	31,342	82,827	30,065	(124,002)	-	20,232
Aberdeen University - LEADER - Elphinstone Home Project	9,878	-	-	(1,258)	-	8,620
Midlands						
ESF Nottingham Trent University	(4,327)	909	-	3,418	-	-
North West						
ESF 19-21 Community Grants Manchester	(1,425)	403,065	-	(401,640)	-	-
ESF 19-21 Community Grants Lancashire	(21,734)	140,051	-	(118,317)	-	-
ESF 19-21 Community Grants Halton	(432)	37,366	-	(36,934)	-	-
ESF 19-21 Community Grants Liverpool	(10,221)	227,876	-	(217,655)	-	-
Total European restricted funds (note 13a)	7,643	892,094	30,065	(896,388)	-	33,414

Notes to the financial statements for the year ended 31 July 2023

13c. Statement of funds (continued)

Other restricted funds

	At 1 August 2022 £	Received income £	Accrued/ deferred income £	Funded expenditure £	Transfer from General Fund £	At 31 July 2023 £
Association Services						
Olive Cordell	4,142	-	-	-	-	4,142
Restricted Gift	500	-	-	-	-	500
Digital Lifeline Campaign	673	-	-	-	-	673
Lloyds	10,153	-	-	-	-	10,153
Cumbria LA - Multiply	-	27,869	-	(27,658)	-	211
Midlands						
Algy Beaven Legacy	1,375	-	-	-	-	1,375
John Rhodes Fund	9,581	-	-	-	-	9,581
Public Health Northamptonshire - Northants Weight Management	4,455	-	-	-	-	4,455
LLEP Digital Poverty	(4,481)	31,754	-	(28,847)	-	(1,574)
West Midlands Combined Authority	-	754,081	-	(754,081)	-	-
Recovery College	51	-	-	-	-	51
Dolphin Centre	1,528	-	-	-	-	1,528
LCC Multiply	-	16,822	-	(16,822)	-	-
Northants Weight Management	-	3,000	-	(3,000)	-	-
CRF - Wolverhampton VCS	-	184	-	(184)	-	-
Community First	-	600	-	-	-	600
South East						
Lester John Desmond Legacy	1,466	160	-	(274)	-	1,352
East of England Local Government Association (EELGA)	31,397	25,257	-	(57,813)	-	(1,159)
Cambridgeshire County Council - Cambridgeshire Skills 21-22	-	(11,564)	-	11,564	-	-
Multiply Norfolk	-	21,832	(3,897)	(14,824)	-	3,111
West Sussex Council - HKBNO Migration	23,393	41,250	-	(64,643)	-	-
CPCA 2021-22	-	10,538	-	(10,538)	-	-
CPCA 2022-23	-	249,490	25,519	(275,009)	-	-
West Sussex Multiply	-	41,628	(6,364)	(23,075)	-	12,189
Multiply Brighton and Hove	-	-	-	(31)	-	(31)
Joan Taylor Legacy	812	-	-	-	-	812
London						
Stanley Jones - Ilford Legacy	14,294	-	-	(947)	-	13,347
Margaret Cottier Legacy	3,753	-	-	-	-	3,753
ICELP Together We Learn	32,481	-	-	(32,481)	-	-
GLA - National Skills Fund	-	97,500	(53,921)	(43,579)	-	-
GLA - Adult Education Budget	-	1,384,101	(84,157)	(1,299,944)	-	-
GLA - Good Work for All	(62,420)	230,461	102,519	(270,560)	-	-
GLA - Multiply	-	128,760	(41,836)	(69,613)	-	17,311
GLA - Community Grants	-	140,000	-	(140,000)	-	-
NHS England - NHS ESOL London Hospitals	-	28,608	-	(28,608)	-	-
NDY Restricted - Branch	15,000	(202)	-	(1,374)	-	13,424
MJT Restricted - Branch	8,929	-	-	(395)	-	8,534
Fred Adler Legacy	39,004	-	-	(47)	-	38,957
Balance carried forward	136,086	3,222,129	(62,137)	(3,152,783)	-	143,295

Notes to the financial statements for the year ended 31 July 2023

13c. Statement of funds (continued)

Other restricted funds (continued)

