

WEA statutory annual report and financial statements

Year ended 31 July 2021



WEA

Adult Learning
Within Reach

Workers' Educational Association

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

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

Introduction

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 2021.

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 14 August 2020 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 23.

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 2021 and available on the WEA website.

Reference and administrative details

Trustees

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

John Widdowson (Chair)

Cliff Allum

Robin Cook

Michael Crilly

Marion Flett

Jon Gamble

Pat Kynaston

Geoff Layer

Lindsay Pearson

Marc Sherland

Lynne Smith (resigned 16/09/2020)

Peter Threadkell

Narinder Uppal

Company Secretary

Kathleen Formosa

Leadership team

Chief Executive &
General Secretary ("CEO/GS")

Simon Parkinson

Finance Director

Dympna McCoy (appointed 26/04/2021)

Director for Quality & Learner Services

Preeya Buckley

Director for WEA Scotland

Ray McCowan

Director of Education (Community Learning)

Katie Easey (appointed 07/06/2021)

Director of Education (Skills & Employability)

Chris Morgan (appointed 04/03/2021)

Director for Marketing, Membership
& Income Growth

James Ward

Head of Corporate Governance

Kathleen Formosa

Head of Human Resources & Organisational
Development

Margaret Johnson

Head of ICT

Richard Wilkes (resigned 15/10/2021)

Director for Education & Deputy Chief Executive

Joanna Cain (resigned 30/11/2020)

Chief Operating Officer

Jane Swift (resigned 30/11/2020)

Auditor

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

Bankers

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

Bank of Scotland
300 Lawnmarket
Edinburgh EH1 2PH

Solicitors

Bates Wells
10 Queen Street Place
London EC4R 1BE

Balfour & Manson
54-66 Frederick
Edinburgh EN2 1LS

Pension fund trustees and administrators

Teachers' Pensions
11b Lingfield Point
Darlington
DL1 1AX

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

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

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

NOW: Pensions (contributions ceased 31/08/2019)
3rd Floor
164 Bishopsgate
London EC2M 4LX

WEA registered office

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London EC2A 4XW

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Registered Charity Number
(England and Wales): 1112775

Registered Charity Number
(Scotland): SC039239

Registered Company Number
(England and Wales): 2806910

Objectives and activities

In fulfilment of its charitable objects, to promote adult and general education for the benefit of the community regionally, nationally and internationally based on democratic principles in its organisation and practice, through the participation of its voluntary members, WEA built on its successes from previous years in its achievements during 2020/21, and also addressed some of its areas of development.

Following the appointment of the new CEO/GS in December 2019, a refreshed 2025 Strategy, reflecting some adjustment to the outcomes and enablers of the 2025 Strategy's key priorities, was approved by Trustees at a meeting on 23 July 2020. The refreshed strategy set clear aims, priorities and enablers to ensure WEA's ongoing success. Its overarching aim reconfigured the Association, recognising and embracing 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 recognised that its role is to celebrate local variation and variety whilst serving and supporting local and regional activity. WEA's objectives and activities throughout 2020/21 were aligned to the three agreed priorities set out in the refreshed 2025 Strategy:

- ▶ Our Learners & Learning
- ▶ Our Members & Volunteers
- ▶ Our Voice

Operational priorities throughout the year were aligned to the enablers supporting these strategic priorities:

- ▶ Our People
- ▶ Our Systems & Processes
- ▶ Our Finances

Work on these priorities and their enablers was guided by the uniting theme of "One WEA" recognising that for the English Regions and Scotland being connected to a national organisation offers reach and benefits which are difficult to achieve separately. WEA sought and will continue to seek to promote and support an environment in which ideas and outcomes delivered locally and regionally, and the impact of local and regional delivery, are shared and exchanged in furtherance of WEA's purpose to bring adult education within reach.

Our Learners & Learning

WEA has and will continue to provide learning opportunities to meet adult learners' needs and aspirations across England and Scotland. These learning opportunities vary to reflect the different needs and aspirations at the national, regional and local level. To this end, WEA has:

- ▶ Provided a wide range of learning opportunities that are relevant to individuals at the local, regional and national level, recognising the complexity which often goes alongside being an adult learner;
- ▶ Created a learning offer that meets the needs and aspirations of all learners, recognises their diversity (e.g., ethnicity, gender, age and disability) and understands social factors such as social isolation and loneliness, caring responsibilities and poverty; and
- ▶ Built on existing core funding from the Department for Education, devolved authorities in England and the Scottish Government by raising further charitable funds in the interest of maintaining agility and meeting the changing needs and aspirations of learners.

The Board of Trustees and WEA's Leadership Team made a commitment to delivering broad adult education across the four themes – employability, health and wellbeing, community engagement and culture – spanning each of the agreed strategic priorities.

2020/21 priorities to support WEA's learners and adult learning in general were:

- ▶ **Informed curriculum planning** to enable learners to achieve positive outcomes that build confidence for life and work, support adults into work and progression at work, promote mental and physical health and wellbeing, broaden horizons, and promote active citizenship and vibrant communities.
- ▶ **Putting the learner experience at the centre of WEA's approach to education** through an enhanced focus on the outcomes from class visits, measurement of learner experience and outcomes through the year, and a strong focus on learner progression through WEA programmes.
- ▶ **Embedding WEA's innovative approach to blended and digitally-enabled learning** to ensure the approach is a significant contributor to the learner experience and learning. The use of Canvas was embedded into most WEA classes during the period of lockdown. Canvas continues to be used at minimum to enable learners to complete their learning plans and evaluations online.

- ▶ **Efficiently and effectively delivering learning provision** through direct delivery of education contracts and through continued positive relationships with partners and subcontractors.

Each of these priorities are underpinned by specific plans and priorities in each English Region and in Scotland, and are supported by the Leadership Team. In support of the refreshed 2025 Strategy, the Board of Trustees and CEO/GS agreed to a new Leadership Team structure, reorganised in the best interest of delivering a wide variety of learner-focused provision that meets local and community interests and contractual agreements. Embedding of the new Leadership Team structure commenced in early 2021.

Our Members & Volunteers

WEA's approach to volunteering has seen a complete overhaul of processes and the implementation of an integrated approach aimed at ensuring that volunteering is fit for purpose going forward.

In the interest of its learners, WEA has supported members and volunteers by:

- ▶ Continuing to grow the network of volunteers, members and partners that support WEA and together with them provide a strong and unified voice to advocate for adult education in the UK and the benefits this creates for individuals, communities and society as a whole; and
- ▶ Supporting volunteers to ensure they are provided the tools and training needed to feel part of a unified organisation with a positive organisational culture.

The continued development of a simple membership offer based on what WEA members want at a valued price point has resulted in an increase in the number of members and importantly a higher level of engagement at a national and local level.

Our Voice

Through its learners, members and volunteers, WEA has campaigned on issues surrounding adult education and sought to influence policy across the UK. WEA has been working hard to achieve political change across the adult education landscape by lobbying both the English and Scottish Government, engaging with the All-Party Parliamentary Group (APPG) on Adult Education, submitting evidence to select committees, and working with a range of likeminded organisations.

WEA remains committed to growing its direct support to adult learners and to raising the profile of adult education in the UK. Over a quarter of working age adults in the UK have low or no qualifications. We know that in the UK:

- ▶ 9 million still cannot use the internet without help¹;
- ▶ 7.1 million have very poor literacy skills²;
- ▶ 3.7 million are in low-paid and insecure work³;
- ▶ 1 in 3 adults having no qualifications live in poverty⁴; and
- ▶ 5% of adults say they feel lonely often or always.⁵

WEA also know that access to adult learning helps bridge these inequalities and the divides they create in society and WEA is committed to tackling these issues.

1 Good Things Foundation, 2020.

2 National Literacy Trust, 2021.

3 Living Wage Foundation, 2021.

4 Joseph Rowntree Foundation, 2019.

5 ONS, 2021.

Our People

Members and volunteers are the lifeblood of WEA and critical to its long-term success and sustainability. WEA knows that growing an active membership is key to raising its profile and amplifying its voice as the leading adult education organisation. The WEA membership program continued to develop throughout the year, with new initiatives and campaigns to engage and integrate new members across the UK. To this end, WEA focused on increasing overall membership, committing to:

- ▶ Continuing the development of WEA's membership offer and the excellent value it provides;
- ▶ Exploring new ways of supporting members to self-organise; and
- ▶ Continuing to engage with volunteers, encouraging them to become paying members.

Building on a comprehensive volunteer survey completed at the end of 2019/20, WEA's membership and volunteering team focused on the following priorities during the 2020/21 financial year:

- ▶ Completing the end-to-end review of the volunteer journey, including new role descriptors and embedding of a new induction and training programme;
- ▶ Engaging in the external Volunteers Count survey to allow WEA to benchmark its volunteer experience against other similar organisations;
- ▶ Automating volunteer recruitment using the HR AMRIS system; and
- ▶ Ensuring that engagement with volunteers continues to improve and that volunteers play an active role across all areas of the Association.

WEA is a living wage employer, and held a standard Investors in People ("IIP") accreditation from 2018-2021. Following a rigorous re-accreditation review, WEA was awarded IIP Silver in November 2021.

Our Systems & Processes

During the year, WEA undertook a comprehensive review of its current systems and processes, taking stock in particular of whether these systems and processes enabled an optimal learner experience. To this end, a full systems review was undertaken with the following priorities in mind:

- ▶ Ensuring systems across England and Scotland could be fully integrated;
- ▶ Maintaining a high level of systems resilience and security;
- ▶ Examining ways of automating registration, enrolment and other learner-facing processes; and
- ▶ Resolving and improving the approach to ensuring GDPR compliance.

WEA achieved the aim to build the groundwork for embedding technology enhanced learning as a central strand of future work, and for making a significant investment in systems in 2021/22.

WEA maintained CyberEssentials+ accreditation throughout the reporting period and are currently in the process of re-accreditation (expect to complete Jan 2022).

Our Finances

Since 2019/20, WEA has seen a year-on-year increase in the portion of its funding being devolved to the Mayoral Combined Authorities ("MCAs"). Of the funds devolved in 2020/21, WEA was successful in securing seven out of eight (in comparison with 2019/20, where WEA was successful in securing six out of seven funds devolved). Whilst most of this came as grants and two were awarded as contracts through a procurement process, it has meant that unrestricted income from the ESFA moved into restricted pots of income with the associated funding obligations from the new MCA funders.

The shift in the balance of unrestricted vs. restricted income reached a near 50/50 split in 2020/21.

	2018/19	2019/20	2020/21
Unrestricted Income	85%	62%	56%
Restricted Income	15%	38%	44%

The erosion of unrestricted income, which has to date enabled WEA to deliver on its core mission of providing community-based learning responsive to local needs and interests, is among the key risks identified by WEA.

Despite a rapidly changing and increasingly volatile funding landscape, WEA has become more financially sustainable over the last few years due to its strong financial controls and prudent financial management. This has enabled WEA to meet the challenges presented by the pandemic. WEA has grown its free reserves over the year and continued to maintain a strong cash flow profile.

Covid-19 Recovery

The tough decisions that were taken in terms of cost control over the past few years enabled WEA to weather the immediate impact of Covid-19.

