

Transforming lives through adult learning



“The WEA has provided adult learning for over 100 years, and as the UK’s leading adult education charity we recognise the responsibility to keep providing excellent teaching in local communities.”

This has been a challenging year for the WEA as we are transitioning to an era in which much of the funding for adult education is devolved to the English regions and there is likely be further devolution in the years ahead. This strengthens our local delivery and local partnerships, but it also introduces complexity and uncertainty. The WEA is meeting these challenges and has won significant new funding for 2019/20, thanks to the excellent Senior Management Team and Trustees as well as the commitment and hard work of our core staff, tutors, volunteers and members.

We also retain a substantial national contract with the Education and Skills Funding Agency (ESFA) and the backing of many of the decision makers who understand and value the adult education provided by the WEA. We have attracted new funders, ambassadors, members and volunteers and we are very grateful for all these contributions. All the evidence, researchers and front-line staff know that we are needed more than ever as too many adults lack ongoing access to education beyond school age. This is bad news for our democracy, economy and society.

Finally, this year we have developed an inspirational strategic plan for the organisation after a thorough and wide-ranging consultation. It sets a clear direction going forwards and, best of all, puts our students first and last in our order of priorities.

You may already be aware that I have announced that I will be stepping down as the CEO and General Secretary at the end of the year. I have loved leading the organisation through all the challenges and triumphs over the past seven and a half years. In my long career leading educational charities, enabling people to achieve their potential and developing leaders, I have never encountered such passion and commitment from so many people. It has been my pleasure and privilege to work for the WEA, standing



on the shoulders of giants and following in the footsteps of my father and grandfather. My legacy is that we are ready to meet the challenges and opportunities ahead and we continue to enable our students, whoever and wherever they are, to do the same.

Let’s be in no doubt. Adult education works. It always will. We are extremely grateful to everyone who shares in our mission to bring adult education within reach.

Ruth Spellman OBE
Chief Executive and
General Secretary

Message from the Chair of the Board of Trustees

The launch of WEA's 2025 Strategy has been a highlight of the last year. This has established a framework for planning and preparation for the years ahead and has given the WEA a clear vision for our students, members, volunteers, tutors and core staff as well as for our current and future partners. From this we have developed strategic plans which set out an approach to outcomes for students and a baseline for what a core curriculum across regions and nations will look like. The 2025 Strategy has also informed how we have responded to the dominating issue which faced the WEA this year – our preparation for the devolution of the adult education budget in England from 1 August 2019.

Across England, regional education and business development teams have worked hard to build relationships with the new combined authorities and to meet the varied requirements to achieve continued funding. As a result, the WEA secured grant funding in all but one of the new combined authorities. Operations, HR, Finance and ICT teams have worked closely with regional and national education colleagues to deliver major changes required to enable the WEA to meet the new requirements of the devolved authorities, including more regular reporting, new enrolment and financial procedures and new courses. Some of this will be delivered through Canvas, the Virtual Learning Environment the WEA launched in December, and which was developed with support from the successful Flexible Learning Project funded by the Department of Education. Canvas is already transforming student experience and providing tutors with a highly flexible tool to support feedback, assessment and activity outside the classroom.

Despite the significant challenges we have faced, including implementing a significant financial sustainability programme which has required cost savings across the organisation and the closure of some WEA leased properties, 2018/19 has seen us continue to deliver life changing education for our students and to achieve financial sustainability.

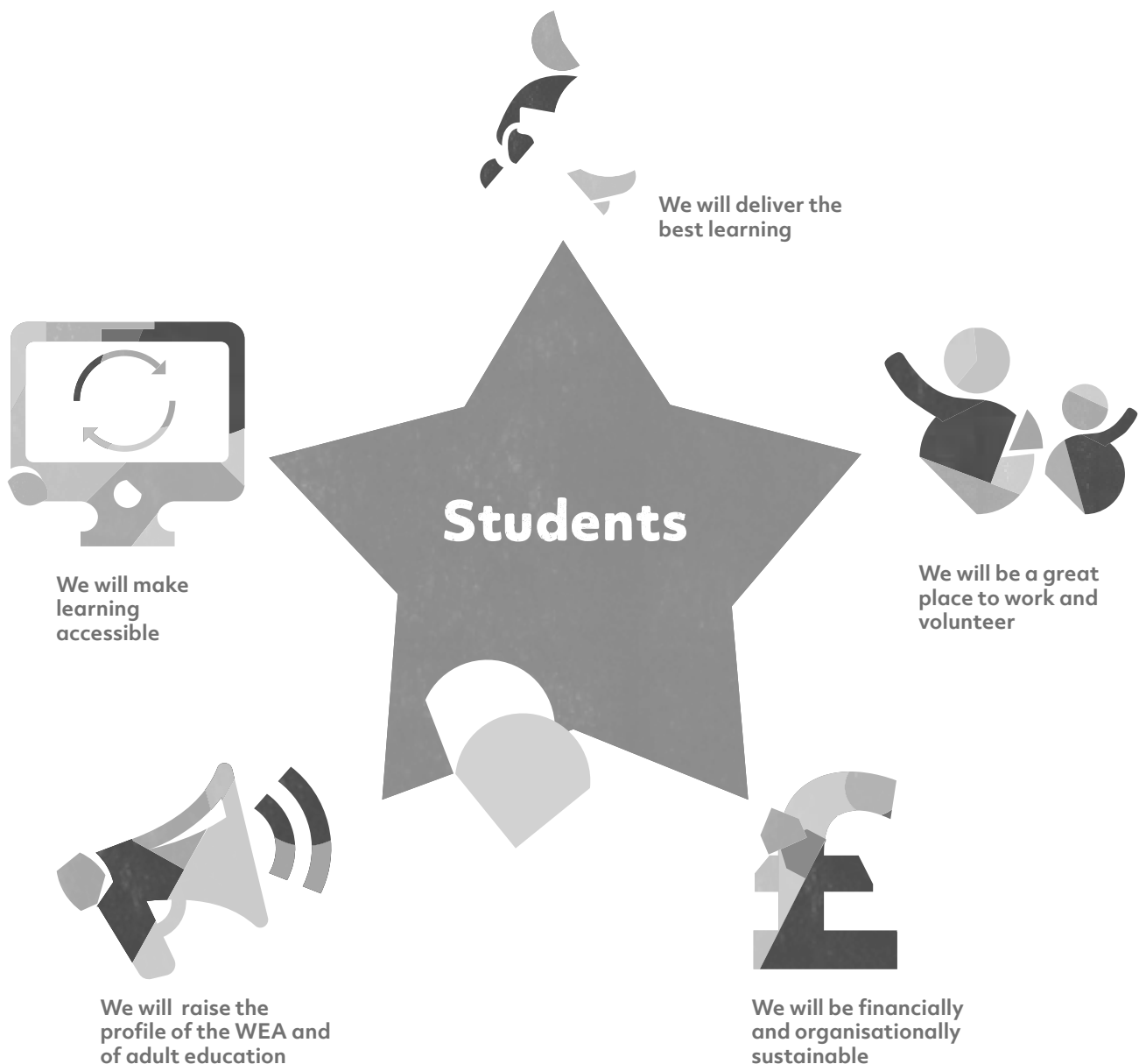
We are and continue to be a unique learning organisation - our leadership, our national presence and our voice in both England and Scotland, our local intelligence and our tailored, inclusive educational offer have made a significant and measurable difference. We stand ready to meet the new challenges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

John Widdowson
Chair of Trustees, WEA



Our strategic approach is to focus on the quality of the education we provide, which will enable us to build a more sustainable organisation. Growing our sustainability will ensure we are here for generations to come and will enable us to maximise our share of voice on behalf of the most disadvantaged in society.