	At 1 August 2022 £	Received income £	Accrued/ deferred income £	Funded expenditure £	Transfer from General Fund £	At 31 July 2023 £
Balance brought forward	136,086	3,222,129	(62,137)	(3,152,783)	-	143,295
North East						
100 Club	1,836	-	-	-	-	1,836
North of Tyne MCA	-	345,068	792	(345,860)	-	-
North West						
RSC - Any Old Ions	14,959	-	-	(4,051)	-	10,908
RAS - Look Up to the Skies	6,280	-	-	-	-	6,280
Greater Manchester Combined Authority	-	990,777	330,212	(1,320,989)	-	-
GMCA L3 Local	-	12,561	-	(12,561)	-	-
GMCA L3 National	-	12,580	23,656	(36,236)	-	-
Liverpool City Region Combined Authority Lot 1	-	834,928	176,548	(1,011,476)	-	-
Liverpool City Region Combined Authority Lot 2	-	62,082	-	(62,082)	-	-
LCRCA T&L	-	(468)	-	468	-	-
LivCRCA Lot 3	-	(2,567)	18,643	(16,076)	-	-
Liv NHS - Maternity Support work	-	17,041	-	(17,041)	-	-
ESIF - CSI	-	11,250	3,750	(15,000)	-	-
Trafford - BNO	-	450	-	(450)	-	-
Burnley - BNO	-	810	-	(810)	-	-
BooHoo	-	1,400	-	(1,400)	-	-
Liverpool - Multiply	-	844,727	(277,043)	(567,684)	-	-
Lancashire - Multiply	-	675,933	6,676	(682,609)	-	-
Manchester - Multiply	-	8,140	-	(8,140)	-	-
South West						
West of England Combined Authority - AEB	-	445,006	-	(445,006)	-	-
West of England Combined Authority - Multiply	-	57,600	-	(55,818)	-	1,782
Bristol City Council - Bristol ESOL	-	24,328	-	(24,328)	-	-
Southampton City Council - Multiply	-	43,965	-	(32,266)	-	11,699
Portsmouth City Council - Multiply	-	32,519	-	(32,583)	-	(64)
K Smith Legacy	20,875	-	-	-	-	20,875
Southampton City Council - Innovation Fund	-	-	-	(76)	-	(76)
Balance carried forward	180,036	7,640,259	221,097	(7,844,857)	-	196,535

Notes to the financial statements for the year ended 31 July 2023

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

	At 1 August 2022 £	Received income £	Accrued/ Deferred income £	Funded expenditure £	Transfer from/(to) General Fund £	At 31 July 2023 £
Balance brought forward	180,036	7,640,259	221,097	(7,844,857)	-	196,535
Yorkshire & Humber						
Mike Haywood Fund	869	-	-	-	-	869
Yorkshire Adult Schools Union	8,300	-	-	-	-	8,300
Leeds University	3,008	-	-	-	-	3,008
NHS Confidence to study	7,911	-	-	-	-	7,911
Heritage Fund - Women on the Land	25,853	39,000	-	(62,704)	-	2,149
Sheffield City Council	-	(6,151)	-	6,151	-	-
South Yorks MCA	-	312,245	102,976	(415,221)	-	-
West Yorks MCA	-	1,033,086	-	(1,033,086)	-	-
Digital Inclusion	-	-	-	(68)	-	(68)
Sheffield Refugee Council	-	5,216	-	(5,216)	-	-
CRF- VAR	-	6,929	-	(6,929)	-	-
WAMT - Green Growth	-	139,455	-	(10,290)	-	129,165
Multiply York & North Yorkshire	-	8,225	-	(8,533)	-	(308)
Multiply Rotherham	-	10,000	-	(10,000)	-	-
Multiply North Lincolnshire	-	6,679	-	(6,679)	-	-
UKSPF RISE	-	-	-	(28)	-	(28)
Families Get Active	-	17,165	-	(14,551)	-	2,614
Balance carried forward	225,977	9,212,108	324,073	(9,412,011)	-	350,147