Throughout the crisis, WEA's focus has been:

- ▶ **People safety** – WEA was clear from the start that government advice would be followed, and therefore began to implement business continuity plans weeks ahead of the lock-down announcements. The safety of learners, volunteers, members and employees was the first priority in all decision making.
- ▶ **Employee support** – WEA quickly rolled out additional support to employees, including payment of a homeworking allowance, life insurance for those in the People's Pension scheme, extending EAP support through Westfield Health, and making funds available for hardship grants and loans. WEA's HR team also provided drop-in sessions and regular health and well-being activities throughout the pandemic.
- ▶ **Continuity of service** – Ensuring that employees had the right digital kit to continue operating in the weeks leading up to lock-down meant that everyone was able to seamlessly transfer to home working. WEA also provided kit to tutors where needed and set-up a dedicated IT support desk for tutors.
- ▶ **Converting to provision online** – An existing model for WEA online provision was quickly scaled up to over 1,000 courses, more than doubling initial aspirations. The effort to achieve this involved a whole WEA task force and the training of over 900 tutors in both Zoom and Canvas. The portfolio of additional services also included an informal programme of 420 activities to keep in touch with learners, involving over 2,000 adults from across the UK, and outreach by post for those learners who were not digitally connected.
- ▶ **Cash flow** – Cash flow was closely monitored and reported to Trustees regularly throughout the year. Prudence over the previous two financial years and the accumulation of substantial reserve funds has put WEA in a strong position, and cash balances have grown further during the year due to the decrease in costs following the move to online provision and home working. Additional details are included in the Financial Review on page 17.

- ▶ **Financials** – WEA's Board of Trustees was provided with a Covid-19 impact overlay on financials each month between March and July 2020. Throughout 2020/21, Trustees regularly monitored WEA finances with attention to the continuing impact of the pandemic on costs and income. WEA has consistently met ESFA's financial health assessment of "good" throughout the period.
- ▶ **Income** – Nearly all of WEA's funders guaranteed their funding for 2020/21, which enabled WEA to stay strong financially. Working closely with funders has enabled WEA to get the most from its funding.
- ▶ **Subcontractors and partners** – WEA has worked closely with its subcontractors and partners, passing on the positive measures extended to it by funders and keeping close to subcontractors and partners through their challenges and helping them wherever possible.
- ▶ **Communications** – WEA maintained frequent, regular communication with all stakeholders throughout the pandemic so that all were clearly informed of WEA's activities and plans. WEA's CEO/ GS, Simon Parkinson, communicated personally with stakeholders and via regular video updates.

Impact

From the start of the 2020/21 financial year and through the Covid-19 pandemic, WEA supported its learners to improve their confidence, develop their skills, get into work and become healthier. Full details of the impact opportunities provided by WEA has had on its learners, and the real and measurable differences WEA has made to individual learners, their communities and society throughout 2019/20, are included in the WEA Impact Report, published in October 2021.

Strategic report

WEA is a leading adult education charity with a legacy stretching back over 115 years. WEA empowers adults through learning at all stages of life, reaching over 28,000 learners annually across England and Scotland.

WEA's purpose is to bring adult education within reach - because so often the opportunity for a better future is made inaccessible due to cost, location or lack of information. WEA recognises the responsibility and importance this brings in providing excellent teaching in local communities and that access to learning opportunities ensures individuals not only improve their own life chances, but have a positive impact within their communities and help change society for the better.

WEA believes all adults should have access to the opportunities of education, right on their doorstep.

Long-term strategic plan

WEA provides learning opportunities which meet learners' needs and aspirations across England and Scotland. These opportunities vary to reflect the different needs and aspirations at the national, regional and local level, and are grouped under and across six outcomes:

- 1 Supporting adults into work;
- 2 Improving confidence for life and work;
- 3 Supporting in-work progression;
- 4 Improving mental and physical health and well-being;
- 5 Broadening horizons and tackling social exclusion; and
- 6 Active citizens and vibrant communities.

To provide these opportunities to learners, WEA will ensure that it provides a wide range of learning opportunities. These opportunities need to be relevant to individuals at the local, regional and national level, and recognise the complexity which often goes alongside being an adult learner. From recognising diversity (such as ethnicity, gender, age, and disability) to understanding social factors (such as social isolation and loneliness, caring responsibilities, and poverty) WEA's offer must meet the needs and aspirations of all its learners.

WEA will continue to grow its network of volunteers, members and partners that can, together with WEA, speak with a unified voice advocating for the current need for adult education in the UK and the benefits this creates for individuals, communities and society as a whole.

WEA's long-term plans are facing significant challenge, however, as adult education funding continues to devolve. WEA will endeavour to build on its existing core funding from the Department for Education, devolved authorities in England, and the Scottish Government, and will continue to meet these funders' requirements. WEA has also made a commitment to raising further charitable funds to retain its ability to be agile and meet the changing needs and aspirations of its learners on their lifelong learning journey.

Covid-19 recovery

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

During the recovery from the pandemic, WEA will pay particular attention to:

- ▶ **Returning to face-to-face learning & office working** - WEA will continue to follow Government guidance in England and in Scotland. Plans are in place to ensure a phased return to office working in those areas where Government have advised it is safe to do so. Currently, this means that WEA is managing a phased return to office working for all staff in England whilst colleagues in Scotland continue to mostly work from home.
- ▶ **People views** - WEA has received positive feedback from its staff in terms of the support provided to them through the lockdown. WEA will now work with them to manage the transition to new ways of working.
- ▶ **Enrolment launch** - WEA continues to implement various system developments to support online course registration. Priority bookings for WEA members has been established and systems are being improved to enable greater ease in searching for available courses.
- ▶ **Fee income** - Whilst WEA were successful in converting thousands of courses to online delivery, which supported tens of thousands of learners, fee income for the period was adversely affected. As the WEA returns to a blended model of learning going forward we will revisit the fee policy and ensure it is suitable for the new mix of delivery.
- ▶ **Funder obligations** - WEA continues to monitor its obligations to funders to ensure their requirements are met, and that any change in requirements is communicated to subcontractors and partners.

2020/21 priorities

WEA's priorities continue to be aligned to the 2025 Strategy as refreshed in March 2020. WEA remains committed to delivering broad adult education across the four themes of employability, health and well-being, community engagement and culture.

Given the impact Covid-19 has had on the public purse, WEA anticipates that government priorities will shift increasingly towards employment and thus it will need to be flexible and able to quickly adapt in order to have the best chance of working with more learners and increasing its income. For this reason, WEA has adjusted its approach to budgeting in order to ensure that resources are available and in place to give the best chance of achieving agreed priorities.

Our Learners & Learning

Informed curriculum planning will enable learners to achieve positive outcomes that:

- ▶ build confidence for life and work;
- ▶ support adults 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 will underpin curriculum planning, evaluation and impact measurement during the year and are driven by the specific requirements of regions as articulated in regional plans, and according to the analysis of future opportunities, and successful initiatives developed in the English regions and across Scotland.

WEA will ensure that the learner experience remains at the centre of its approach. An enhanced focus will be placed on the quality of the learner experience through class visits, the measurement of learner outcomes, and learner progression through WEA programmes. Embedding WEA's innovative approaches to blended and digitally enabled learning will ensure technology is also a significant contributor to the learner experience and learning. The objective is to ensure that Canvas is embedded into most WEA classes so that learners can, at minimum, complete their learning plans and evaluations online.

WEA will also maintain its focus on the delivery of its learning provision, including efficient and effective delivery of education contracts.

These priorities are underpinned by distinct priorities for Scotland and each of the English regions.

Scotland

In Scotland, the headline subject areas are broadly the same as England and provision in Scotland is also aligned to the WEA themes and overall strategy. There is 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 account for significant amounts of the provision in Scotland, both to help people into work but also for those who are in work but are in low skill, low wage sectors of the economy.

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

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

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

English regions

Objectives in each of the English regions focus on the strategic relationships and curriculum response to local needs. Every region has set objectives in relation to improving ongoing quality and the learner experience, and increasing the use of digital technologies in learning.

Our Members & Volunteers

Members and volunteers are the lifeblood of the Association and are critical to its long-term success and sustainability. To ensure the Association continues its programme of reach through education, it is vital that WEA continues to grow and deepen its engagement with members and volunteers.

Growing an active membership will help WEA to raise its profile and amplify its voice as a leading adult education organisation. WEA will continue to develop its membership programme through new initiatives and campaigns that will engage and integrate new members across the UK. WEA will:

- ▶ Continue to develop its offer and provide excellent value;
- ▶ Focus on increasing overall membership numbers;
- ▶ Explore new ways of supporting members to self-organise; and
- ▶ Continue to engage with volunteers and encourage them to be paying members.

Building on the comprehensive volunteer survey undertaken in 2020/21, WEA's priorities for membership and volunteering will be to:

- ▶ Complete the end-to-end review of the volunteer journey, including developing new role descriptors and embedding a new induction and training programme;
- ▶ Engage in the external Volunteers Count survey to allow benchmarking of WEA's volunteer experience against other similar organisations;
- ▶ Automate volunteer recruitment using the HR Amris system; and
- ▶ Ensure that engagement with volunteers continues to improve and that volunteers play an active role across all areas of the Association.

Our Voice

WEA is the leading organisation in the UK for adult learning. WEA will use its position and voice to demonstrate the positive difference that adult learning makes. In 2021/22 WEA will:

- ▶ Continue to grow its network of like-minded organisations both in the UK and internationally;
- ▶ Expand and engage with its Fellows and Ambassadors; and
- ▶ Continue to support and engage the All-Party Parliamentary Group on Adult Learning.

Our People

WEA recognises that its people are its greatest asset and in 2021/22 will continue its commitment to supporting its paid and voluntary workforce by:

- ▶ Embedding the Equality Diversity & Inclusion ("EDI") Working Group, continuing to build understanding of where staff and/or volunteer colleagues may be facing exclusion and marginalisation, and shifting organisational culture wherever issues may be identified. WEA will continue its work toward achieving Investors in Diversity ("IID") accreditation;
- ▶ Develop a strategic workforce planning framework that will effectively analyse, manage and prepare WEA's current and future workforce requirement with a particular focus on tutors;
- ▶ Establish a new approach to succession planning, focusing on employees and governance roles; and
- ▶ Develop the skills of WEA volunteers.

Systems & Processes

WEA has begun the process of reviewing its systems and has planned a major investment in this area of operations beginning in 2021/22. This will include a corresponding review of processes to ensure they are enabling the best learner experience WEA can provide.

In reviewing and investing in its systems, WEA will:

- ▶ Complete a full systems review;
- ▶ Ensure systems integration across England and Scotland;
- ▶ Maintain a high level of systems resilience and security;
- ▶ Examine ways of automating processes to provide the best possible learner experience; and
- ▶ Resolve and improve the approach to GDPR compliance.

Finances

In July 2021, WEA was unsuccessful in its funding bid in South Yorkshire MCA, and in September lost another competitive bid for funding in Tees Valley MCA. In both areas, WEA had had a significant presence for many years with established presence in these local communities. Dialogue is ongoing with both mayoral authorities and the WEA is exploring alternative funding routes to ensure that adult learners in these areas can continue to access the learning they need.

In 2021/22, WEA anticipates that additional areas of devolved funding will open up, and existing areas will enter their second or third years. WEA's ability to secure renewed funding beyond the second or third year will depend on its ability to demonstrate capability in delivering against specific funding commitments. Efforts will be made to pursue funding wherever it devolves. At the same time, WEA will increase its efforts to diversify its income, and particularly to find other ways of re-building unrestricted income streams to enable greater freedom to invest in its core mission.

WEA also anticipates the long-term effects of the Covid-19 pandemic to continue and the landscape of funding to shift in efforts to adapt to the national need. WEA has therefore adjusted its budget planning to ensure grant and contract income targets are realistic.

WEA will launch specific campaigns across new areas of fundraising in 2021/22 and will embed these as part of an integrated approach that will engage WEA members and support learners. WEA will also look to increase the level of funding from legacies and donations from individuals, charitable trusts and corporate partners.