The WEA Strategy 2025, which sets out five clear strategic priorities for the WEA, was agreed by trustees in November 2018. The plan for 2019/20 is aligned to the five strategic priorities.



Like other institutions within and outside the third sector, the WEA faces unprecedented political and economic uncertainty and growing divisions in our society. The uncertainty with Brexit adds additional layers of doubt, combined with challenging economic forecasts.

Whilst adult education has featured in the political discourse more significantly than in previous years, investment in adult education has fallen sharply since 2010.

This year, a number of different research projects have demonstrated the need for an increased investment in adult education. This can be seen in the 2019 study commissioned by the WEA and supported by the Further Education Trust for Leadership, Learning at Life Transitions. This is further reinforced by the Augar review published on the 30th of May 2019, which focused more on students at university and in technical education, and less so on adult learners. Despite this, it is still not clear how future funding decisions will impact adult education.

The WEA has experienced unprecedented change to its source of funding. Planning for this change began in 2018/19, with the impact felt in 2019/20. The Education & Skills Funding Agency (ESFA) funding now accounts for 44% of WEA's income, 48% of contracts and grants and 8% of fees. As 80% of our funding is from public sources, we not only need to satisfy our obligations to our beneficiaries, WEA students, but also the high treasury standards, that are in the spirit of, as well as to the letter of the law, in the public interest, to high ethical standards and achieve value for money.

The context for last year and the year ahead is therefore the need to seek funding from a wide variety of sources, coupled with ongoing financial prudence; and we need to use the new strategy to

underpin our case for support. It is also vital that our 2025 vision is clearly understood and communicated through actions as well as words. We must also deliver all our contractual commitments to both the ESFA and other funders including the contractors in the devolved MCA areas where we have been successful in winning funding and reaching new learners. In many cases, this will involve changes to the way we work and a much greater use of sub-contracting. Simultaneously, we must meet a range of statutory and regulatory requirements including those included in the Ofsted inspection framework, our ESFA funding agreement, and compliance with GDPR, and relevant provisions of the Companies Act 2006 and Charity Commission guidance.

The external environment in Scotland is no less challenging. Pressures on the 2018-19 budget year were particularly acute, with the Scottish Government looking to achieve in year budget savings to meet over-commitments elsewhere. Moving into 2019/20, there will likely be an impact on the adult learning sector in Scotland through reductions in core funding and less funding being available to commission provision. Conversely a new Adult Learning Strategy will be delivered in the spring of 2020 and there is a new Families and Communities Third Sector Fund worth £16m per year that was launched in May 2019. Within this fund, adult learning is cited as an essential component in reversing the cycle of poverty and as this fund is conserved solely for national organisations, it is reasonable to assume it should deliver some continuity of core funding to WEA Scotland.

Against this backdrop in England and Scotland we need to dedicate some of our resources to address our delivery capacity and infrastructure. Addressing the potential issues of ICT support by enhancing our service whilst also continuing to invest in the people within the WEA, such as core staff, tutors, volunteers and members.

Overall 2018/19 has been a successful and challenging year. This year the WEA faced the biggest funding changes since it became an Association in 1992. The organisation succeeded in winning new contracts or grants for 2019/20 in six out of seven Mayoral Combined Authorities (MCAs) including through competitive tender processes in Greater Manchester Combined Authority and Liverpool City Region.

Trustee level KPIs 2018/2019

Key achievements for the year include:

Student numbers

47,910 students in England and 2,450 students in Scotland

29,987 students were from disadvantaged backgrounds – the target for 2018/19 was 26,000

Successful delivery of outcomes for students including improvements in mental health, reductions in GP visits, development of skills and confidence which has enabled 44% of unemployed students to get into work. (see outcomes for student section)

Financials

The Earnings Before Interest, Tax and Amortisation (EBITDA) is 2.58% versus a target of 2%

Increased free reserves to £3.2m against a target of £3.0m

ESFA's annual audit, which confirmed our good financial health rating

New income for restricted income of £1.7m exceeded the target of £1.6m

New income for unrestricted income is £0.6m

Introduction of the financial sustainability programme to improve cost effectiveness as well as significant improvements to WEA Scotland's finances are now well established through the delivery of annual surpluses.

Quality

The basket of quality measures is 63% in 2018/19

Successful reaccreditation from Matrix, who commended the WEA's comprehensive approach to information, advice and guidance for students, our impressive reach and commitment to students

The achievement of Cyber Essentials Plus

Innovation

The Flexible Learning Project, which engaged over 1000 students in a range of flexible activities to support their learning, including access to online revision activities and development of testing of interventions developed with the behavioural insight team to support retention and engagement

Implementation of virtual learning environment, Canvas with blueprints now available for all accredited courses, and over 500 courses delivered in 2018/19 with a substantial digital element

New links with the National Careers Service (NCS) which enables us to offer professional careers advice to our students

Innovations in our course delivery and further improvements in our enrolment and pre-enrolment processes

Investing in our people and profile

The achievement of the Investors in People (IIP) award

The launch of our 2025 strategy following an extensive consultation exercise. The strategy was launched with four all-staff events across England and Scotland which brought together staff and trustees to inform the three-year plan, the starting point for delivery of the 2025 strategy

546,000 website hits in 2018/19

Across the board we have reinforced disciplines of cross functional and cross regional working and we have developed greater agility as an organisation

Acquisition of new talent and skills into the marketing, membership and business development team and new leadership for our volunteering recruitment and support

Extending our profile and reach through significant improvements including the introduction of new funding partners, parliamentary patrons, ambassadors and fellows

Our amazing tutors and volunteers working right at the heart of neighbourhoods, where their dedication to high standards and inclusivity made a huge impact. The significant contribution of volunteers to the work of the WEA has consistently been identified as one of our key strengths, both internally and in our external assessments

Examples of innovative work delivered in 2018/19

ESOL and employability work across Scotland for Syrian Refugees and their families who have recently been granted leave to remain. Hugely varied and innovative teaching methodologies mean that in addition to providing these "Syrian New Scots" with language skills we contextualise this to improve their financial literacies and employability skills