Notes to the financial statements for the year ended 31 July 2023

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

	At 1 August 2022 £	Received income £	Accrued/ Deferred income £	Funded expenditure £	Transfer from/(to) General Fund £	At 31 July 2023 £
Balance brought forward	225,977	9,212,108	324,073	(9,412,011)	-	350,147
Scotland						
Scottish Government - Health and Social Care - Self Directed Support Project 2018-2020	10,842	11,638	-	(18,139)	-	4,341
Edinburgh College - EU Dundee AMIF	4,815	7,434	-	(12,249)	-	-
Edinburgh College - Edinburgh CBAL	525	5,000	-	(2,400)	-	3,125
Falkirk Council - Job Clubs	14,853	(9,283)	(5,570)	-	-	-
North Glasgow Housing Association - Thriving Places - 'Possibilities Project'	119	-	-	(119)	-	-
Aberdeenshire Council - Adult Education Programme	17,207	3,113	-	(7,735)	-	12,585
Aberdeen City Council - Parenting Project	12,260	-	-	(7,650)	-	4,610
Reach Out Project - General	7,456	-	-	-	-	7,456
Fife Council - Teaching Grant	25,800	15,720	(2,309)	(20,677)	-	18,534
Aberdeen City Council - Teaching Grant	5,198	7,520	-	(12,718)	-	-
Highland Council - Syrian Re-settlement Project	7,243	36,508	-	(33,628)	-	10,123
North East Scotland Colleges - Reach Out 22/24	58,522	91,619	-	(86,321)	-	63,820
Aberdeenshire Council - Home Office - ESOL Project	4,212	-	-	(4,212)	-	-
Glasgow Life AMIF	2,720	1,269	-	(3,989)	-	-
Garden Project	466	-	-	(200)	-	266
Lipman Miliband Trust	266	-	-	(266)	-	-
Adult Learning & Empowering Communities Fund (ALEC)	-	355,250	(50,750)	(304,500)	-	-
Fife Council - Revenue Grant	-	34,988	(5,138)	(29,850)	-	-
Fife Council - Teaching Grant	-	-	28,545	(28,545)	-	-
Aberdeen City Council - Revenue Grant	-	15,000	-	(15,000)	-	-
North East College - Aberdeenshire ESOL	-	17,424	28,738	(46,162)	-	-
Aberdeenshire Council - Resettlement Programme	-	9,950	(9,950)	-	-	-
Aberdeenshire Council - Fairer Aberdeenshire Fund - Reminiscence Project	-	3,400	-	(3,012)	-	388
Aberdeen Council of Voluntary Organisations (ACVO)	-	10,000	-	(1,516)	-	8,484
Highland Cares - Digital Families	-	9,975	-	(9,975)	-	-
Highlife Highland - Open Programme	-	5,000	-	(4,808)	-	192
Highland Multiply	-	19,254	-	(13,156)	-	6,098
Edinburgh College - ESOL Programme	-	-	9,600	(9,600)	-	-
Hong Kong BNO ESOL Project	-	42,115	-	(31,960)	-	10,155
Glasgow Clyde College - ESOL Strategy	-	12,250	-	(12,250)	-	-
Falkirk Council - Falkirk ETU Literacies Programme	-	3,650	-	(3,650)	-	-
Glasgow City Council - Glasgow Communities Fund	-	86,477	-	(86,477)	-	-
North Ayrshire Council - ESOL for Employability	-	35,038	-	(35,038)	-	-
Scottish Government - Directorate for Mental Health & Social Care Support	-	87,356	6,249	(67,501)	-	26,104
Total other restricted funds (note 13)	398,481	10,129,773	329,058	(10,330,884)	-	526,428

Notes to the financial statements for the year ended 31 July 2023

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

	At 1 August 2022 £	Received income £	Accrued/ Deferred income £	Funded expenditure £	Transfer from/(to) General Fund £	At 31 July 2023 £
Capital Grants						
ESFA Capital Grant-Energy Efficiencies	-	281,457	-	-	(9,015)	272,442
ESFA Capital Grant- FE Reclassification	-	704,637	-	-	(27,522)	677,115
Restricted Capital Proceeds	-	349,557	-	-	-	349,557
Liverpool City Region	15,568	-	-	(8,032)	-	7,536
Big Lottery Fund - Sheffield Learning Centre	61,923	-	-	(1,436)	(60,487)	-
Big Lottery Fund - Clare House	42,707	-	-	(1,637)	(41,070)	-
Total restricted capital funds (note 13)	120,198	1,335,651	-	(11,105)	(138,094)	1,306,650