Governance review

WEA's governance review began in 2018/19 and continues to the present. The focus in 2020/21 has been to implement the priorities agreed in March 2020, through consultation with Trustees and the Chairs of Regional Committees, WEA Council and Scotland Board. These priorities included a range of practical "quick fixes" as well as some medium-range and long-range recommendations for developing and strengthening WEA's governance.

Among the "quick fixes" identified were recommendations to:

- ▶ Formalise the President's reporting from Council to the Board of Trustees and vice versa – This has been completed, with a formal report of the President now a routine item on agendas for the Council's and the Board of Trustees' quarterly meeting agendas.
- ▶ Overhaul the Branch Financial Regulations to ensure they are user-friendly for branches – A working group was convened with a membership including two Association Officers, two Council representatives from the Finance & General Purposes Committee, and two Branch Treasurers. New Branch Financial Regulations have now been drafted and these await approval by the Board of Trustees, which is expected in 2021/22.
- ▶ Release funds held in the Branch Development Fund to support improvements in local governance and to support members and volunteers at local level – Branches were invited to submit proposals for funding to support projects and initiatives in their local area. In 2020/21, £26,759 was released to Branches from the Branch Development Fund, which funded 14 awards ranging in size from £132 to £9,306.

Among the medium- and long-range priorities identified were recommendations to:

- ▶ Support regional governance and cross-regional communication to enable Council to operate as the intermediary between the Association's grass roots and the Board of Trustees;
- ▶ Pro-actively work to build trust, shared knowledge, and support between the Regions and Council, and between Council and Trustees;
- ▶ Clarify the role of members on Council and whom they represent, acknowledging that a growing number of new Association members are not affiliated with any branch or region; and

- ▶ Ensure that “unaffiliated” Association members are given accurate, consistent information about WEA’s governance structure and provided with more opportunities to get involved.

Work on these medium- and long-range priorities has begun and will continue through 2021/22.

In addition to the work on these priorities, WEA’s key governance reform project during the year was to refresh and rebalance its Board committee structure. The six main committees of the Board of Trustees were rebalanced to ensure equitable workload, and that their terms of reference, membership and chairing arrangements were up to date and fit for purpose. Additionally, two new committees were introduced to replace the Officers Group, which convened from time to time to consider senior staff appointments and staff remuneration. The Board of Trustees wound down its existing committees effective 31 July 2021, and constituted its new scheme of committees from 1 August 2021.

Committees to 31 July 2021

- ▶ Audit & Risk Committee
- ▶ Education Strategy Committee
- ▶ Finance & General Purposes Committee
- ▶ Membership, Volunteering, Governance & Marketing Committee (“MVGGM”)
- ▶ Scotland Board
- ▶ WEA Council
- ▶ Officer’s Group

Committees from 1 August 2021

- ▶ Audit & Risk Committee
- ▶ Education Committee
- ▶ Finance & Capital Resources Committee
- ▶ People Committee
- ▶ Scotland Board
- ▶ WEA Council
- ▶ Nominations Committee
- ▶ Remuneration Committee

Additional information on the governance review appears as part of the report on Structure, Governance & Management on page 23.

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.

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

WEA also commenced work during the 2020/21 financial year toward accreditation through IID, and hopes to make substantial progress toward IID accreditation in 2021/22. Through its Human Resources team, WEA will continue to work through its action plan to review, develop and embed the FREDIE (i.e., fairness, respect, equality, diversity, inclusion and engagement) principles in line with the latest Ofsted inspection framework, and to ensure that these principles are fully integrated through all aspects of business planning.

WEA’s Board of Trustees will continue to monitor, scrutinise and constructively challenge WEA leadership on its effective support and development of WEA staff at all levels, and to ensure WEA remains an inclusive employer. WEA’s Board of Trustees has also recognised that it has work to do to improve the diversity profile of its own membership and that of its committees. The new Nominations Committee has made a commitment to take into consideration the diversity profile of the Board and its committees in recommending the appointment of new trustees and committee members, and in the development of succession plans for the Board and committees to commence in 2021/22.

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 BAMER backgrounds, those with low incomes and qualifications, and those who are older and/or disabled.

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

WEA recognises the importance of good mental health support, and is committed to improving mental health through its curriculum and learner-centred teaching.

According to WEA's Impact Report (October 2021):

- ▶ 98% of learners reported that their WEA course(s) helped to keep their mind active;
- ▶ 81% reported improvements in their overall well-being;
- ▶ 59% reported an increase in their self-confidence; and
- ▶ 54% reported their course made them feel more resilient.

WEA encourages staff to be kind to each other and to talk openly about mental health. Managers and staff are therefore encouraged to have regular one-to-one meetings where open conversations can take place. WEA's Human Resources team also run a number of learning and development initiatives including equipping managers with

a mental health toolkit, HR drop in sessions and regular timetabled sessions supporting mental health awareness and management, stress management, and related issues.

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

Financial review

The financial statements show total income for 2020/21 is £30.3m (2019/20: £28.8m) with expenditure of £25.5m (2019/20: £27.9m).

In 2020/21 the unrestricted ESFA grant income at £14.5m remained constant year on year, although a decrease in core grant was offset by an increase in the additional grant to cover Teachers' Pensions contributions. WEA also received a restricted capital grant of £1.0m from the ESFA to spend on refurbishments and repairs of its owned buildings.

The total income received from MCA areas this year is £5.9m (2019/20 £5.4m). The rise is due to an additional region, North of the Tyne, moving to a devolved status and additional grants for equipment from Manchester and Liverpool regions to support learners with equipment costs. ESF grant income has risen to £4.3m (2019/20 £2.3m) mainly as a result of the Community Grant programmes in the North West region seeing a rise in interest and applications for grants following lockdown. WEA income is based on the reimbursement of funds distributed as grants to local organisations. Income from Lottery funded projects has continued to reduce to £0.6m (2019/20 £1.1m), although a number of extensions have been agreed for 2021/22 and beyond. Restricted grants from sources other than those mentioned above have fallen by £0.4m to £1.7m (2019/20 £2.1m).

Income from unrestricted fees and contracts has continued to decline due to decreased activity as a result of Covid-19, £1.7m (2019/20:£2.4m). The impact of the pandemic has been felt across all three terms in 2020/21 and branch income has been particularly affected by the limitations on face-to-face provision.

Educational activity costs were £15.8m in 2020/21 (2019/20 £17.5). Due to the ongoing pandemic and most activity being delivered online there have been considerable savings on venue hire, other direct course costs, travel and administrative costs. These savings are offset by grant payments which mainly relate to ESF Community Grant programmes in the North West. As mentioned above, demand for grants has risen in 2020/21, however, the programmes remain behind schedule at the end of 2020/21. It is anticipated that the position will be fully recovered by the end of 2021/22 when the programmes are due to finish.

There are also savings in governance and support costs, £9.1m (2019/20 £9.5m). Staff have mainly continued to work from home resulting in savings on rent and property running costs, travel, stationery, and meeting costs. These reductions have been offset in part by additional IT purchases to enable online delivery and additional Covid-19 support measures, such as homeworker

allowances. In addition, there were increased property maintenance and project running costs of £513k and £118k of capital disposals relating to the ESFA capital grant. The reconfiguration of space in the Bristol and London properties and other enhancements totalling £532k were also funded by the ESFA capital grant and treated as fixed asset additions, in some cases these superseded some existing capital items necessitating their disposal.

The WEA's net movement in funds for 2020/21 is £4.5m (2019/20: £0.6m) after transfers and pension adjustments. There is a surplus of £4.4m on unrestricted funds and a surplus of £0.1m on restricted funds. The surplus on unrestricted is higher than the budgeted surplus as a result of the reduced expenditure on face to face course provision and office running costs. The surplus on the restricted funds is due to timing differences between income and related expenditure.

Reserves policy

The funds at 31 July 2021 were £13.6m (2019/20: £9.1m). This is represented by unrestricted funds of £12.9m and restricted funds of £0.7m.

The closing 2020/21 free reserves balance of £8.4m is as follows:

- ▶ General funds: £6.5m
- ▶ Branch funds: £0.6m
- ▶ Regional branch reserve fund: £1.3m

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

The free reserve balance as at 31 July 2021, being £8.4m, exceeds the free reserves target which was reviewed during 2020/21 and is currently set at £3.3m. The Trustees have taken the decision to spend some of the excess reserve funds investing in IT systems across the organisation. The Digital Transformation programme will commence in 2021/22 with an initial capital budget of £1.1m for that year.

In setting the free reserves at £3.3m the Trustees considered the amount that would be required to cover the resulting costs if the WEA were to lose varying amounts of income. In all scenarios this figure was considered to be sufficient for 2020/21. The policy will be reviewed again during 2021/22.

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 & General Purposes Committee (Finance & Capital Resources Committee from 1 August 2021), which reports to the Board of Trustees. The objective of WEA's Treasury Management Policy is to optimise returns consistent with cash flow requirements and with an overriding need to protect the capital value of WEA's funds.

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

WEA's Investment Policy is scheduled for review by Trustees in 2021/22.

Principal funding sources

WEA receives its principal funding from ESFA, which provided 51% of WEA's income (48% excluding the capital grant) from all sources and activities for the year (2019/20: 50%). There are no outstanding loans against WEA.

Pensions

The valuation of WEA's defined benefit pension scheme at 31 July 2021 (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 2023 returned to ESFA in July 2021, WEA does not anticipate any liquidity problems.

Cash and short-term deposits for the year ended 31 July 2021 were £10.0m (2019/20: £6.6m). The increase in cash available is mainly due to net reduction in expenditure as a result of Covid-19.

Funds held as custodian trustees on behalf of others

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

Commercial activities

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

Fundraising statement

Fundraising is forming an ever more important part of WEA's work. WEA is dedicated to ensuring its fundraising remains closely aligned with the Association's mission and values, and to ensuring efficiency in its approach. A guiding principle in its fundraising efforts is to work with a range of partners from corporate organisations to a range of charities and associations across the UK. WEA performs due diligence on all corporate donors including any gifts in kind. An interim Ethical Fundraising Policy was agreed in 2019 by the Finance & General Purposes Committee. WEA does not use professional fundraisers or commercial participators to carry out any fundraising activities and so no monitoring activities are required.

WEA volunteers are supported and stewarded by the Fundraising, Membership and Volunteering Team. In 2020/21, WEA did not receive any complaints regarding its fundraising activities (2019/20: 0). As of September 2020, WEA is a member of the Fundraising Regulator and as such follows the Code of Fundraising Practice.

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

Risk management

The Board of Trustees monitors WEA's risk profile as recorded in WEA's corporate risk register ("the risk register"). The risk register is informed by departmental risk registers maintained by the individual members of the Leadership Team and is regularly reviewed and updated by Leadership Team as a whole. 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 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 risk register on an annual basis and receives reports from the Audit & Risk Committee on a quarterly basis.

The Audit & Risk Committee oversaw a complete overhaul of the risk register format and scoring of risks at the start of the 2020 calendar year. This has resulted in a new risk register format that clarifies current risk scores and the actions being taken to meet target risk scores. The new format has

also removed areas of duplication between some identified risks. Perhaps most importantly, changes were made to the risk scoring approach on the new risk register. Whereas the previous risk register had used a four-point scale to measure the impact and likelihood of each risk, the new risk register uses a five-point scale, with the likelihood score multiplied by the impact score to arrive at a total risk score. Total risk scores are then RAG rated according to the level of risk. The effect of this is to create a broader range of amber risks so that red rated risks are those that are truly critical and require immediate attention.