The Midlands Engine project which successfully piloted approaches to teaching ESOL (English for Speakers of Other Languages) to citizens in the Midlands, including refugees who are highly qualified in their origin countries but are struggling to find suitable employment in the UK due to low levels of English

Partnering with the Royal Borough of Kensington & Chelsea, this was an innovative example of co-production with Central North West London (CNWL) NHS Foundation Trust, the WEA and The Playground Theatre, to help tackle the ever growing problems of mental health within communities, delivering an outlet for those who live with mental health issues, with a unique theatre presentation created by the mental health community of St Charles Hospital

The North West region was successful in winning three major Community Grants projects in Manchester, Liverpool and Lancashire. These contracts manage allocation of grants of up to £20,000 to small voluntary and community organisations working to support individuals furthest from work

For our members, 2018/2019 has seen exciting new developments in the WEA membership offer. This has resulted in a relaunch of the membership in September 2019 and a further two Highway magazines have been published since. The annual conference – a key event in the year for volunteers and members took place in May 2019 with playwright Jimmy McGovern taking part in an entertaining debate alongside CEO Ruth Spellman and President Lynne Smith

The WEA's education delivery has a clear impact on the lives of its students. Adult education is not just about employability and skills. It also has a significant impact on health and wellbeing in society. The impact for 2018/19 demonstrated how adult education can reduce pressure on the NHS, support the skills agenda, support people into work and strengthen communities.

In England:

Employment: 91% of students seeking work felt readier for work after their WEA course, and 33% found a job within 6 months

Health and wellbeing: 61% of students felt more confident after their course, and 81% with a mild to moderate mental health issue reported improvement in mental health

Confidence for life and work: 53% of students improved their critical thinking and 54% are new independent learners

Parenting: 66% of parents encouraged their children to learn more after their WEA course

Vibrant communities: 70% of students met people of different backgrounds and 36% feel they belong more in their community¹

These statistics showcase that we are already having a significant impact and meeting the needs of a diverse group of adult learners, including some of the most vulnerable in our society.

Our focus in the coming year is to continue to improve the ways in which we support our students, to improve and widen access to our courses and to better evidence the different impacts learning with the WEA has on their lives. We will do this across each of our four themes of *employability, health and wellbeing, community engagement and culture*.

¹ WEA Impact Report 2019 - The survey received 5,361 responses from WEA students across England.

Looking ahead to 2019/20

As we reflect on our achievements of 2018/19 and plan for the next three years, work is already underway to set a solid foundation for 2019/20 to ensure we have a strategic framework for success. This year will be significant in the history of the WEA as our income from contracts and grants has now passed the support we receive from the Education & Skills Funding Council (ESFA) and we will prepare to act should more devolution be promoted by the new Government.

To ensure our resources are focused on gradually moving toward these aspirations, we have centred our planning around our strategic priorities as follows:

We will deliver the best learning by reversing the decline in student numbers.



This means:

- ▶ Shifting curriculum focus
- ▶ Developing product offerings
- ▶ Enabling more digital learning
- ▶ Working with sub-contractors
- ▶ Raising our profile

We will measure our success against the following KPIs:

- ▶ Increase the number of UK unique learners to 52,910 in 2019/20
- ▶ Improve the basket of learner progression measures to 78% in 2019/20

We will be a great place to work and volunteer by investing in our people across the whole organisation.



This means:

- ▶ Ensuring that we draw out the potential in our core staff, tutors, volunteers and members so that everyone can bring their best to the WEA
- ▶ Showcasing what lifelong learning looks like in action

We will measure our success against the following KPIs:

- ▶ Achieving 75% towards Silver Investors in People (IIP) in 2019/20
- ▶ Growing the number of active volunteers (those contributing more than 12 hours per annum) to 2,250 in 2019/20
- ▶ We will also start to work towards Leaders in Diversity starting with our core employees, ensuring everyone has a personal development plan

We will be financially and organisationally sustainable by improving our margins and building our reserves to ensure that the WEA is better placed to weather the new funding environment.



This means:

- ▶ Increasing the level of unrestricted income the WEA receives
- ▶ Investing to continually improve the WEA

We will measure our success against the following KPIs:

- ▶ Grow EBITDA to 3.66% in 2019/20
- ▶ Increase free reserves to £3.8m in 2019/20
- ▶ Seek new unrestricted income of £0.65m in 2019/20
- ▶ Seek new restricted income of £1.7m in 2019/20

We will raise the profile of the WEA and of adult education.



This means:

- ▶ Finding more people attracted to what we stand for to increase the number of students we can support
- ▶ Attracting the best core staff, tutors, volunteers and members
- ▶ Growing our reach to enable our louder voice and wider influence

We will measure our success against the following KPIs:

- ▶ Increase media profile visits to 530,000 in 2019/20
- ▶ Grow the paying membership to 3,400 in 2019/20
- ▶ We will also increase the number of social media engagements, grow the number of political influencers and increase regional and national press coverage

We will make learning accessible by delivering locally through our regions, branches and volunteers.



This means:

- ▶ Enabling greater flexibility through 24/7 learning and online through Canvas
- ▶ Ensuring that we can meet our students where they are

We will measure our success against the following KPIs:

- ▶ Grow the number of students improving their digital skills to 6,000 in 2019/20
- ▶ We will continue to grow the number of courses featuring significant digital content and improve the standards of our owned and leased premises

47,910+
students in
England

8,527
courses in
England

2000+
Volunteers

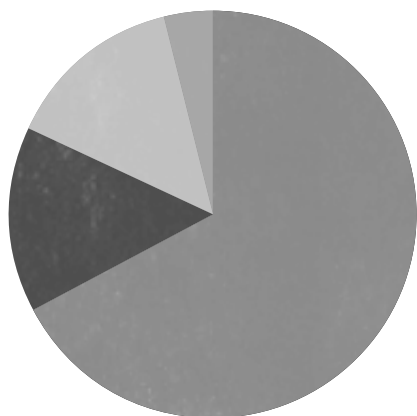
STUDENTS



Income

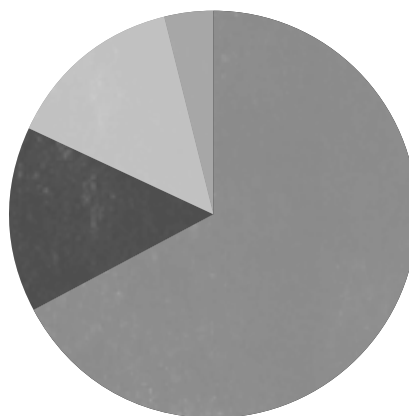
The consolidated income for 2018/2019 is £27.4m, the same as 2017/18. Although the overall figure is the same there is variation in the makeup, fees and contracts have risen by £0.1m, interest has risen by £0.1m due to the rise in pension scheme assets whilst ESFA grant income has reduced by £0.1m and other income has reduced by £0.1m.