Notes to the financial statements for the year ended 31 July 2023

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

	At 1 August 2021 £	Received income £	Accrued/ Deferred income £	Funded expenditure £	Transfer from/(to) General Fund £	At 31 July 2022 £
Eastern						
Big Lottery Fund and ESF Building Better Opportunities Grant - Papworth Community Connections South	3,084	12,127	-	(15,211)	-	-
Big Lottery Fund and ESF Building Better Opportunities Grant - Papworth Community Connections Essex	-	36,184	-	(42,595)	-	(6,411)
East Midlands						
Big Lottery Fund and ESF Building Better Opportunities Grant - Vista Will	-	113,555	-	(95,736)	-	17,819
Big Lottery Fund St Ann's Advice Centre - D2N2 Money Sorted	-	38,140	3,444	(41,082)	-	502
North West						
Big Lottery Fund and ESF Building Better Opportunities Grant - Sefton Liverpool Digital Inclusion	2,884	34,660	2,792	(41,134)	-	(798)
Big Lottery Fund and ESF Building Better Opportunities Grant - Halton Liverpool Digital inclusion	778	55,978	33,201	(79,435)	-	10,522
Big Lottery Fund and ESF Building Better Opportunities Grant - Cumbria, Carlisle & Eden	43,915	-	-	(1,644)	-	42,271
Southern						
Big Lottery Fund and ESF Building Better Opportunities Grant - Routes Community Works	8,267	39,200	-	(39,659)	-	7,808
Big Lottery Fund and ESF Building Better Opportunities Grant - Aspire - Family Learning Surrey	-	28,188	(4,242)	(28,345)	-	(4,399)
Big Lottery Fund and ESF Building Better Opportunities Grant - Building Family Bridges	92	309	-	408	-	809
Slough Borough Council - Ways Into Work	-	29,217	(5,298)	(23,301)	-	618
Midlands						
BBO Community Mat	-	3,264	-	(3,264)	-	-
Yorkshire & Humber						
BLF Men's Health Lounge	927	-	-	-	-	927
Scotland						
Big Lottery Fund - Reach Out Project	133,317	5,360	(500)	(100,762)	-	37,415
Total lottery fund projects	193,264	396,182	29,397	(511,760)	-	107,083
Other projects						
ESF (note 13e)	(68,418)	4,741,800	683,928	(5,349,667)	-	7,643
Other (note 13f)	472,879	8,503,662	288,990	(8,892,010)	25,000	398,481
Total restricted revenue funds	597,725	13,641,604	1,002,315	(14,753,436)	25,000	513,207

Notes to the financial statements for the year ended 31 July 2023

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

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

Notes to the financial statements for the year ended 31 July 2023

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

	At 1 August 2021 £	Received income £	Accrued/ Deferred income £	Funded expenditure £	Transfer from General Fund £	At 31 July 2022 £
Association Services						
Olive Cordell	4,142	-	-	-	-	4,142
Restricted Gift	500	-	-	-	-	500
Digital Lifeline Campaign	1,027	(354)	-	-	-	673
SERO Consulting - EDS Champions	-	8,000	-	(8,000)	-	-
Lloyds	-	41,190	-	(31,037)	-	10,153
Midlands						
Joan Freeman Legacy	2,339	-	-	(2,339)	-	-
Algy Beaven Legacy	1,375	-	-	-	-	1,375
John Rhodes Fund	9,581	-	-	-	-	9,581
Bishop Grosseteste University LinchHigher Raising Aspirations	4,179	-	-	(4,179)	-	-
Nottingham City Council Restart Grant	13,624	-	-	(13,624)	-	-
Leicestershire County Council SHIRE Community Grant Fund	425	3,840	-	(4,265)	-	-
Public Health Northamptonshire - Northants Weight Management	-	9,938	-	(5,483)	-	4,455
Lincolnshire ASFL	-	-	4,674	(4,674)	-	-
ESOL for Intergration	-	24,594	24,594	(49,188)	-	-
LLEP Digital Poverty	-	-	-	(4,481)	-	(4,481)
Derby Adult Learning Service	-	-	12,275	(12,275)	-	-
Eastern						
Lester John Desmond Legacy	1,466	-	-	-	-	1,466
Clarion Housing - Digital Skills	4,528	4,000	-	(8,528)	-	-
East of England Local Government Association (EELGA)	10,051	52,991	-	(31,645)	-	31,397
Cambridgeshire County Council	-	10,234	-	(10,234)	-	-
Cambridgeshire County Council - Cambridgeshire Skills 21-22	-	74,117	-	(74,117)	-	-
Cambridge and Peterborough Combined Authority - CPCA MCA 21-22	-	12,200	-	(12,200)	-	-
London						
Stanley Jones - Ilford Legacy	15,125	-	-	(831)	-	14,294
Margaret Cottier Legacy	3,753	-	-	-	-	3,753
ICELP Together We Learn	37,349	-	-	(4,868)	-	32,481
GLA - National Skills Fund	-	1,416,035	(100,000)	(1,316,035)	-	-
GLA - Adult Education Budget	-	75,000	(25,000)	(50,000)	-	-
GLA - Good Work for All	-	243,604	7,761	(313,785)	-	(62,420)
North East						
100 Club	1,830	6	-	-	-	1,836
Tees Valley Combined Authority	-	51,156	-	(51,156)	-	-
North of Tyne Combined Authority	10,000	340,161	-	(350,161)	-	-
Lipman-Miliban Grant - Lipman Trust	1,613	-	-	(1,613)	-	-
MCA - 20-21 Underspend	-	10,691	-	(10,691)	-	-
Balance carried forward	122,907	2,377,403	(75,696)	(2,375,409)	-	49,205