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

As at 31 July 2021 there were 38 risks identified across five categories of risk on the risk register. Of these, there were 14 risks associated with responsibilities that Trustees are unable to delegate fully, and which are therefore monitored routinely by Audit & Risk Committee. Remaining risks are monitored routinely by Leadership Team, and flagged for review by the Audit & Risk Committee only if elevated to an amber or red RAG rating.

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 with the highest attributed scores are set out below as WEA's principal risks:

Top five risks with mitigating actions taken:

Risk	Mitigating actions taken
<p>Negative judgment by regulator (e.g., Ofsted NI judgment, ESFA financial notice to improve)</p>	<p>Budget and cash flow are regularly reviewed against ESFA criteria for “good” judgment. A rigorous Quality Improvement Plan has been put in place, and progress against the plan is reviewed at each meeting of the Education Committee. Quality is robustly monitored through a class visit programme led by the education teams. An Education Development Plan now guides the work of education teams nationally, and supports the articulation of clear statements of curriculum intent and outcomes measurements for learners. Canvas tools are used increasingly to monitor learner progress. Trustees receive regular reports on the quality of provision and outcomes for learners through the Education Committee (relating to provision in England) and Scotland Board (relating to provision in Scotland).</p>
<p>Detrimental change in government policy, regulation, or funding policy (including continued roll-out of devolution of adult education budget in England)</p>	<p>Pro-active steps have been taken to raise WEA's profile and amplify its voice within the adult education and FE sectors, and before government in England and in Scotland. WEA subscribes to the Parliamentary monitoring service and is represented on the All-Party Parliamentary Group (APPG) for adult education. Further support is provided through membership of Holey. The education teams and business development team undertake pro-active horizon scanning to identify emerging issues, closely monitor policy development at national level, and maintain contacts with local authorities and relevant sector bodies.</p>
<p>Misalignment of education offer</p>	<p>Aligning WEA's education offer and shifting government funding priorities, particularly in the area of community learning, will require greater organisational agility and willingness to take risks, particularly with regard to new types of partnerships and pursuing funding with government departments beyond DfE. The completion and collective ownership of the new Education Development Plan by Leadership Team has created a number of actions that may mitigate some future educational risks. However, resistance to change from within the Association membership could slow WEA's response or create internal instabilities. All education staff have been trained in the funding formula. Re-organisation of the education teams over the last two years has improved management of the tutor base and the monitoring of provision.</p>
<p>Loss of income or over-estimate of income targets</p>	<p>The recent failure to secure contracts in two MCA areas has underscored the need for WEA to adopt a more commercial outlook. Close analysis of areas of low scoring on competitive bids has been undertaken and it has been identified that demonstration of social value is an area needing serious attention at policy level and in business practices. Investments have been made on the marketing team to enhance branding and outreach efforts in the interest of diversifying income, and to address the increasing imbalances in the levels of restricted vs. unrestricted income.</p>
<p>IT failure / Systems failure / Loss of data</p>	<p>A digital transformation project was initiated in 2020/21 and will be implemented in 2021/22, and will address the historic disconnect between WEA's IT systems and its ambitions. To address this critical problem c. £1million will be invested in a complete overhaul of IT systems, beginning in 2021/22.</p>

Going concern

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

positioned to manage its business risks successfully. In all of the scenarios the free reserves remain well above the target of £3.3m. After careful consideration and enquiry, the Trustees have a reasonable expectation that the WEA has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the Trustees continue to adopt the going concern basis in preparing these financial statements.

Structure, governance and management

Status

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

Governing documents

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

Object of WEA

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

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

WEA operates at local, regional and national levels, providing adult education through its network of nine English regions and Scotland, and with 207 branches and six Local Associations in England and Scotland respectively. Courses are created and delivered in response to local need, often in partnership with local community groups and organisations. There is a proud tradition of voluntary and democratic process within WEA. Association Members are involved in the planning and provision of courses as well as in the local and national governance of WEA.

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

Public benefit

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

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

Board of Trustees

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

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

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

In consideration of guidance from ESFA, the Board of Trustees is currently seeking to appoint an additional Trustee having a qualification in accounting and/or financial management. Recruitment of the additional trustee was first undertaken internally among the Association membership. The search having returned no suitable candidates, the Board will seek to recruit externally, with the aim of appointing as early as possible in the 2021/22 financial year.

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

The Board of Trustees is currently chaired by a co-opted Trustee. In accordance with Article 54, a Deputy Chair of Trustees was appointed from among the sitting members of the Board of Trustees in July 2021. 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 undertook a thorough review of the Board of Trustees' scheme of committees during the year. This resulted in agreement to a new scheme of committees that would more equitably spread the workload across committees and improve WEA's demonstrated adherence to the Charity Governance Code (adopted by Trustees as WEA's code of governance in 2018). The work undertaken involved Trustees' reaffirmed understanding of their duties and responsibilities as trustees, and how these duties and responsibilities may be best discharged through a scheme of committees. Trustees reaffirmed their understanding of the role of committees to be to apply detailed, specialist scrutiny to matters within their remit, and to support the Board of Trustees in carrying out specific duties or oversight more thoroughly and effectively than it could otherwise do acting together as a full board. WEA Trustees dissolved each of their existing committees effective 31 July 2021. All committees under the new scheme of committees were constituted from 1 August 2021.

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.

To 31 July 2021 there were six delegated committees of the Board of Trustees, which operated throughout the 2020/21 financial year. These were:

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

From 1 August 2021, the Audit & Risk Committee has continued with refreshed terms of reference. Its remit remains substantively the same as at 31 July 2021.

Education Strategy Committee - The Education Strategy Committee recommended the educational strategy for approval and adoption by the Board of Trustees and provided oversight of the quality of WEA's teaching, learning, assessment and curriculum development. The Education Strategy Committee also ensured that educational developments within WEA adhered to the charitable objects and WEA's strategic aims.

From 1 August 2021, the Education Committee has replaced the previous Education Strategy Committee. The purpose of the Education Committee is to support the Board of Trustees in meeting its responsibilities for strategic leadership of educational provision in England and to take assurances on their behalf regarding the development, monitoring and application of education policies, learner welfare and the learner experience, the quality of education offered and adherence to relevant regulatory and inspection standards.

Finance & General Purposes Committee - The Finance & General Purposes Committee oversaw the development of sustainable finance and resource strategies, and monitored on behalf of the Board of Trustees adherence to agreed annual budgets. The committee supported the development of policies and systems to ensure appropriate financial controls and other internal systems.

From 1 August 2021, the Finance & Capital Resources Committee has replaced the previous Finance & General Purposes Committee. The purpose of the Finance & Capital Resources Committee is to support 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 advises 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.

Membership, Volunteering, Governance & Marketing Committee ("MVGM") - The MVGM Committee recommended the volunteering and membership strategies for approval and adoption by the Board of Trustees and provided oversight for the development of WEA's campaigning, public affairs and stakeholder engagement strategies. In this regard, it supported the WEA Council and alongside it promotes and supports good governance across the Association.

From 1 August 2021, the MVGM Committee has been wound down and a People Committee has been constituted. The purpose of the People Committee is to focus on WEA's HR strategy, volunteering strategy, EDI, safeguarding, and health and safety. It ensures regular review of organisational effectiveness, and that there is an organised and clear management structure, with well-understood delegations. The Committee supports WEA in its aim to exceed its statutory responsibilities for equality and diversity.

Scotland Board - The Scotland Board supported and promoted the sustainability, educational provision and profile of WEA in Scotland as part of the wider Association. The Scotland Board used its Scotland-specific knowledge and presence to enable an effective balance between Scotland-specific matters and support for the organisation as a whole.

From 1 August 2021, the Scotland Board has been reconstituted under a refreshed and refocused remit. The purpose of Scotland Board is to promote 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 supports 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 supports and promotes 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's ethos is strongly based in the collective engagement of the voluntary committees supporting the delivery of education in the English regions and Scotland. Enshrined in its governing documents, the WEA Council's 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.

As WEA Council's purpose and remit are set out in WEA's Articles of Association and Regulations, the committee's terms of reference were not altered in the process of reviewing and refreshing the scheme of committees. However, the members of WEA Council have reaffirmed their commitment to championing the voice of the Association membership, and ensuring representation of their interests at the highest levels of governance.

Officer's Group - Until 31 July 2021, the four Association Officers (President, two Deputy Presidents, and Treasurer) together with the Chair of Trustees constituted a Remuneration Committee and an Appointments Committee. From 1 August 2021, a Remuneration Committee has been constituted to determine the pay and conditions for WEA's senior post holders (i.e., CEO/GS, Finance Director, and Head of Corporate Governance & Company Secretary); and a Nominations Committee has been constituted to oversee the recruitment, appointment, and ongoing support and development for Trustees and the non-Trustee members of the committees of the Board of Trustees. Appointments panels to oversee the recruitment and appointment to Leadership Team posts are convened as needed by agreement of the Board of Trustees.

Each committee of the Board of Trustees includes at least two and ideally three Trustees as members of the committee. Other committee members are drawn from the English Regional Committees and/or Scotland Board.

Trustee attendance figures of Board and Committee meetings can be found on page 30.

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 Board of Trustees approves from among themselves a panel to oversee the shortlisting and interviewing of candidates prior to a recommendation to the full Board for approval.

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 confirmation of their statutory eligibility to serve in that capacity.

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).

Once appointed to the Board, Trustees are encouraged to meet members of staff, take part in regional activities, and to undertake a range of online training. A comprehensive handbook for Trustees was developed in 2016, setting out the roles and responsibilities of WEA Trustees and providing an overview of the governance structure. The Trustee Handbook will be updated as part of the governance review currently in progress.

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

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

Leadership team

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

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

Review & remuneration of senior employees

Until 31 July 2021, review of the pay and conditions for the CEO/GS and members of Leadership Team was delegated to a subset of Trustees (normally the Association Officers and the Chair) who, from time to time, convened as a Remuneration Committee to consider relevant benchmarking information and evidence in considering remuneration proposals for those in leadership positions. In practice, spot salaries for senior roles appointed to in 2020/21 were agreed in advance of recruitment with limited scope for negotiation at the time of offer.

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

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 page 11 CA2006 s.172 as applicable to incorporated charities requires Trustees (who are the Directors of the Company under CA2006) to take into consideration the interests of employees and other stakeholders in their decision-making. Trustees continue to have regard to the interests of WEA's employees and other stakeholders, including the impact of its activities on the community, the environment and WEA's reputation, when making decisions. Acting in good faith and fairly between members, the Trustees consider what is most likely to promote WEA's success for its learners, volunteers and Association Members in the long term. Whilst the importance of giving due consideration to stakeholders is not new, WEA is explaining in more detail this year how the Board engages with stakeholders, thus seeking to comply with the requirement to include a statement setting out how Trustees have discharged this duty.

Trustees are fully aware of their responsibilities to promote WEA's success in accordance with CA2006 s.172. To ensure WEA continues to operate in line with good corporate practice, all Trustees received refresher training on their duties and responsibilities under the Charities Act 2011 and CA2006 from WEA's legal advisors, Bates Wells, on 23 September 2020.

This focused activity allowed Trustees to reflect (inter alia) on how WEA engages with its stakeholders and opportunities for enhancement in future.

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

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

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

There continue to be a range of regular communication methods including management meetings, team meetings and newsletters on the re-launched staff intranet 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 has a recognition agreement with UNITE, the union. UNITE is engaged in consultations on staff terms and conditions, including pay awards, through the Joint Negotiating Consultative Committee.