Income 2018/19



ESFA grants	£19.2m
Grants receivable	£3.7m
Fees and contracts	£3.4m
Other income	£1.0m

Income 2017/18

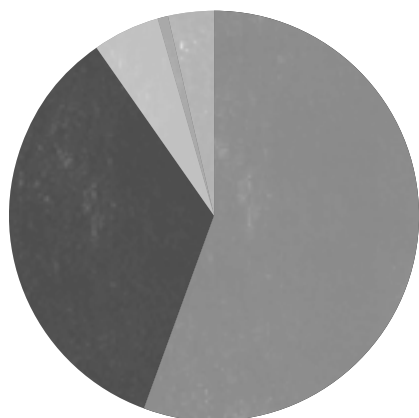


ESFA grants	£19.2m
Grants receivable	£3.7m
Fees and contracts	£3.5m
Other income	£1.0m

Expenditure

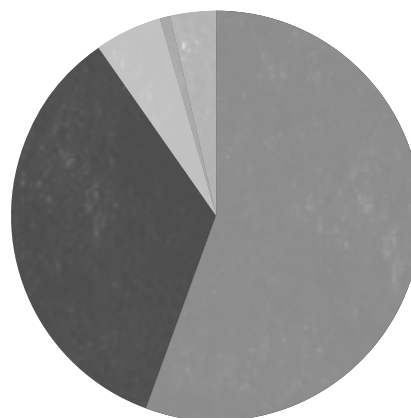
The total expenditure for 2018/19 was £27.3m, a decrease of £0.3m on the previous year (2017/2018: £27.5m). Direct costs have decreased by £0.3m in line with the reduction in course hours.

Expenditure 2018/19



■ Direct costs	£15.6m
■ Support costs	£9.1m
■ Grants payable	£1.4m
■ Governance and fundraising	£0.3m
■ Other costs	£1.0m

Expenditure 2017-18



■ Direct costs	£15.9m
■ Support costs	£9.2m
■ Grants payable	£1.4m
■ Governance and fundraising	£0.2m
■ Other costs	£0.9m

Outturn for the year

The WEA's operating surplus for 2018/19 is £0.2m (2017/18 deficit of £0.1m) before transfers and actuarial gains. There is a surplus of £0.5m on unrestricted funds offset by a deficit of £0.3m on restricted funds. Unrestricted income has reduced by £0.2m since 2017/18, mainly in reduced tuition fees, but there is a larger reduction in unrestricted costs improving the net income position by £0.6m since last year. Restricted net income has reduced by £0.3m which will be down to the recognition of income and expenditure on projects that run from year to year.

The net movement of funds is £0.1m (2017/18: £1.5m) after transfers and actuarial losses and gains. Last year the large surplus was due to the actuarial gain in the year of £1.7m for the FRS 102 adjustment for the WEA Pension scheme. In 2018/19 there has been another actuarial gain on the pension scheme resulting in a pension surplus. This surplus is not considered to be a recoverable amount and as such has not been included in the accounts in full and has only been recognised to the point of removing the brought forward deficit.

Reserves

The funds at 31 July 2019 were £8.6m (2017/2018 £8.5m). This is represented by unrestricted funds of £7.8m, and restricted funds of £0.8m.

The WEA has adopted a risk-based approach and has set a free reserves target based on the likelihood of certain risks materialising. The risks of a sudden loss of funding, unexpected gaps in working capital and other unexpected capital demands have been considered in arriving at the target figure.

The Board is also mindful of providing for opportunities such that the WEA is in a financial position to capitalise on appropriate opportunities as they come up, both at a local and national level. Special consideration has been and continues to be given to the ongoing changes in funding for 2019/20 and beyond as a result of the adult education budget being devolved to MCAs. The WEA has been successful in replacing the reduced ESFA funding with increased income from MCA's for 2019/20, although it was not successful in Cambridge and Peterborough. Income replacement following devolution continues to be a key focus with planning and modelling for possible scenarios for 2020/21 and future years in progress.

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

For the purposes of this policy the WEA has defined free reserves as being its unrestricted funds, excluding the pension deficit and designated funds. The trustees set a target of £3.0m for 2018/19 for free reserves. The actual free reserves available at 31 July 2019 amounted to £3.2m (2017/18 £2.5m). A plan is in place for the investment of reserves in excess of this target.

Investments and Treasury management

As set out in its Articles of Association, the WEA has absolute discretion to invest money not immediately required for expenditure. The responsibility for the performance of investments rests with the Finance and General Purposes Committee, which reports to the Board of the Trustees. The objective of the 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 the WEA's funds.

Treasury management is carried out within the context of the WEA's statutory requirement, 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, the WEA has had no exposure to any known financial institution at risk.

Principal funding sources

The WEA receives its principal funding from the Education and Skills Funding Agency which provided around 70% of WEA's income from all sources and activities for the year (2017/18 70%). There are no outstanding loans against the WEA.

Pensions

The valuation of WEA's defined benefit pension scheme at 31 July 2019 (under FRS 102 principles) has seen the scheme deficit of £0.1m in 2017/18 switch to a surplus of £2.8m. As previously mentioned, the surplus has not been recognised in the accounts as it is not considered to be a recoverable amount, however, adjustment has been made to remove the previously recognised deficit. 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 in Note 18 to the accounts.

Cash flow and capital expenditure

In line with the Treasury Management Policy, the 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 2021 returned to the ESFA at July 2019, the WEA does not anticipate any liquidity problems.

The increase in total net funds (cash and short-term deposits) for the year ended 31 July 2019 was £0.7m (2017/18: £1.6m decrease). The increase in cash available is mainly due to a lower level of fixed asset investment since the completion of the SWIFT project and increased deferred income for course pre-bookings for 2019/20 and for the ICELP project.

Funds held as Custodian Trustees on behalf of others

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

Commercial activities

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

Fundraising statement

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

Although they are not bound by any formal voluntary scheme regulating their conduct, our volunteers are supported and guided by the business development and volunteering team who are members of the Institute of Fundraising (IoF) and follow the guidelines of the IoF. In 2018/19 the Charity did not receive any complaints regarding its fundraising activities.

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

The WEA also reviews the code of fundraising practice through the Director to ensure any changes are implemented and to ensure we are compliant with the code. Specifically regarding the protection of vulnerable people the WEA uses the guidelines set out by the Institute of Fundraising in their document "Fundraising with people in vulnerable circumstances" to ensure that all areas are covered and that fundraisers or those who come into contact with donors across the organisation are aware of the standards.

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

The corporate Risk Register includes action plans for each of WEA's key risks and a summary highlighting current and changing status of those risks. The Audit & Risk Committee reviews the WEA's corporate Risk Register at each quarterly meeting. It receives summary updates on risk management activity and also invites members of WEA management to present on significant issues. The Audit & Risk Committee has previously considered the organisation's risk appetite and maintains a commitment to risk awareness in all the 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.