Notes to the financial statements for the year ended 31 July 2023

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

	At 1 August 2021 £	Received income £	Accrued/ Deferred income £	Funded expenditure £	Transfer from General Fund £	At 31 July 2022 £
Balance brought forward	122,907	2,377,403	(75,696)	(2,375,409)	-	49,205
North West						
RSC - Any Old Ions	14,871	-	-	88	-	14,959
RAS - Look Up to the Skies	6,737	-	-	(457)	-	6,280
Community Foundation- OneCom	-	-	-	-	-	-
Greater Manchester Combined Authority	-	1,671,568	351,706	(2,023,274)	-	-
GMCA L3 Local	-	36,356	(11,716)	(24,640)	-	-
GMCA L3 National	-	1,961	30,901	(32,862)	-	-
Liverpool City Region Combined Authority Lot 1	-	545,716	114,961	(660,677)	-	-
Liverpool City Region Combined Authority Lot 2	-	50,046	(19,017)	(31,029)	-	-
LCRCA T&L	-	9,772	468	(10,240)	-	-
LivCRCA Lot 3	-	-	2,567	(2,567)	-	-
Liverpool NHS Maternity Support Work	-	24,098	(17,041)	(7,057)	-	-
ESIF - CSI	-	18,750	3,750	(22,500)	-	-
BNO Trafford	-	-	19,750	(19,750)	-	-
WRRF Trafford	-	40,500	-	(40,500)	-	-
South West						
West of England Combined Authority	-	322,750	-	(322,750)	-	-
Southern						
Fred Adler Legacy	38,868	-	-	136	-	39,004
Joan Taylor Legacy	812	-	-	-	-	812
K Smith Legacy	21,393	-	-	(518)	-	20,875
Santander	277	-	-	(277)	-	-
West Sussex Council - HKBNO Migration	-	75,000	(41,250)	(10,357)	-	23,393
Southampton CC - Quilt of Hope	-	4,510	-	(4,510)	-	-
MJT Restricted - Branch	-	-	-	(1,071)	10,000	8,929
NDY Restricted - Branch	-	-	-	-	15,000	15,000
Balance carried forward	205,865	5,178,430	359,383	(5,590,221)	25,000	178,457