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

Charity Code of Governance

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

As the Charity Governance Code has been recently updated, Trustees will consider an updated action plan which reflects the new emphasis placed on the demonstration of how EDI principles are applied and put into practice within WEA governance, and how Trustees and others involved in governance adhere to the enhanced integrity principle.

Through the process of governance review and, in particular the exercise of refreshing the Board of Trustees' scheme of committees in 2020/21, WEA has improved its adherence to the Charity Governance Code. Per the action plan in place up to 2020, WEA has made significant improvements in a number of areas where weaknesses had been identified:

Leadership – Trustees gave detailed consideration to their oversight functions in considering the remits and terms of reference for its committees during 2020/21. Each committee has a named Leadership Team lead to support the committee in addition to the support provided by the Head of Corporate Governance & Company Secretary. Taking into consideration the five-year strategy agreed by Trustees in March 2020, progress against the articulated strategic priorities and enablers are tracked by the committees and used to ensure supportive challenge to the executive.

Decision-making, risk, and control – Trustees gave detailed consideration to those matters it wished to retain for its own decision-making, and those it wished to delegate for committee consideration and recommendation. Decision-making and delegation was further refined through the designation of senior post holders having direct responsibility to the Board of Trustees, and to whom the Board may delegate directly. In keeping with usual practice in the charity and education sectors, WEA has defined its senior post holders as the CEO/GS, the Finance Director, and the Head of Corporate Governance & Company Secretary. Delegation to committees is now clearly documented in up-to-date terms of reference. A detailed scheme of delegation for Leadership Team and their corresponding directorates is in development, and good progress on this is anticipated in 2021/22.

Board effectiveness – The Board of Trustees undertook a comprehensive skills audit at the end of 2019/20, which assured the Board that it currently had a good range of skills and experience among Trustees. However, a skills gap was identified in that no Trustee reported having a formal qualification in accounting, as recommended by ESFA. WEA has sought a suitably qualified Trustee from within the Association membership in the first instance, but recruitment by this route was unsuccessful. External recruitment to the role will be pursued, with the recruitment process to be overseen by the newly constituted Nominations Committee.

The recent appointment of a Vice Chair of Trustees means that the Chair of Trustees now has a sounding board for matters arising among the Board of Trustees, and an intermediary for other Trustees, if needed.

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

Governance review

At a meeting on 26 March 2020, Trustees accepted the principle that WEA's governance should be more firmly positioned as an enabler of the organisation's ambitious, refreshed strategic plan.

The Board of Trustees began the work of rebalancing its schemes of committees in December 2020. Terms of reference for most of the committees were agreed at a meeting of the Board of Trustees on 25 March 2021, with a few needing further deliberation agreed at a meeting on 15 July 2021. In all cases, the new terms of reference and new scheme of committees were put into effect from 1 August 2021.

It was also agreed at the Board of Trustees meeting on 15 July 2021 to appoint a sitting Trustee to the role of Vice Chair of Trustees. Acknowledging that the Articles of Association included provision for a Vice Chair to be appointed, Trustees put the provision into effect through agreement of a clear role description and appointing one of their number to the role.

WEA Council have also taken an active role in the governance review, particularly through identifying priorities and supporting developments to clarify the role of Council and to strengthen governance within the English regions. During the 2020/21 financial year and to date, Council have recommended and overseen the implementation of:

- ▶ A more formalised programme of reporting between Trustees and Council via reports of the WEA President which now feature as regular agenda items at meetings of the Board of Trustees and meetings of WEA Council;
- ▶ A system of application and award of funds to support specific local initiatives and branch development through the Branch Development Fund; and
- ▶ Task and finish groups to oversee the redrafting of Branch Financial Regulations (work on which is nearing completion), input to the marketing strategy and communications with branch members and prospective members (newly implemented), and the drafting of detailed role descriptions for Association Officers (newly implemented).

It has been acknowledged by Trustees and Council that some of the longer-term projects identified through the process of governance review may require changes to the Articles and/or Regulations, and that while as much as possible would be done to advance these projects in the near term, ongoing legal advice would be needed to support the longer-term process. WEA will be supported by its legal advisors, Bates Wells, through this process.

Trustees and Council have continued the practice of termly joint meetings to ensure continued progress on priorities and projects identified in the governance review, and to support greater overall adherence to the Charity Governance Code (for larger charities).

Attendance at Board and Committee Meetings during 2020/21

Abbreviations:

▶ **A&R** - Audit & Risk Committee

▶ **ESC** - Education Strategy Committee

▶ **F&GP** - Finance & General Purposes Committee

▶ **MVGM** - Membership, Volunteering, Governance & Marketing Committee

▶ **SB** - Scotland Board

▶ **WEAC** - WEA Council

Trustee	Board/Committee	2020/21 meetings	Attendance
John Widdowson	Board* (Chair)	7/7	100%
Cliff Allum	Board*	7/7	100%
	F&GP** (Chair)	5/5	100%
	WEAC+	7/10	70%
Robin Cook	Board*	7/7	100%
	A&R**	4/6	67%
	WEAC+	7/10	70%
Michael Crilly	Board*	7/7	100%
	A&R** (Chair)	6/6	100%
	SB	5/5	100%
Marion Flett	Board*	6/7	86%
	A&R**	5/6	83%
	ESC (Chair)	4/5	80%
	SB	5/5	100%
Jon Gamble	Board*	7/7	100%
	F&GP	5/5	100%
Pat Kynaston	Board*	7/7	100%
	MVGM	4/4	100%
	WEAC	7/8	88%
Geoff Layer	Board*	5/7	71%
Lindsay Pearson	Board*	7/7	100%
	MVGM	4/4	100%
	F&GP**	5/5	100%
	WEAC	8/10	80%
Marc Sherland	Board*	7/7	100%
	ESC	2/3	67%
	MVGM	4/4	100%
Lynne Smith	ESC	1/1	100%
	SB	1/1	100%
	WEAC	2/2	100%
Peter Threadkell	Board	6/7	86%
	MVGM (Chair)	4/4	100%
Narinder Uppal	Board*	4/7	57%

* Includes two joint meetings with WEAC and one development day.

** Includes one joint meeting between F&GP and A&R.

+ Non-voting member.

WEA's Board of Trustees and its committees normally meet on a quarterly cycle of meetings so that each group would meet four times per year. The exception to this pattern has normally been the Council, which would hold a face-to-face meeting on a quarterly basis, interspersed with periodic Zoom videoconferences for catching-up business. Council therefore would normally meet eight to ten times during the year.

As a result of continuing concerns around Covid-19, all Board and committee meetings during the year were held by Zoom videoconference.

Average attendance at meetings of the Board of Trustees in 2020/21 was 92% (2019/20: 87%).

Average attendance at all Board and Committee meetings in 2020/21 was 91% (2019/20: 83%).

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 9 December 2021



Signed: John Widdowson
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 2020 to 31 July 2021 and up to the date of approval of the Annual Report and Financial Statements.

The Charity endeavours to conduct its business:

- i. In accordance with the seven principles identified by the Committee on Standards in Public Life (selflessness, integrity, objectivity, accountability, openness, honesty and leadership);
- ii. In accordance with the governance requirements in the Companies Act 2006 and the Charities Act 2011; and
- iii. With due regard to the guidance and principles set out in the UK Corporate Governance Code 2016.

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

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

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

Approved by order of the Board of Trustees on 9 December 2021 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 9 December 2021 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 2021 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 2021 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 32], 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. 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

Independent reporting accountant's report on regularity 31 July 2021

To the Trustees of the Workers' Educational Association (the WEA) and Secretary of State for Education, acting through Education and Skills Funding Agency (the ESFA) and the Greater Manchester Combined Authority, Liverpool City Region Combined Authority, West of England Combined Authority, West Midlands Combined Authority, Tees Valley Combined Authority, North of Tyne Combined Authority and Greater London 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 2020 to 31 July 2021 have not been applied to the purposes identified by Parliament and the financial transactions do not conform to the authorities which govern them.

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

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

Respective responsibilities of the WEA and the reporting accountant

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

financial transactions conform to the authorities that govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Code. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received, during the period 1 August 2020 to 31 July 2021 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 Association 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 2020 to 31 July 2021 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

Date

Financial statements

Statement of financial activities for the year ended 31 July 2021

	Notes	2020/21 Unrestricted funds £'000	2020/21 Restricted funds £'000	2020/21 Total funds £'000	2019/20 Unrestricted funds £'000	2019/20 Restricted funds £'000	2019/20 Total funds £'000
Income from:							
Donations and legacies		77	1	78	95	3	98
Charitable activities	2	16,208	13,454	29,662	16,861	10,914	27,775
Investment income	19	552	-	552	954	-	954
Other		16	1	17	14	1	15
Total income		16,853	13,456	30,309	17,924	10,918	28,842
Expenditure on:							
Charitable activities	3	12,042	12,875	24,917	15,900	11,117	27,017
Other	18b	538	-	538	864	-	864
Total expenditure		12,580	12,875	25,455	16,764	11,117	27,881
Net income/(expenditure)		4,273	581	4,854	1,160	(199)	961
Transfers between funds	13	518	(518)	-	(80)	80	-
Other recognised losses:							
Adjustment for defined benefit pension scheme	18e	(356)	-	(356)	(409)	-	(409)
Net movement in funds		4,435	63	4,498	671	(119)	552
Reconciliation of funds:							
Total funds brought forward		8,438	664	9,102	7,767	783	8,550
Total funds carried forward		12,873	727	13,600	8,438	664	9,102

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 42 to 67 form part of these accounts.

Balance sheet as at 31 July 2021

	Notes	2020/21 £'000	2019/20 £'000
Fixed assets			
Tangible assets	8	4,555	4,420
Total fixed assets		4,555	4,420
Current assets			
Debtors	9	1,829	1,531
Investments	16	2,593	1,590
Cash at bank and in hand	16	7,439	4,980
Total current assets		11,861	8,101
Liabilities			
Creditors: amounts falling due within one year	10	(2,344)	(2,828)
Net current assets		9,517	5,273
Total assets less current liabilities		14,072	9,693
Creditors: amounts falling due after more than one year	10	-	(9)
Provisions for liabilities	22	(472)	(582)
Total net assets		13,600	9,102
Funds of the Charity			
Unrestricted funds	13	8,447	4,142
Designated funds	13	4,426	4,296
Total unrestricted funds	13	12,873	8,438
Restricted funds	13	727	664
Total charity funds		13,600	9,102

The financial statements on pages 39 to 67 were approved by the Board of Trustees and authorised for issue on 9 December 2021, and are signed on its behalf by:

John Widdowson CBE
Chair of Trustees

Simon Parkinson
CEO/GS

Cash flow statement for the year ended 31 July 2021

	Notes	2020/21 £'000	2020/21 £'000	2019/20 £'000	2019/20 £'000
Cash flows from operating activities:					
Net cash provided by operating activities	14		4,265		1,395
Cash flows from investing activities:					
Interest received	19	4		15	
Purchase of tangible assets	8	(807)		(477)	
Net cash used in investing activities			(803)		(462)
Cash flows from financing activities:					
Net cash provided by / (used in) financing activities			-		-
Change in cash and cash equivalents in the reporting period			3,462		933
Cash and cash equivalents at the beginning of the reporting period			6,570		5,637
Cash and cash equivalents at the end of the reporting period			10,032		6,570

	2020/21 £'000	2019/20 £'000
Notes to the cash flow statement		

Analysis of cash and cash equivalents

Investments - short term deposits	2,593	1,590
Bank and cash	7,439	4,980
Total cash and cash equivalents	10,032	6,570

Notes to the financial statements for the year ended 31 July 2021

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 2024 and consideration of the key risks, including devolution, forecast changes in the split between restricted and unrestricted income and the impact of covid-19. WEA has prepared a number of financial scenarios and the Trustees consider that the WEA is well positioned to manage its business risks successfully. In all of the scenarios the free reserves remain well above the target of £3.3m. After careful consideration and enquiry, the Trustees have a reasonable expectation that the WEA has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the Trustees continue to adopt the going concern basis in preparing these financial statements.