During 2018/19, the WEA continued to focus on strengthening its risk management framework and tightening procedures. The Risk Management Policy, reviewed previously in 2017, was reviewed again in 2018 along with its accompanying risk management procedures. More systematic reporting at a Senior Management Team level and engagement from the leadership on the risk framework through 'deep dive' risk sessions and workshops continued throughout the year, and further plans to raise risk awareness and to improve the understanding of risk at operational levels were confirmed and implemented.

As at 31 July 2019, 16 key risks comprised the corporate Risk Register.

In 2019/2020, WEA will continue to face challenges around its future funding, as adult education budgets continue to decline. We will need to secure a second year of funding where we have already been successful and bid in new areas of devolution. The organisation continues to face significant risks and further information is provided below in the table with mitigating action.

Risk	Mitigating action
<p>Failure to maintain the financial sustainability of the organisation through failure to generate sufficient new funding streams.</p>	<ul style="list-style-type: none"> ▶ A dedicated business development team has been put in place ▶ New income streams are being targeted. Careful horizon scanning will need to continue ▶ SWIFT programme for sustainability has been implemented and is now closed ▶ Close scrutiny of cost and income lines is needed, in addition to evidence our income pipeline is growing and is sustainable
<p>Operational and resourcing pressures significantly affect business as usual activities.</p>	<ul style="list-style-type: none"> ▶ Additional short-term resource has been put in place to enable key priorities to be delivered ▶ New structures have been carefully considered and designed around resource requirements ▶ New HR structure with strengthened resources and remit, and appraisal system has been put in place ▶ Development of better HR data and Health & Wellbeing outcomes was made part of the business plan for 2018/19
<p>Poor IT/data security leads to the WEA being non-compliant with GDPR (and future data protection) legislation.</p>	<ul style="list-style-type: none"> ▶ Electronic security of WEA IT systems is actively managed and maintained using software updates, firewall devices and anti-virus software ▶ Physical security of WEA central IT systems is actively managed and maintained through their location in a high-grade Data Centre in a location subject to relatively little environmental risk and low threat level ▶ Improved clarity on support arrangements for regional IT systems ▶ Senior Data Protection Officer and Data Protection Officer in position ▶ Effective procedures in place for data incidents
<p>WEA fails to prepare adequately for the impact of Brexit, and this adversely affects the ability of the organisation to operate.</p>	<ul style="list-style-type: none"> ▶ Advice from government and funders is carefully monitored ▶ Appropriate guidance is provided to staff who are EU citizens
<p>WEA fails to deliver its non-ESFA contracts resulting in financial and reputational damage</p>	<ul style="list-style-type: none"> ▶ All projects at risk are deemed red or amber and are reviewed at a monthly review meeting with regional representatives chaired by an SMT member ▶ Monthly update to SMT ▶ Educational Projects Accountant has monthly review meetings with Contracts and Project Support Officers to check progress, claims, finance issues and identify any new risks ▶ Project managers have now been assigned to contracts and grants over £200K

Going concern

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

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

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

The WEA's business planning process, including financial projections, which have taken into consideration the current economic climate and its potential impact on the various sources of income and planned expenditure. The 2019/20 business plan is forecast to generate a £0.5m surplus to further strengthen the cash and free reserves

The WEA has replicated the devolution plans used for the 2019/20 budget planning which includes working closely with MCAs to align our provision with their requirements and modelling various financial scenarios for 2020/21. The modelling includes a consideration of the risks of securing funding and the actions required to mitigate the risk of income reductions. Devolution took effect from 1 August 2019 where approximately 28% of the ESFA funding was devolved (WEA secured devolved funding to a value equal to the 28% at risk in 2019/20) and from 1 August 2020 the devolved funding will increase to approximately 37% of the ESFA funding being devolved to MCAs. 12% has been secured to date

Close monitoring of the forward pipeline of secured and prospective contract and grant awards not only for 2019/20 but also for a period of at least one year from the date of approval of these accounts

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

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

Our structure

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

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

The WEA operates at local, regional, and national levels, providing adult education through its network of nine English regions and Scotland, and with over 300 branches in England and six Local Associations in Scotland. Courses are created and delivered in response to local need, often in partnership with local community groups and organisations. There is a proud tradition of voluntary and democratic process within the WEA, which is governed by its members. At branch, regional and association-wide levels, voluntary members are involved in the planning and provision of courses, as well as the governance of the organisation. The WEA maintains staffed offices and structures in Scotland and English Regions.

Our governance

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

The composition of the Board of Trustees is:

- Four Association Officers elected by Association Members from England and Scotland

- Four nominees from WEA Council including three from the English Regions and one from Scotland

- Four externally co-opted trustees

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

WEA members shape the WEA's direction through the WEA Conference, which previously took place typically every two years, but provision was granted in 2017/18 for this to be held annually to include and engage more of our strong membership base.

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

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

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

Charity code of governance

The WEA Board of Trustees have adopted the Charity Code of Governance and have discussed and assessed the organisation's performance against the Code's main principles and recommended practice. This year the organisation approved and supported its first external governance review to take place over the next three years. The governance review aims to address several

areas within the Code and will provide assurance that WEA is working toward meeting its principles – in particular, board effectiveness, diversity and decision making. A combination of the improvements required by the Code, and recommendations resulting from the governance review will be developed into a Governance Action Plan in 2019/20.

Public benefit

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

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

Our committees

As at 31 July 2019, there were six delegated committees of the Board of Trustees:

- Audit and Risk
- Education Strategy
- Finance and General Purposes
- Membership, Volunteering, Governance and Marketing
- Scotland Board
- WEA Council

Committees 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. Each committee includes at least two and ideally three trustees as members of the committee, and co-opted members from regional boards across WEA. 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. The committees take responsibility for undertaking detailed scrutiny of matters of strategic importance, providing advice and recommending decisions to the Board of Trustees accordingly.

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

The four Association Officers (President, Treasurer, two Deputy Presidents) and the Chair meet, on an as needed basis, as a Remuneration Panel and/or Appointments Panel.

Trustee attendance figures of board and committee meetings can be found on page 22.

Our trustee recruitment, induction and training

The WEA seeks to encourage diversity in its wider sense within its governance structures and attract new trustees from all sectors of society.

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

being submitted to the full Board for approval. As mentioned above, the WEA's four officers (President/two Deputy Presidents and Treasurer) are ex officio members of the Board.

Once appointed to the Board, trustees are encouraged to meet members of staff, take part in regional activities to participate in and understand the student experience, and to access a range of online training materials. In 2016 trustees were provided with access to a comprehensive 'Handbook' which articulates the roles and responsibilities of WEA trustees and provides a helpful overview of the WEA's governance structure. This is due to be updated in 2019/20.