Notes to the financial statements for the year ended 31 July 2023

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

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

Notes to the financial statements for the year ended 31 July 2023

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

	At 1 August 2021 £	Received income £	Accrued/ Deferred income £	Funded expenditure £	Transfer from General Fund £	At 31 July 2022 £
Balance brought forward	340,048	7,475,355	276,285	(7,890,711)	25,000	225,977
Scotland						
Scottish Government - Adult Learning and Empowering Communities Fund HQ Scot Govt	-	319,000	(24,170)	(294,830)	-	-
Scottish Government - Adult Learning and Empowering Communities Fund - HQ NTTF	-	92,662		(92,662)	-	-
Scottish Government - Impact Funding Partners - PEC Fund - Women in the Highlands Project	14,583	5,168	(7,083)	(12,668)	-	-
Scottish Government - Health and Social Care - Self Directed Support Project 2018-2020	26,499	49,874	(1,330)	(64,201)	-	10,842
Highlife Highland - Open Programme	5,869	-	-	(5,869)	-	-
Edinburgh College - SE Edin ESOL	-	9,600	-	(9,600)	-	-
Edinburgh College - EU Dundee AMIF	-	21,462	-	(16,647)	-	4,815
Edinburgh College - Edinburgh CBAL	-	13,899	(5,000)	(8,374)	-	525
Falkirk Council - Job Clubs	14,853	22,280		(22,280)	-	14,853
North Glasgow Housing Association - Thriving Places - 'Possibilities Project'	119	-	-	-	-	119
Aberdeenshire Council - Adult Education Programme	21,499	9,337		(13,629)	-	17,207
Aberdeen City Council - Parenting Project	12,260				-	12,260
Glasgow City Council - Glasgow Communities Fund - Glasgow CF 20/2	-	108,196	12,346	(120,542)	-	-
Reach Out Project - General	7,456				-	7,456
Fife Council - Fife Cnl TEACH	-	36,701	(7,340)	(29,361)	-	-
Fife Council - Teaching Grant	17,538	16,489	(3,298)	(4,929)	-	25,800
Aberdeen City Council - Revenue Grant	-	28,125	(5,625)	(22,500)	-	-
Aberdeen City Council - Teaching Grant	3,812	14,100	(2,820)	(9,894)	-	5,198
Highland Council - Syrian Re-settlement Project	-	47,914	6,354	(47,025)	-	7,243
North East Scotland Colleges - NE Shire ESOL	-	27,213	14,641	(41,854)	-	-
North East Scotland Colleges - A'shire CBAL	-	12,870	-	(12,870)	-	-
North East Scotland Colleges - ACC-Afghan ESOL	-	-	5,108	(5,108)	-	-
North East Scotland Colleges - Reach Out 22/24	-	78,000	(1,000)	(18,478)	-	58,522
Aberdeenshire Council - Home Office - ESOL Project	5,535	-	-	(1,323)	-	4,212
Glasgow Clyde College	-	12,250	-	(12,250)	-	-
Falkirk Council - Employment & Training Unit	-	12,975	(1,050)	(11,925)	-	-
Foundation Scotland - Response, Recovery, Resilience -	-	204	-	(204)	-	-
Scot Book Trust	-	675	-	(675)	-	-
Glasg Life AMIF	-	-	12,676	(9,956)	-	2,720
Glasgow CBAL	-	30,165	-	(30,165)	-	-
Garden Project	-	5,930	-	(5,464)	-	466
PA Network22/23	-	-	20,359	(20,359)	-	-
North Ayrshire Council - ESOL 2020-2022	818	53,178	(63)	(53,933)	-	-
Lipman Miliband Trust	1,990	-	-	(1,724)	-	266
Total other restricted funds (note 13)	472,879	8,503,622	288,990	(8,892,010)	25,000	398,481

Notes to the financial statements for the year ended 31 July 2023

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

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

Notes to the financial statements for the year ended 31 July 2023

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

	2022/23 £'000	2021/22 £'000
Net incoming resources	1,354	827
(Gain)/loss on disposal of fixed assets	(359)	40
Depreciation	526	487
Other finance charges	1,089	650
Decrease/(Increase) in debtors	21	(241)
Increase in creditors and provisions	2,226	17
Interest received	(156)	(13)
Other finance income	(1,187)	(699)
Non cash movements in respect of FRS 102 s.28	(350)	(384)
Net cash inflow from operating activities	3,164	684

15. Return on investments and servicing of finance

	2022/23 £'000	2021/22 £'000
Income from investments and interest receivable	156	13
Net cash inflow for return on investments and servicing of finance	156	13

16. Analysis of change in net funds

	At 1 August 2022 £'000	Cash flow £'000	At 31 July 2023 £'000
Net cash			
Short term deposits	2,602	4,091	6,693
Bank and cash	7,664	(1,730)	5,934
Total net funds	10,266	2,361	12,627

17. Trustees' expenses and remuneration

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

	2022/23 £'000	2021/22 £'000
Trustees' expenses		
Trustee meeting	3	-
Trustee travel	1	1
Trustee Recruitment	7	-
	11	1

The number of trustees reimbursed out of pocket travel and subsistence expenses was 3 (2021/22:2).

The Trustees hold indemnity insurance. During the year, the Association spent £3,528 (2021/22: £2,423), to purchase this indemnity insurance policy.

Notes to the financial statements for the year ended 31 July 2023

18. Pension schemes

At 31 July 2023 the pension schemes operated by the Association are the Teachers' Pensions scheme (TPS), the Scottish Public Pension Agency scheme (SPPA) and The People's Pension. Staff are auto-enrolled into these schemes based on job roles and eligibility.

The WEA pension scheme closed to new accruals at 31 August 2019. The existing scheme funds continue to be managed by The Pensions Trust (TPT) who act as trustee and administrator. Contributors were transferred to the People's Pension scheme.