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 are unrestricted funds equating to unrestricted 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 quantified with reasonable accuracy.

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

Volunteer time

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

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

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

ESFA Grants are recognised on an accruals basis.

Capital grants received towards the cost of tangible fixed assets are credited to the SOFA in full in the year in which they are received and treated as restricted or designated funds according to the nature of the grant. A transfer is made annually to the General Fund in equal instalments on the same basis as the depreciation of the asset concerned. For the ESFA capital grant received in 2020/21 the restriction of funds was fully satisfied in the year and a transfer was made to unrestricted funds for the capitalised value of new assets to cover future depreciation charges.

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.

Notes to the financial statements for the year ended 31 July 2021

1. Accounting policies (continued)

Branches

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

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

Pension costs

At 31 July 2021 retirement benefits to employees are provided by the People's Pension, the Teachers Pension (TP), the Scottish Public Pensions Agency (SPPA). The Charity's own Workers' Educational Association pension scheme (WEA Scheme) whose Trustee and Administrator is The Pensions Trust and NOW: Pension Scheme were closed to further contributions at 31 August 2019. The People's Pension and Now: Pension schemes are defined contribution schemes. The TP, SPPA and WEA pension schemes are defined benefit schemes.

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

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

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

Notes to the financial statements for the year ended 31 July 2021

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 transaction value, and subsequently measured at the settlement value. At the balance sheet date the WEA held financial assets at amortised cost of £11,715,543 (2019/20 £7,930,502) and financial liabilities at amortised cost of £1,890,253 (2019/20 £2,684,050).

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-tem 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 2021

2. Incoming resources from charitable activities

	Unrestricted 2020/21 £'000	Restricted 2020/21 £'000	Total 2020/21 £'000	Total 2019/20 £'000
Educational provision				
Fees and contracts	1,660	3,408	5,068	7,165
Education and Skills Funding Agency (ESFA) grant	14,510	958	15,468	14,479
Other grants receivable	36	9,088	9,124	6,127
Other income from activities	2	-	2	4
Total incoming resources from charitable activities	16,208	13,454	29,662	27,775

2a. Analysis of income from charitable activities

	Total 2020/21 £'000	Total 2019/20 £'000
ESFA unrestricted grants		
ESFA contract	14,138	14,148
Other ESFA grants and contracts	372	331
ESFA unrestricted grants	14,510	14,479
Total ESFA restricted grants	958	-
Total ESFA contracts & grants	15,468	14,479
Other unrestricted grants		
Total other unrestricted grants	36	27
Total other restricted grants	9,088	6,100
Total other grants	9,124	6,127

3. Resources expended on charitable activities

	Unrestricted 2020/21 £'000	Restricted 2020/21 £'000	Total 2020/21 £'000	Total 2019/20 £'000
Educational Provision				
Tutor costs - staff	2,082	1,400	3,482	4,999
Tutor costs - travel & subsistence	7	16	23	298
Regional costs - staff	4,269	2,914	7,183	6,710
Regional costs - other	392	172	564	2,127
Grants and subcontractor payments	10	4,542	4,552	3,362
Total educational activity costs	6,760	9,044	15,804	17,496
Governance costs (note 4)	218	13	231	215
Support costs (note 5)	5,064	3,818	8,882	9,306
Total resources expended on charitable activities	12,042	12,875	24,917	27,017

Notes to the financial statements for the year ended 31 July 2021

4. Governance costs

	Total 2020/21 £'000	Total 2019/20 £'000
External audit fees		
Crowe U.K. LLP (note 7)	48	50
Other assurance fees		
Crowe U.K. LLP (note 7)	14	16
Legal and professional fees	26	2
Trustees meetings and other costs (note 17)	-	10
Governance costs - staff	143	137
Total governance costs	231	215

5. Support costs

Educational

	Total 2020/21 £'000	Total 2019/20 £'000
Support costs - staff	4,863	5,148
Support costs - other	1,531	1,741
Facilities management	1,052	1,133
IT & communications	1,436	1,284
Total support costs	8,882	9,306

Notes to the financial statements for the year ended 31 July 2021

6. Staff costs

	Total 2020/21 £'000	Total 2019/20 £'000
Wages and salaries	13,319	14,538
Social security costs	1,077	1,083
Pension costs	1,276	1,373
Redundancy costs	300	140
Total staff costs	15,972	17,134

The above figure does not include agency staff employed by the Association at a cost of £28,391 (2019/20: £106,967) At the year end £nil (2019/20: £nil) of the redundancy costs remained unpaid.

The average number of employees during the year was as follows:	2020/21	2019/20
Staff	380	382
Tutors	624	884
Total average number of employees	1,004	1,266

Number of employees earning £60,000 per annum and above are as follows:	2020/21	2019/20
£60,001 - £70,000	2	1
£70,001 - £80,000	4	3
£80,001 - £90,000	2	-
£90,001 - £100,000	-	1
£110,001 - £120,000	1	-
	9	5

Three members of staff received redundancy payments in 2020/21 which took their earnings into the above brackets. Pension benefits are accruing for the other 6 (2019/20: 5) higher paid employees. Total employer pension contributions of £49,300 (2019/20: £42,923) 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 (10 (2019/20:6)). The total employee remuneration and benefits, employer NI and pension contributions of the key management personnel were £791,078 (2019/20: £577,025).

7. Analysis of charitable expenditure

Charitable expenditure includes:	Total 2020/21 £'000	Total 2019/20 £'000
External auditors' remuneration (note 4)	48	50
Other assurance services performed by external auditors*	14	16
Depreciation	554	746
Loss on disposal of tangible assets	118	3
Operating lease charges	209	262

* 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 2021

8. Tangible fixed asset schedule

	Land and Buildings £'000	Education Equipment £'000	Other Equipment £'000	Assets in the course of construction £'000	Total 2020/21 £'000
Cost					
At 1 August 2020	5,873	1,806	4,200	-	11,879
Additions	532	118	107	50	807
Disposals	(279)	-	-	-	(279)
At 31 July 2021	6,126	1,924	4,307	50	12,407
Depreciation					
At 1 August 2020	2,000	1,624	3,835	-	7,459
Charge for the year	206	107	241	-	554
Disposals	(161)	-	-	-	(161)
At 31 July 2021	2,045	1,731	4,076	-	7,852
Net book value					
At 31 July 2021	4,081	193	231	50	4,555
At 1 August 2020	3,873	182	365	-	4,420

There is a charge granted over the freehold property 4 Luke Street, London, EC2A 4XW in favour of The Pensions Trust. At 31 July 2021 the charge is capped at £2,500,000.

9. Debtors: amounts falling due within one year

	2020/21 £'000	2019/20 £'000
Trade debtors	301	230
Other debtors	69	1,059
Prepayments	160	170
Other grant income receivable	1,299	72
Total	1,829	1,531

10. Creditors: amounts falling due within one year

Amounts falling due within one year	2020/21 £'000	2019/20 £'000
Trade creditors	624	535
Accruals	981	1,656
Social security & other taxes	454	484
Deferred income	285	153
Total	2,344	2,828

Creditors: amounts falling due after more than one year relate to a rent rebate for office accommodation.

Notes to the financial statements for the year ended 31 July 2021

10a. Deferred income

	2020/21 £'000	2019/20 £'000
Opening balance	153	633
Amounts released	(152)	(633)
Amounts deferred	284	153
Closing balance	285	153

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 2021, the charity has annual commitments under non-cancellable leases as follows:

Expiry date:	Land and building leasehold £'000	Total 2020/21 £'000	Total 2019/20 £'000
Within one year	128	128	205
One to five years	10	10	160
Over five years	-	-	1
Total financial commitments - leases	138	138	366

12. Analysis of net assets by fund

	Unrestricted funds 2020/21 £'000	Restricted funds 2020/21 £'000	Total Funds 2020/21 £'000	Unrestricted funds 2019/20 £'000	Restricted funds 2019/20 £'000	Total funds 2019/20 £'000
Net assets						
Tangible fixed assets	4,426	129	4,555	4,296	124	4,420
Net current assets	8,919	598	9,517	4,733	540	5,273
Long term liabilities	(472)	-	(472)	(591)	-	(591)
Net assets	12,873	727	13,600	8,438	664	9,102

Notes to the financial statements for the year ended 31 July 2021

13. Statement of funds

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

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 £522,277 from restricted funds to the designated fund reflects the capital expenditure of £531,868 on the ESFA capital grant offset by £9,591 match funding that the WEA has provided during the year.

Restricted revenue: the transfer of £3,724 from unrestricted funds to restricted funds reflects match funding that the WEA has provided during the year.

Prior year statement of funds

	At 31 July 2019 £'000	Income £'000	Expenditure £'000	Transfers £'000	Pension adjustment £'000	At 31 July 2020 £'000
General funds	1,549	15,429	(14,641)	(69)	-	2,268
Branch funds	890	1,079	(866)	(284)	-	819
Regional branch reserve fund	771	-	-	284	-	1,055
	3,210	16,508	(15,507)	(69)	-	4,142
Designated fund	4,557	477	(727)	(11)	-	4,296
Pension deficit	-	939	(530)	-	(409)	-
	7,767	17,924	(16,764)	(80)	(409)	8,438
Restricted funds:						
Revenue	648	10,918	(11,095)	69	-	540
Fixed asset fund	135	-	(22)	11	-	124
	783	10,918	(11,117)	80	-	664
Total funds	8,550	28,842	(27,881)	-	(409)	9,102

Notes to the financial statements for the year ended 31 July 2021

13a. Statement of funds (continued)

Lottery funded projects

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

Notes to the financial statements for the year ended 31 July 2021

13b. Statement of funds (continued)

European Social Funds (ESF) and other European funding

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

Notes to the financial statements for the year ended 31 July 2021

13c. Statement of funds (continued)

Other restricted funds

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

Notes to the financial statements for the year ended 31 July 2021

13c. Statement of funds (continued)

Other restricted funds (continued)

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

Notes to the financial statements for the year ended 31 July 2021

13c. Statement of funds (continued)

Other restricted funds (continued)

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

Notes to the financial statements for the year ended 31 July 2021

13d. Statement of funds (continued)

Prior year statement of funds (continued)

Lottery funded projects (continued)