Our management

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

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

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

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

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

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	Committee	Attendance
Co-opted Trustees		
Jon Gamble	F&GP	Board: 6 / 6 F&GP: 6 / 6
Geoff Layer (appointed 18/07/2019)	Board: 2 / 2	
Narinder Uppal		Board: 4 / 6
John Widdowson (Chair of Trustees)	Board: 6 / 6	
Regional Representatives (Council Appointed)		
Robin Cook	A&R (joined March 2019)	Board: 5 / 6 A&R: 2 / 2
Michael Crilly	A&R (Chair) Scotland Board (joined February 2019)	Board: 5 / 6 A&R: 4 / 4 SB: 1 / 2
Marion Flett	ESC (Chair) Scotland Board A&R	Board: 4 / 6 ESC: 4 / 4 SB: 3 / 4 A&R: 3 / 4
Peter Threadkell	MVGM (Chair)	Board: 6 / 6 MVGM: 2 / 2
National Officers		
Cliff Allum	F&GP (Chair) WEA Council	Board: 5 / 6 F&GP: 6 / 6 WEAC: 6 / 6
Lindsay Pearson	F&GP MVGM WEA Council	Board: 6 / 6 F&GP: 6 / 6 MVGM: 2 / 2 WEAC: 5 / 6
Marc Sherland	WEA Council MVGM	Board: 3 / 6 MVGM: 2 / 2 WEAC: 6 / 6
Lynne Smith	Scotland Board (Chair) ESC MVGM WEA Council	Board: 6 / 6 SB: 4 / 4 ESC: 2 / 4 MVGM: 1 / 2 WEAC: 6 / 6

The Board meeting figures include two strategy meetings, one held in Q1, and the second held in Q4. Total number of Trustee Board meetings held in 2017/18 was 6 (Including 4 quarterly meetings and 2 strategy-focused sessions).

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

Trustees and officers

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

Cliff Allum

Robin Cook

Michael Crilly

Marion Flett

Jon Gamble MBE

Geoff Layer (appointed 18 July 2019)

Lindsay Pearson

Marc Sherland

Lynne Smith

Peter Threadkell

Narinder Uppal

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

Patrons

Baroness Shephard of Northwold

Stephen Twigg MP

Sir Bob Russell

Company Secretary

Alice Williams (resigned 31 May 2019)

Kathleen Formosa (appointed 2 September 2019)

Senior management team

Chief Executive and General Secretary

Director for Education and Deputy Chief Executive

Director for Quality and Curriculum

Chief Operating Officer

Director for WEA Scotland

Director for Student Services

Director for Marketing,
Membership and Income Growth

Ruth Spellman

Joanna Cain

Greg Coyne

Jane Swift

Ray McCowan

Fiona Parr (resigned 15/05/2019)

James Ward

Auditor

Crowe U.K. LLP
St Bride's House
10 Salisbury Square
London EC4Y 8EH

Bankers

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

Bank of Scotland
300 Lawnmarket
Edinburgh EH1 2PH

Solicitors

Bates Wells
10 Queen Street Place
London EC4R 1BE

Balfour and Manson
54-66 Frederick
Edinburgh EN2 1LS

Taylor Vinters Solicitors
Merlin Place
Milton Road
Cambridge CB4 0DP

Pension fund trustees and administrators

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

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

WEA registered office

4 Luke Street
London EC2A 4XW

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

Registered Charity Number
(England and Wales): 1112775

Registered Charity Number (Scotland):
SC039239

Registered Company Number
(England and Wales): 2806910

The trustees (who are also directors of the Charity 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 (United Kingdom 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

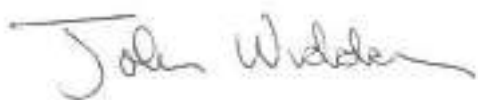
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements

- 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.

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

Approved on behalf of trustees on 17 December 2019.



Signed:
John Widdowson
Chair of Trustees

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

Explanation of terms

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

Enrolments - enrolments are the number of people registered and recorded for a course or programme of courses. To be counted, their enrolment information must have been recorded regardless of funding or whether they meet the requirements of being a start. Please note students (see below) may enrol for multiple courses and each enrolment is counted towards the total number of enrolments for that year

Starts -a 'Start' is used by the ESFA to define a student who has attended enough of a course to be considered to have passed or failed. The proportion of the course that is required varies by course length. This is differentiated by course length

Students - students are the number of unique people who have attended the WEA each year. Each individual student is counted only once, however one individual student can account for multiple starts and/or enrolments

Unique learners - unique learners are the same as students but are referred to in the funding and contract methodology as unique learners are provided with an individual identification number which enables their tracking across providers and age ranges

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

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 2018 to 31 July 2019 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.

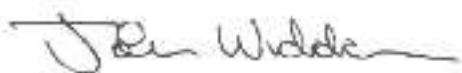
The Charity is committed to exhibiting best practice in all aspects of corporate governance and, as a registered charity, follows compliance guidelines set by the Charity Commission. We have reported on our Corporate Governance arrangements by drawing upon best practice available, including those aspects 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 17 December 2019 and signed on its behalf by:

Signed:



John Widdowson CBE
Chair of Trustees



Ruth Spellman OBE
CEO and General Secretary

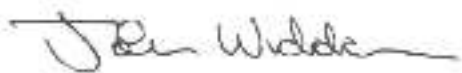
The Charity has considered its responsibility to notify the Education and Skills Funding Agency of material irregularity, impropriety and non-compliance with the Education and Skills Funding Agency terms and conditions of funding, under the financial memorandum in place between the Charity and the Education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

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

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


Approved by order of the Board of Trustees on 17 December 2019 and signed on its behalf by:

Signed:



John Widdowson CBE

Chair of Trustees



Ruth Spellman OBE

CEO and General Secretary

Opinion

We have audited the financial statements of WEA for the year ended 31 July 2019 which comprise the statement of financial activities, the balance sheet, the cash flow statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102. The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

give a true and fair view of the state of the charitable company's affairs as at 31 July 2019 and of its incoming resources and application of resources, including 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, the Charities and Trustee Investment (Scotland) Act 2005 and Regulation 8 of the Charities Accounts (Scotland) Regulations 2006

Basis for opinion

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

Conclusions relating to going concern

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

the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or

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

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

the information given in the trustees' report, which includes the directors' report and the strategic report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and

the strategic report and the directors' report included within the trustees' report have been prepared in accordance with applicable legal requirements

Matters on which we are required to report by exception

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

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

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

the financial statements are not in agreement with the accounting records and returns; or

certain disclosures of trustees' remuneration specified by law are not made; or

we have not received all the information and explanations we require for our audit

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 25, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

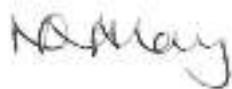
We have been appointed as auditor under section 44(1) (c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with the Acts and relevant regulations made or having effect thereunder.

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

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

Use of our report

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



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

Statutory Auditor
London

18th December 2019

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

In accordance with the terms of our engagement letter dated 6 November 2018 and further to the requirements and conditions of funding in ESFA's grant funding agreements and contracts we have carried out an engagement to obtain limited assurance about whether anything has come to our attention that would suggest that in all material respects the expenditure disbursed and income received by the WEA during the period 1 August 2018 to 31 July 2019 have not been applied to the purposes identified by Parliament and the financial transactions do not conform to the authorities which govern them.