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

The pension charge for the year includes contributions payable to the TPS of £1,179,451 (2021/22 £1,112,823) and at the year-end £115,576 (2021/22 £105,799) was accrued in respect of contributions to this scheme.

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

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

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

The TPS is subject to a cost cap mechanism which was put in place to protect taxpayers against unforeseen changes in scheme costs. The Chief Secretary to the Treasury, having in 2018 announced that there would be a review of this cost cap mechanism, in January 2019 announced a pause to the cost cap mechanism following the Court of Appeal's ruling in the McCloud/Sargeant case and until there is certainty about the value of pensions to employees from April 2015 onwards. The pause was lifted in July 2020 and following a public consultation in 2021 the Government have accepted three key proposals recommended by the Government Actuary, and are aiming to implement these changes in time for the 2020 valuations.

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

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

The pension charge for the year includes contributions payable to the SPPA of £68,061 (2020/21: £48,285) and at the year-end £6,589 (2021/22: £5,691) was accrued in respect of contributions to this scheme.

The employer SPPA contribution rate is 23.00%. This is a single level contribution and not tiered the same way as employee contributions which attract rates of between 7.2% and 11.9%.

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

The WEA Scheme 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 Career Average Revalued Earnings (CARE) basis for service from 1 August 2016. The scheme is funded and is contracted out of the State scheme. A full actuarial valuation was carried out at 30 September 2017 and has been updated to 31 July 2023 by a qualified actuary independent of the scheme's sponsoring employer. This scheme was closed to new contributions at 31 August 2019.

The triennial actuarial valuation for September 2020 shows a deficit of £3,646,000. The WEA agreed with the Trustee that they will aim to eliminate the deficit over a period of 8 years and 10 months by the payment of annual contributions of £493,000 per annum until 1 December 2018 and then £347,000 per annum (increasing by 3% each December). The scheme expenses are paid at £8,200 per month. The September 2023 triennial actuarial valuation is not yet complete.

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 Pensions Trust in determining the financial assumptions.

Notes to the financial statements for the year ended 31 July 2023

18. Pension schemes (continued)

	2022/23	2021/22
Discount rate	5.25%	3.48%
Inflation (RPI)	3.17%	3.20%
Inflation (CPI)	2.85%	2.84%
Deferred Revaluation: RPI max 5%	3.17%	3.20%
Deferred Revaluation: RPI max 2.5%	2.50%	2.50%
Salary Increases	4% in year, 4% thereafter	3% in year, 2% thereafter
Allowance for pension in payment increases of CPI, max 5% p.a.	2.78%	2.78%
Allowance for pension in payment increases of CPI, max 3% p.a.	2.24%	2.24%
Allowance for pension in payment increases of CPI, max 2.5% p.a. using notional commutation factors 75% of maximum	1.99%	1.98%
The mortality assumptions adopted at 31 July 2020 (2019) imply the following life expectancies (in years):		
Male retiring at age 65 in 2022 (2021)	21.3	21.8
Female retiring at age 65 in 2022 (2021)	23.8	24.2
Male retiring at age 65 in 2042 (2041)	22.9	23.4
Female retiring at age 65 in 2042 (2041)	23.4	25.7

a) Fair value

	2022/23 £'000	2021/22 £'000
Present value of scheme liabilities	(24,844)	(31,964)
Fair value of scheme assets	25,352	34,606
Effect of asset ceiling	(508)	(2,642)
Surplus	-	-
Amounts in the balance sheet		
Liabilities	-	-
Assets	-	-
Net surplus to be recognised	-	-

The surplus in 2021/22 and prior years is not considered a recoverable amount and therefore has not been recognised in the financial statements in accordance with FRS102.

b) Change in liabilities during the period

	2022/23 £'000	2021/22 £'000
Opening scheme liabilities	31,964	39,935
Current service cost	-	-
Interest cost	1,089	650
Contributions by employees	-	-
Loss due to benefit changes	-	-
Actuarial loss	(6,836)	(7,491)
Benefits paid	(1,373)	(1,130)
Closing liabilities	24,844	31,964