	At 1 August 2019 £	Received income £	Accrued/Deferred income £	Funded expenditure £	Transfer from/(to) General Fund £	At 31 July 2020 £
Eastern						
Big Lottery Fund and ESF Building Better Opportunities Grant - Papworth Community Connections	(12,339)	46,504	-	(31,269)	-	2,896
East Midlands						
Big Lottery Fund and ESF Building Better Opportunities Grant - Vista Will	18,731	122,928	(11,365)	(115,054)	-	15,240
Big Lottery Fund and ESF Building Better Opportunities Grant - Money Sorted in D2N2	(1,611)	52,251	(9,960)	(40,680)	-	-
Big Lottery Fund - Mental Health and Wellbeing	-	20,880	(16,531)	(4,349)	-	-
North East						
Big Lottery Fund Grant - Greening Wingrove	7,835	-	-	(7,000)	-	835
North West						
Big Lottery Fund and ESF Building Better Opportunities Grant - New Leaf Cheshire	2,164	1,922	-	(2,480)	(1,606)	-
Big Lottery Fund and ESF Building Better Opportunities Grant - Sefton Liverpool Digital Inclusion	(6,249)	53,317	-	(41,322)	-	5,746
Big Lottery Fund and ESF Building Better Opportunities Grant - Halton Liverpool Digital inclusion	(4,587)	51,762	-	(36,189)	-	10,986
Big Lottery Fund and ESF Building Better Opportunities Grant - Working Well in Carlisle & Eden Grant	45,065	205,155	55,269	(305,489)	-	-
Big Lottery Fund and ESF Building Better Opportunities Grant - Lancashire Digital Inclusion	-	(56,571)	-	37,969	18,602	-
The Womens' Organisation - ESIF ESCI	12,132	(18,086)	23,467	(17,513)	-	-
Southern						
Big Lottery Fund and ESF Building Better Opportunities Grant - Routes Community Works	13,285	35,432	-	(42,184)	-	6,533
Big Lottery Fund and ESF Building Better Opportunities Grant- Get Socially Active	4,087	11,507	(8,175)	(7,419)	-	-
Big Lottery Fund and ESF Building Better Opportunities Grant - Slough Borough Council-Ways into Work	(78)	25,798	(2,305)	(23,415)	-	-
Big Lottery Fund and ESF Building Better Opportunities Grant - Aspire - Family Learning Surrey	5,312	38,642	(7,978)	(35,976)	-	-
Big Lottery Fund and ESF Building Better Opportunities Grant - Building Family Bridges	(8,000)	347,833	37,213	(386,267)	9,221	-
West Midlands						
Big Lottery Fund and ESF Building Better Opportunities Grant - Accelerate	(10,300)	20,279	(21,227)	(22)	11,270	-
Big Lottery Fund and ESF Building Better Opportunities Grant - Community Matters	(16,907)	9,520	(14,708)	(178)	22,273	-
Yorkshire & Humber						
Big Lottery Fund and ESF Building Better Opportunities Grant - Action Towards Improvement	(698)	14,219	5,680	(19,201)	-	-
BLF Men's Health Lounge	1,884	-	-	(957)	-	927
Scotland						
Big Lottery Fund - Reach Out Project	67,425	135,499	(1,120)	(102,398)	-	99,406
Total lottery fund projects	117,151	1,118,791	28,260	(1,181,393)	59,760	142,569
Other projects						
ESF (note 13e)	4,915	1,820,749	497,573	(2,522,615)	(161)	(199,539)
Other (note 13f)	526,029	7,263,943	188,885	(7,390,725)	8,592	596,724
Total restricted revenue funds	648,095	10,203,483	714,718	(11,094,733)	68,191	539,754

Notes to the financial statements for the year ended 31 July 2021

13e. Statement of funds (continued)

Prior Year Statement of funds (continued)

European Social Funds (ESF) and other European funding

	At 1 August 2019 £	Received income £	Accrued/ Deferred income £	Funded expenditure £	Transfer from / (to) General Fund £	At 31 July 2020 £
Scotland						
Scottish Refugee Council - EU Asylum, Migration and Integration Fund: Rights and Communities Project	2,252	115,790	7,451	(125,493)	-	-
Scottish Refugee Council - EU Asylum, Migration and Integration Fund: Sharing Lives Sharing Language	2,663	9,562	-	(7,610)	-	4,615
North West						
ESF 19-21 Community Grants Manchester	-	801,806	382,432	(1,292,799)	-	(108,561)
ESF 19-21 Community Grants Lancashire	-	231,099	(3,576)	(260,006)	-	(32,483)
ESF 19-21 Community Grants Halton	-	75,092	7,150	(89,887)	-	(7,645)
ESF 19-21 Community Grants Liverpool	-	587,400	104,116	(746,820)	(161)	(55,465)
Total European restricted funds (note 13d)	4,915	1,820,749	497,573	(2,522,615)	(161)	(199,539)

Notes to the financial statements for the year ended 31 July 2021

13f. Statement of funds (continued)

Prior year statement of funds (continued)

Other restricted funds

	At 1 August 2019 £	Received income £	Accrued/ Deferred income £	Funded expenditure £	Transfer from / (to) General Fund £	At 31 July 2020 £
Association Services						
Olive Cordell	5,408	-	-	(666)	-	4,742
Restricted Gift	500	-	-	-	-	500
Digital Lifeline Campaign	-	941	-	(10)	-	931
East Midlands						
Joan Freeman Legacy	2,339	-	-	-	-	2,339
Algy Beaven Legacy	1,375	-	-	-	-	1,375
John Rhodes Fund	9,581	-	-	-	-	9,581
Leicester City Council - Shire Community grant	-	-	-	-	-	-
LincHigher - Raising Aspirations	4,332	-	-	(153)	-	4,179
Bailey Thomas Fund - Lets Grow Together	3,000	-	-	(1,455)	-	1,545
Nottinghamshire ACLS 18-19 Inspire Learning	-	-	-	-	-	-
Leicestershire PCC - Starting Over!	-	9,949	-	(4,584)	-	5,365
Nottingham City Council - Midlands Engine	-	87,106	(23,167)	(63,839)	(100)	-
Eastern						
The Basil Slaughter Trust for Adult Education	(143)	-	-	143	-	-
Orbit Housing	4,149	-	-	(4,149)	-	-
Lester John Desmond Legacy	1,466	-	-	-	-	1,466
Clarion Housing	4,000	8,000	-	(8,212)	-	3,788
London						
Ilford Legacy	15,386	-	-	(261)	-	15,125
Cottier Legacy	6,103	-	-	(2,350)	-	3,753
ICELP Together We Learn	94,168	635,417	-	(576,613)	-	152,972
GLA - Adult Education Budget	-	1,238,628	(8,714)	(1,229,914)	-	-
GLA - Skills for Londoners Innovation Fund	-	45,674	-	(20,733)	-	24,941
GLA - Skills for Londoners Covid-19 Response Fund	-	12,176	-	-	-	12,176
North East						
100 Club	1,818	6	-	-	-	1,824
Unison Bridges to Learn 7	-	(544)	-	-	544	-
Comic Relief- Active Ageing	6,689	37,892	-	(41,007)	-	3,574
NHS Newcastle Workshops	(124)	560	-	(553)	117	-
Unison Bridges to Learn 8	-	78,874	-	(78,861)	(13)	-
Achieving Further	2,221	2,073	-	(4,294)	-	-
Unison Bridges to Learn 9	-	34,791	355	(35,146)	-	-
Carers Trust - Active Ageing	-	1,197	-	(523)	-	674
Tees Valley Combined Authority	-	394,720	15,284	(410,004)	-	-
North West						
RSC - Any Old Ions	15,283	-	-	(412)	-	14,871
RAS - Look Up to the Skies	11,233	6,050	-	(8,836)	-	8,447
Wellcome Trust	(312)	95,108	52	(73,135)	-	21,713
Community Foundation- OneCom	-	5,000	-	(3,592)	-	1,408
Greater Manchester Combined Authority	-	1,603,119	170,521	(1,773,640)	-	-
Liverpool City Region Combined Authority	-	696,893	98,851	(795,744)	-	-
Balance carried forward	188,472	4,993,630	253,182	(5,138,543)	548	297,289

Notes to the financial statements for the year ended 31 July 2021

13f. Statement of funds (continued)

Prior year statement of funds (continued)

Other restricted funds (continued)

	At 1 August 2019 £	Received income £	Accrued/ Deferred income £	Funded expenditure £	Transfer from / (to) General Fund £	At 31 July 2020 £
Balance brought forward	188,472	4,993,630	253,182	(5,138,543)	548	297,289
South West						
Gloucestershire County Council - Growing Our Communities	2,132	-	-	(2,132)	-	-
West of England Combined Authority	-	300,717	-	(300,717)	-	-
Southern						
Southampton CC - Writing Courses	3,274	3,955	-	(7,229)	-	-
Fred Adler Legacy	78,880	-	-	(20,919)	-	57,961
Joan Taylor Legacy	812	-	-	-	-	812
K Smith Legacy	31,893	-	-	-	-	31,893
Santander	943	-	-	(333)	-	610
Sport England	13,252	29,419	-	(33,586)	-	9,085
West Midlands						
Dudley MBC - Healthy Towns	21,670	48,400	2,000	(48,922)	-	23,148
West Midlands Combined Authority	-	835,160	-	(835,160)	-	-
Nottingham City Council - Midlands Engine	(100)	-	-	-	100	-
Yorkshire & Humber						
Mike Haywood Fund	2,115	-	-	(1,246)	-	869
Yorkshire Adult Schools Union	8,300	-	-	-	-	8,300
Leeds University	-	(22)	-	(4,875)	7,944	3,047
Sheffield City Council	-	1,837	4,475	(3,946)	-	2,366
Refugee Council	-	7,200	-	(6,185)	-	1,015
NHS Confidence to study	25,181	18,109	-	(19,329)	-	23,961
Painted Fabrics	-	6,640	(6,640)	-	-	-
Sport England	20,596	74,651	(5,945)	(86,484)	-	2,818
Scotland						
Scottish Government - Adult Learning and Empowering Communities Fund	-	290,000	-	(290,000)	-	-
Scottish Government - Impact Funding Partners - PEC Fund - Women in the Highlands Project	15,380	77,320	7,680	(75,361)	-	25,019
Scottish Government - Inspiring Scotland - Self Directed Support Project 2015-2018	926	-	-	(926)	-	-
Scottish Government - Health and Social Care Self Directed Support Project 2018-2020	14,290	104,676	(34,299)	(67,105)	-	17,562
Highland Community Planning Partnership - ESOL Programme	18	-	-	(18)	-	-
Highlife Highland - Open Programme	9,340	7,500	-	(4,553)	-	12,287
Edinburgh Community Learning & Development Partnership - ESOL Programme	4,014	5,600	-	(9,614)	-	-
Falkirk Council - Job Clubs	17,120	22,280	-	(24,547)	-	14,853
Falkirk Council - Employment and Training Unit	-	5,850	450	(6,300)	-	-
Balance carried forward	458,508	6,832,922	220,903	(6,988,030)	8,592	532,895

Notes to the financial statements for the year ended 31 July 2021

13f. Statement of funds (continued)

Prior year statement of funds (continued)

Other restricted funds (continued)

	At 1 August 2019 £	Received income £	Accrued/ Deferred income £	Funded expenditure £	Transfer from / (to) General Fund £	At 31 July 2020 £
Balance brought forward	458,508	6,832,922	220,903	(6,988,030)	8,592	532,895
Scottish Government - Maths Week Scotland Small Grants Fund	-	800	-	(800)	-	-
North Glasgow Housing Association - Thriving Places - 'Possibilities Project'	-	808	-	(689)	-	119
Aberdeenshire Council - Adult Education Programme	10,272	24,900	(8,300)	(25,932)	-	940
Aberdeen City Council - Parenting Project	12,770	-	-	(510)	-	12,260
Endrick Trust	825	-	-	(825)	-	-
Glasgow City Council-Integrated Grant Fund - Adult Literacies and ESOL 2018-2019	3,877	129,503	-	(114,486)	-	18,894
Reach Out Project - General	6,616	840	-	-	-	7,456
Aberdeen City Council - Fairer Aberdeen Fund	-	4,500	1,500	(6,000)	-	-
North Ayrshire Council - ESOL Programme	1,230	37,080	(145)	(38,165)	-	-
Fife Council - Revenue Grant	-	29,361	-	(29,361)	-	-
Fife Council - Teaching Grant	13,554	13,642	-	(16,713)	-	10,483
Aberdeen City Council - Revenue Grant	-	16,875	5,625	(22,500)	-	-
Aberdeen City Council - Teaching Grant	11,330	8,460	2,820	(19,494)	-	3,116
Glasgow Literacy Partnership - National ESOL Programme	-	12,250	-	(12,250)	-	-
Highland Council - Syrian Re-settlement Project	-	60,507	-	(60,507)	-	-
North East Scotland Colleges - National ESOL Programme	-	67,325	(33,518)	(33,807)	-	-
Aberdeenshire Council - Home Office - ESOL Project	-	16,400	-	(5,839)	-	10,561
Aberdeen University - LEADER - Elphinstone Home Project	-	7,770	-	(7,770)	-	-
Bank of Scotland Foundation	7,047	-	-	(7,047)	-	-
Total other restricted funds (note 13d)	526,029	7,263,943	188,885	(7,390,725)	8,592	596,724