The framework that has been applied is set out in the Post-16 Audit Code of Practice (the Code) issued by ESFA. In line with this framework, our work has specifically not considered income received from the main funding grants generated through the Individualised Learner Record returns, for which ESFA has other assurance arrangements in place.

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

Respective responsibilities of the WEA and the reporting accountant

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

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Code. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 August 2018 to 31 July 2019 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

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

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

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

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

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 August 2018 to 31 July 2019 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Crowe U.K. LLP

Crowe U.K. LLP

Date 18th December 2019

Statement of financial activities for the year ended 31 July 2019

	Notes	2018/19 Unrestricted funds £'000	2018/19 Restricted funds £'000	2018/19 Total funds £'000	2017/18 Unrestricted funds £'000	2017/18 Restricted funds £'000	2017/18 Total funds £'000
Donations and legacies		42	2	44	41	5	46
Charitable activities	2	22,271	4,193	26,464	22,515	3,904	26,419
Investments	19	904	-	904	827	-	827
Other		17	1	18	97	4	101
Total income		23,234	4,196	27,430	23,480	3,913	27,393
Charitable activities	3	21,885	4,488	26,373	22,733	3,955	26,688
Other	18b	884	-	884	850	-	850
Total expenditure		22,769	4,488	27,257	23,583	3,955	27,538
Net income/(expenditure)		465	(292)	173	(103)	(42)	(145)
Transfers between funds	13	(63)	63	-	(55)	55	-
Actuarial (losses)/gains on defined benefit pension scheme	18e	(85)	-	(85)	1,658	-	1,658
Net movement in funds		317	(229)	88	1,500	13	1,513
Total funds brought forward		7,450	1,012	8,462	5,950	999	6,949
Total funds carried forward		7,767	783	8,550	7,450	1,012	8,462

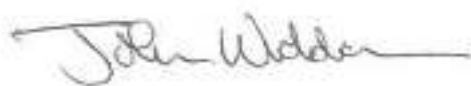
The statement of financial activities includes all gains and losses recognised in the year. All incoming resources and resources expended derive from continuing activities. The notes on pages 37 to 61 form part of these accounts.

Balance sheet as at 31 July 2019

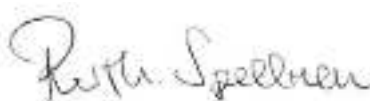
	Notes	2018/19 £'000	2017/18 £'000
Tangible assets	8	4,692	5,217
Total fixed assets		4,692	5,217
Debtors	9	969	1,253
Investments	16	1,543	1,546
Cash at bank and in hand	16	4,094	3,390
Total current assets		6,606	6,189
Creditors: amounts falling due within one year	10	(2,587)	(2,656)
Net current assets		4,019	3,533
Total assets less current liabilities		8,711	8,750
Creditors: amounts falling due after more than one year	10	(21)	(32)
Provisions for liabilities	22	(140)	(150)
Net assets excluding pension liability		8,550	8,568
Defined benefit pension scheme liability	18a	-	(106)
Total net assets		8,550	8,462
Restricted funds	13	783	1,012
Unrestricted funds	13	3,210	2,483
Designated funds	13	4,557	5,073
Pension deficit	18a	-	(106)
Total unrestricted funds	13	7,767	7,450
Total charity funds		8,550	8,462

The financial statements on pages 34 to 61 were approved by the Board of Trustees and authorised for issue on 17 December 2019, and are signed on its behalf by:

Company Number: 2806910



John Widdowson CBE
Chair of Trustees



Ruth Spellman
CEO and General Secretary

Cash flow statement for the year ended 31 July 2019

	Notes	2018/19 £'000	2018/19 £'000	2017/18 £'000	2017/18 £'000
Net cash provided by operating activities	14		898		(867)
Interest received	15	16		21	
Purchase of tangible assets	8	(213)		(735)	
Net cash used in investing activities			(197)		(714)
Net cash provided by / (used in) financing activities			-		-
Change in cash and cash equivalents in the reporting period			701		(1,581)
Cash and cash equivalents at the beginning of the reporting period			4,936		6,517
Cash and cash equivalents at the end of the reporting period			5,637		4,936

Notes to the cash flow statement	2018/19 £'000	2017/18 £'000

Analysis of cash and cash equivalents

Bank and cash	4,094	3,390
Short term deposits	1,543	1,546
Total cash and cash equivalents	5,637	4,936

Notes to the financial statements for the year ended 31st July 2019

Basis of preparation

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

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

- ▶ The WEA's business planning process, including financial projections, which have taken into consideration the current economic climate and its potential impact on the various sources of income and planned expenditure. The 2019/20 business plan will generate a £0.5m surplus to further strengthen the cash and free reserves.
- ▶ The WEA has replicated the devolution plans used for the 2019/20 budget planning which includes working closely with MCAs to align our provision with their requirements and modelling various financial scenarios for 2020/21. The modelling includes a consideration of the risks of securing funding and the actions required to mitigate the risk of income reductions. Devolution took effect from 1 August 2019 where approximately 28% of the ESFA funding was devolved (WEA secured devolved funding to a value equal to the 28% at risk in 2019/20) and from 1 August 2020 the devolved funding will increase to approximately 37% of the ESFA funding being devolved to MCAs. 12% has been secured to date.
- ▶ Close monitoring of the forward pipeline of secured and prospective contract and grant awards not only for 2019/20 but also for a period of at least one year from the date of approval of these accounts. A review of the income strategy has been brought forward into this year to validate the existing three year plan now in its third year of implementation.
- ▶ 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 under FRS 102.

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.

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

Incoming Resources

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

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

Volunteer time

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

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

Service Level Agreements are recognised in line with performance. These relate to fees and contract income.

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.

Notes to the financial statements for the year ended 31st July 2019

Resources Expended

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

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

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

Branches

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

Fixed assets and depreciation

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

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

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

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

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

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

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

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

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

Investments and Management of Liquid Resources

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

Notes to the financial statements for the year ended 31st July 2019

Pension Costs

Retirement benefits to employees are provided by the NOW: Pensions Scheme, the Teachers Pension (TP) and the Charity's own Workers' Educational Association pension scheme (WEA Scheme) whose trustee and administrator is The Pensions Trust. The NOW: Pensions scheme is a defined contribution scheme. The TP and WEA pension schemes are defined benefit schemes.

The TP scheme is a multi-employer scheme. It is not possible to identify the Association's share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis and therefore, as required by FRS 102, the WEA accounts for the scheme as if it were a defined contribution scheme. 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 Income and Expenditure Account or 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.

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.