Notes to the financial statements for the year ended 31 July 2023

18. Pension schemes (continued)

c) Change in assets during the period

	2022/23 £'000	2021/22 £'000
Opening fair value of the scheme assets	34,606	42,733
Interest income	1,187	699
Expenses	(144)	(101)
Return on assets excluding interest income	(9,418)	(8,080)
Contributions by employer	494	485
Contributions by employees	-	-
Benefits paid	(1,373)	(1,130)
Closing assets	25,352	34,606

d) Analysis of amount charged to the income statement

	2022/23 £'000	2021/22 £'000
Current service cost	-	-
Expenses	144	101
Benefit changes	-	-
Net interest cost	-	-
Total amount recognised in the income statement	144	101

e) Statement of other comprehensive income

	2022/23 £'000	2021/22 £'000
Return on assets excluding interest income	(9,418)	(8,080)
Experience (losses) on liabilities	(1,137)	(2,140)
Gain for change of assumptions	7,973	9,631
Effect of change in non-recoverable surplus	2,232	205
Net cumulative actuarial loss	(350)	(384)

The loss for change in assumptions is further analysed below:

Gain/(Loss) from change of demographic assumptions	1,013	(913)
Gain from change of financial assumptions	6,960	10,544
	7,973	9,631

Amount recognised in the SOFA

Amount recognised in the SOFA to bring the pension surplus to nil	(448)	(433)
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Notes to the financial statements for the year ended 31 July 2023

18. Pension schemes (continued)

f) Fair value of assets

	Value at 31 July 2023 £'000	Proportion	Value at 31 July 2022 £'000	Proportion
Equity type assets	1,137	4.5%	3,397	9.8%
Bonds	12,880	50.8%	16,843	48.7%
Property	2,380	9.4%	3,007	8.7%
Other	8,955	35.3%	11,359	32.8%
Total value of assets	25,352	100.0%	34,606	100.0%

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

	2022/23 £'000	2021/22 £'000	2020/21 £'000	2019/20 £'000	2018/19 £'000
Present value of scheme liabilities	(24,844)	(31,964)	(39,935)	(40,484)	(35,089)
Scheme Assets	24,844	31,964	39,935	40,484	37,911
Surplus (deficit)	-	-	-	-	2,822

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

Experience adjustments on scheme liabilities	(1,137)	(2,140)	98	199	92
Percentage of the present value of scheme liabilities	4.6%	6.7%	-0.2%	-0.5%	-0.3%
Experience adjustments on scheme assets	(9,418)	(8,080)	2,046	2,869	3,711
Percentage of the fair value of scheme assets	-37.9%	-25.3%	-4.5%	7.1%	9.8%

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

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

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

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

The scheme holds Contingent Assets in the form of a security in favour of the Trustee over the office property situated at 4 Luke Street, London, EC2A 4XW which was valued at £3,550,000 on 31 March 2019, in respect of all sums which are, or may become due and payable by the sponsoring employer to the Scheme. At 31st July 2022 the charge is capped at £2,500,000.

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

Notes to the financial statements for the year ended 31 July 2023

19. Investment income

	2022/23 £'000	2021/22 £'000
Interest on cash deposits	156	13
Interest on pension scheme assets	1,187	699
	1,343	712

20. Investments in subsidiaries

At 31st July 2023 the Association owned the entire issued share capital of 1 ordinary shares (2021/22: 1 share) of WEA Trading Ltd. At 31st July 2023 the aggregate of share capital and reserves of WEA Enterprises Limited was £1. (2021/22: £1)

The company has not traded during the period and has nil assets at 2022/23 (2021/22: nil). Consolidated accounts have not been prepared given that the results of the company and its aggregate reserves and capital are immaterial in the opinion of the trustees.

21. Related party transactions

Owing to the nature of the Association's operations and the composition of the Board of Trustees, being drawn from local, public and private sector organisations, it is likely that transactions will take place from time to time with organisations in which a member of the Board of Trustees may have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Association's Financial Regulations and normal procurement procedures. During the year there were related party transactions of £54,450 (2021/22: £23,314).

Odgers Berndtson have charged the Association £54,450 in 2022/23 which is part payment of a contract to recruit a Director of People and Culture and a Director of Finance and IT. Narinder Uppal, a WEA trustee, is an employee of a company within the Odgers financial group. Transactions with ESFA are detailed in notes 2 and 2a.

22. Provisions

	2022/23 £'000	2021/22 £'000
Leased property dilapidation	£'000	£'000
At 1 August	422	472
Provisions charged	-	12
Provisions released	(96)	(62)
At 31 July	326	422

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.



In my eyes, real success is based on personal relationships, making a difference in the community and going to sleep with a smile on your face.


Jamie
WEA learner

The WEA
4 Luke Street
London
EC2A 4XW

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

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