Notes to the financial statements for the year ended 31 July 2021

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

	2020/21 £'000	2019/20 £'000
Net incoming resources	4,854	961
Loss on disposal of fixed assets	118	3
Depreciation	554	746
Other finance charges	538	864
(Decrease)/increase in debtors	(298)	(562)
(Decrease)/increase in creditors and provisions	(603)	671
Interest received	(4)	(15)
Other finance income	(548)	(939)
Non cash movements in respect of FRS 102 s.28	(346)	(334)
Net cash inflow from operating activities	4,265	1,395

15. Return on investments and servicing of finance

	2020/21 £'000	2019/20 £'000
Income from investments and interest receivable	4	15
Net cash inflow for return on investments and servicing of finance	4	15

16. Analysis of change in net funds

Net cash	At 1 August 2020 £'000	Cash flow £'000	At 31 July 2021 £'000
Short term deposits	1,590	1,003	2,593
Bank and cash	4,980	2,459	7,439
Total net funds	6,570	3,462	10,032

17. Trustees' expenses and remuneration

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

Trustees' expenses	2020/21 £'000	2019/20 £'000
Trustee meetings	-	3
Trustee travel	-	6
Trustee subsistence and accommodation	-	1
	-	10

The number of trustees reimbursed out of pocket travel and subsistence expenses was 0 (2019/20:9).

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

The Trustees hold indemnity insurance. During the year, the Association spent £2,423 (2019/20: £1,680), to purchase this indemnity insurance policy.

Notes to the financial statements for the year ended 31 July 2021

18. Pension schemes

At 31 July 2021 the pension schemes operated by the Association are the Teachers' Pensions scheme (TPS), the Scottish Public Pension Agency scheme (SPPA) and The People's Pension. Staff are auto-enrolled into these schemes based on job roles and eligibility. The WEA pension scheme closed to new accruals at 31 August 2019. The existing scheme funds continue to be managed by The Pensions Trust (TPT) who act as Trustee and Administrator. Contributors were transferred to the People's Pension scheme. The WEA also left the Now: Pension scheme at 31 August 2019 and contributors were transferred to the Peoples' Pension scheme. During the year 2019/20 all those who met the required criteria and had previously opted out of a pension scheme were re-enrolled in the scheme under the rules of the Government's auto-enrolment scheme.

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

The pension charge for the year includes contributions payable to the TPS of £1,105,303 (2019/20 £1,193,975) and at the year-end £104,928 (2018/19 £118,606) was accrued in respect of contributions to this scheme.

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

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

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

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

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

In view of the above rulings and decisions the assumptions used in the 31 March 2016 Actuarial Valuation may become inappropriate. In this scenario, a valuation prepared in accordance with revised benefits and suitably revised assumptions would yield different results than those contained in the Actuarial Valuation.

Until the cost cap mechanism review is completed it is not possible to conclude on any financial impact or future changes to the contribution rates of the 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 £48,285 (2019/20: £37,870) and at the year-end £4,206 (2019/20: £3,103) was accrued in respect of contributions to this scheme. The employer SPPA contribution rate was 17.20% until September 2019 and then rose to 23.00%. This is a single level contribution and not tiered the same way as employee contributions which attract rates of between 7.2% and 11.9%.

Notes to the financial statements for the year ended 31 July 2021

18. Pension schemes (continued)

The People's Pension scheme replaced the Now: Pension scheme in the 2019/20. The lowest permitted employee contributions are 3.5% with the employer contributing 4.5%. This met 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 NOW: Pension (auto-enrolment) scheme is a defined contribution scheme contracted to NOW: Pension. The lowest permitted contributions were 2% from the employee and 3% from the WEA. The WEA contribution was set at 1% above that chosen by the employee but with an upper limit of 7%. Employees contributing more than 6% attract no further WEA contribution. This scheme was closed to new contributions at 31 August 2019.

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 2020 by a qualified actuary independent of the scheme's sponsoring employer. This scheme was closed to new contributions at 31 August 2019.

The employer paid contributions at the rate of 8.6% of members' earnings (11.6% for Northern Ireland and North Wales companies). Members contributed at the rate of 5.0% of members' earnings (rising to 7% of members' earnings on the 1 April following a member's 30th birthday. In addition, with effect from 1 August 2014, contributions of £33,475 per month (increasing by 3% each August) to fund the technical provisions deficit as at 30 September 2011 and £8,807 per month towards scheme running expenses was payable by the WEA. This provisional triannual actuarial valuation for September 2020 shows a deficit of £3,646,000. The WEA has 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.

Employer contributions of 9.3% (CARE 100th members) and 9.1% (CARE 80th members) of pensionable earnings were payable in respect of the cost of accruing benefits up to 31 August 2019. The employer contributed £98,400 in 2020/21 towards the scheme expenses and PPF levies. Member contributions were payable in addition at the rate of 7.0% (CARE 100th members) and 8.5% (CARE 80th members) of pensionable earnings. Members below the age of 30 paid a reduced rate of 5% rising to the aforementioned rates on 1st April following the member's 30th birthday.

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

Notes to the financial statements for the year ended 31 July 2021

18. Pension schemes (continued)

	2020/21	2019/20
Principal assumptions		
Discount rate	1.65%	1.35%
Inflation (RPI)	3.25%	2.90%
Inflation (CPI)	2.85%	1.90%
Deferred Revaluation: RPI max 5%	3.25%	2.90%
Deferred Revaluation: RPI max 2.5%	2.50%	2.50%
Deferred Revaluation: CPI max 2.5%	2.50%	1.90%
Salary Increases	1% in year, 2% thereafter	1% in year, 2% thereafter
Allowance for pension in payment increases of CPI, max 5% p.a.	2.80%	2.00%
Allowance for pension in payment increases of CPI, max 3% p.a.	2.00%	1.75%
Allowance for pension in payment increases of CPI, max 2.5% p.a.	2.25%	1.55%
Allowance for commutation of pension for cash at retirement using notional commutation factors	75% of maximum	75% of maximum

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

Male retiring at age 65 in 2021 (2020)	21.7	22.6
Female retiring at age 65 in 2021 (2020)	24.1	24.3
Male retiring at age 65 in 2041 (2040)	23.3	23.9
Female retiring at age 65 in 2041 (2040)	25.6	25.6

a) Fair value

	2020/21 £'000	2019/20 £'000
Present value of scheme liabilities	(39,935)	(40,484)
Fair value of scheme assets	42,733	41,008
Effect of asset ceiling	(2,798)	(524)
Surplus	-	-
Amounts in the balance sheet		
Liabilities	-	-
Assets	-	-
Net liability to be recognised	-	-

b) Change in liabilities during the period

	2020/21 £'000	2019/20 £'000
Opening scheme liabilities	40,484	35,089
Current service cost	-	18
Interest cost	538	864
Contributions by employees	-	10
Loss due to benefit changes	5	-
Actuarial loss	128	5,576
Benefits paid	(1,220)	(1,073)
Closing liabilities	39,935	40,484

Notes to the financial statements for the year ended 31 July 2021

18. Pension schemes (continued)

c) Change in assets during the period

	2020/21 £'000	2019/20 £'000
Opening fair value of the scheme assets	41,008	37,911
Interest income	548	939
Expenses	(112)	(112)
Return on assets excluding interest income	2,046	2,869
Contributions by employer	463	464
Contributions by employees	-	10
Benefits paid	(1,220)	(1,073)
Closing assets	42,733	41,008

d) Analysis of amount charged to the income statement

	2020/21 £'000	2019/20 £'000
Current service cost	-	18
Expenses	112	112
Past service cost	5	-
Net interest cost	-	(75)
Total amount recognised in the income statement	117	55

e) Statement of other comprehensive income

	2020/21 £'000	2019/20 £'000
Return on assets excluding interest income	2,046	2,869
Experience gains on liabilities	98	199
Loss for change of assumptions	(226)	(5,775)
Effect of change in non-recoverable surplus	(2,264)	(524)
Net cumulative actuarial loss	(346)	(3,231)

The loss for change in assumptions is further analysed below:

Gain/(loss) from change of demographic assumptions	847	(567)
Loss from change of financial assumptions	(1,073)	(5,208)
	(226)	(5,775)

Amount recognised in the SOFA

Amount recognised in the SOFA to bring the pension surplus to nil	(536)	(409)
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Notes to the financial statements for the year ended 31 July 2021

18. Pension schemes (continued)

f) Fair value of assets

	Value at 31 July 2021 £'000	Proportion	Value at 31 July 2020 £'000	Proportion
Equity type assets	4,823	11.3%	4,391	10.7%
Bonds	22,739	53.2%	25,432	62.0%
Property	2,888	6.8%	1,699	4.2%
Other	12,283	28.7%	9,486	23.1%
Total value of assets	42,733	100.0%	41,008	100.0%

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

	2020/21 £'000	2019/20 £'000	2018/19 £'000	2017/18 £'000	2016/17 £'000
Present value of scheme liabilities	(39,935)	(40,484)	(35,089)	(33,804)	(34,630)
Scheme Assets	39,935*	40,484*	37,911	33,698	32,779
Surplus/(deficit)	-	-	2,822	(106)	(1,851)

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

Experience adjustments on scheme liabilities	98	199	92	(630)	783
Percentage of the present value of scheme liabilities	-0.2%	0.5%	0.3%	1.9%	2.2%
Experience adjustments on scheme assets	2,046	2,869	3,711	1,218	1,425
Percentage of the present value of scheme liabilities	5.1%	7.1%	9.8%	3.6%	4.3%

h) 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 31 July 2021 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 2021

19. Investment income

	2020/21 £'000	2019/20 £'000
Interest on cash deposits	4	15
Interest on pension scheme assets	548	939
	552	954

20. Investments in subsidiaries

At 31 July 2021 the Association owned the entire issued share capital of 1 ordinary share (2019/20: 1 share) of WEA Trading Ltd. At 31 July 2021 the aggregate of share capital and reserve of WEA Enterprises Limited was £1. (2019/20: £1).

The company has not traded during the period and has nil assets at 31 July 2020/21 (2019/20: 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 £5,486 (2019/20: £29,921).

Odgers Berndtson have charged the Association £5,486 in 2020/21 which is part payment of a contract to recruit a Finance Director, the prior year charge related to the replacement CEO recruitment.

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

	2020/21 £'000	2019/20 £'000
Leased property dilapidation	£'000	£'000
At 1 August	582	140
Provisions charged	-	462
Provisions released	(110)	(20)
At 31 July	472	582

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

The WEA
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 @WEAadulted
 weaadulteducation



Education & Skills
Funding Agency



European Union
European Social Fund



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