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

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

Financial Instruments

WEA has financial assets and liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transition value, and subsequently measured at the settlement value. At the balance sheet date the WEA held financial assets at amortised cost of £6,411,857 (2018: £5,981,015) and financial liabilities at amortised cost of £1,975,299 (2018: £2,399,598)

Debtors

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

Creditors

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

Cash at Bank and in Hand

Cash at Bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

Key Judgements and Assumptions

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

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

Redundancy

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

Notes to the financial statements for the year ended 31st July 2019

Educational provision	Unrestricted £'000	Restricted £'000	Total 2018/19 £'000	Total 2017/18 £'000
Fees and contracts	3,039	544	3,583	3,480
Education and Skills Funding Agency (ESFA) grant	19,151	-	19,151	19,210
Other grants receivable	69	3,649	3,718	3,718
Other income from activities	12	-	12	11
Total incoming resources from charitable activities	22,271	4,193	26,464	26,419

	Total 2018/19 £'000	Total 2017/18 £'000
ESFA unrestricted grants		
ESFA contract	19,147	19,178
Other ESFA grants and contracts	4	12
ESFA unrestricted grants	19,151	19,190
Total ESFA restricted grants	-	20
Total ESFA contracts & grants	19,151	19,210
Other unrestricted grants		
Local authority grants	24	41
Sundry other grants	45	70
Total other unrestricted grants	69	111
Total other restricted grants	3,649	3,607
Total other grants	3,718	3,718

Educational Provision	Unrestricted £'000	Restricted £'000	Total 2018/19 £'000	Total 2017/18 £'000
Tutor Costs - staff	4,913	333	5,246	5,291
Tutor Costs - travel & subsistence	323	33	356	256
Direct Costs - staff	5,816	1,344	7,160	7,183
Direct Costs - other	2,613	264	2,877	3,174
Grants Payable	24	1,372	1,396	1,407
Governance Costs (note 4)	255	7	262	215
Support Costs (note 5)	7,941	1,135	9,076	9,162
Total resources expended on charitable activities	21,885	4,488	26,373	26,688

Notes to the financial statements for the year ended 31st July 2019

	Total 2018/19 £'000	Total 2017/18 £'000
External audit fees		
Crowe U.K. LLP (note 7)	40	51
Internal audit fees		
Crowe U.K. LLP (note 7)	-	11
Legal and professional fees	94	16
Trustees meetings and other costs (note 17)	15	15
Support costs (note 5)	113	122
Total governance costs	262	215

Legal and professional costs represent the costs of providing support on pensions, HR, projects and ICT.

	Educational		Governance	
	2018/19 £'000	2017/18 £'000	2018/19 £'000	2017/18 £'000
Central & regional management - staff	4,762	4,637	113	122
Central & regional management - other	2,139	2,179	-	-
Facilities management	871	916	-	-
IT & communications	1,304	1,430	-	-
Total support costs	9,076	9,162	113	122

Notes to the financial statements for the year ended 31st July 2019

	Total 2018/19 £'000	Total 2017/18 £'000
Wages and salaries	14,830	14,796
Social security costs	1,066	1,078
Pension costs	1,384	1,359
Redundancy costs	288	52
Total staff costs	17,568	17,285

The above figure does not include agency staff employed by the Association at a cost of £197,794 (2017/18: £419,020). At the year end £116,583 of the redundancy costs remained unpaid, payment was made in August 2019.

The number of employees during the year was as follows:	2018/19	2017/18
Core staff	402	405
Tutors	1,033	1,041
Total average number of employees	1,435	1,446

Number of employees earning £60,000 per annum and above are as follows:	2018/19	2017/18
£60,001 - £70,000	2	3
£70,001 - £80,000	2	2
£90,001 - £100,000	1	1
£120,001 - £130,000	1	1
	6	7

Pension benefits are accruing for all 6 (2017/18: 7) higher paid employees. Total employer pension contributions of £43,837 (2017/18: £44,198) have been made in relation to higher paid employees.

The key management personnel of the Charity are a Senior Management Team of six. During 2018/19 the Director of Student Services retired and was not replaced directly at Senior Management level. The total employee remuneration and benefits, employer NI and pension contributions of the key management personnel were £643,173 (2017/18: £594,267). The COO post was vacant for a period within 2017/18 and was covered by interim agency staff.

Charitable expenditure includes:	Total 2018/19 £'000	Total 2017/18 £'000
External auditors' remuneration	40	51
Other assurance services performed by external auditors*	-	11
Depreciation	704	617
Loss on disposal of tangible assets	34	5
Operating lease charges	353	361

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

Notes to the financial statements for the year ended 31st July 2019

	Land and Buildings £'000	Education Equipment £'000	Other Equipment £'000	Total 2018/19 £'000
Cost				
At 1 August 2018	5,857	1,541	4,205	11,603
Additions	82	26	105	213
Disposals	(82)	(29)	(8)	(119)
At 31 July 2019	5,857	1,538	4,302	11,697
Depreciation				
At 1 August 2018	1,639	1,523	3,224	6,386
Charge for the year	210	19	475	704
Disposals	(52)	(29)	(4)	(85)
At 31 July 2019	1,797	1,513	3,695	7,005
Net book value				
At 31 July 2019	4,060	25	607	4,692
At 1 August 2018	4,218	18	981	5,217

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

At the 31 July 2019 the charge was capped at £2,500,000.

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

	2018/19 £'000	2017/18 £'000
Trade debtors	157	367
Other debtors	479	598
Prepayments	195	207
Other grant income receivable	138	81
Total	969	1,253

Amounts falling due within one year	2018/19 £'000	2017/18 £'000
Trade creditors	236	442
Accruals	1,295	1,311
Social security & other taxes	423	595
Deferred Income	633	308
Total	2,587	2,656

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

Notes to the financial statements for the year ended 31st July 2019

	2018/19 £'000	2017/18 £'000
Opening balance	308	244
Amounts released	(308)	(244)
Amounts deferred	633	308
Closing balance	633	308

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.

As at 31st July 2019, the charity has annual commitments under non-cancellable leases as follows:

Expiry date:	Land and building leasehold £'000	Total 2018/19 £'000	Total 2017/18 £'000
Within one year	257	257	277
One to five years	366	366	436
Over five years	1	1	40
Total financial commitments - leases	624	624	753

Net assets	2018/19 Unrestricted funds £'000	2018/19 Restricted funds £'000	2018/19 Total Funds £'000	2017/18 Unrestricted funds £'000	2017/18 Restricted funds £'000	2017/18 Total funds £'000
Tangible fixed assets	4,557	135	4,692	5,073	145	5,218
Net current assets	3,371	648	4,019	2,665	868	3,533
Long term liabilities	(161)	-	(161)	(183)	-	(183)
Pension liability	-	-	-	(106)	-	(106)
Net assets	7,767	783	8,550	7,449	1,013	8,462

Notes to the financial statements for the year ended 31st July 2019

	At 1 August 2018 £'000	Income £'000	Expenditure £'000	Transfers £'000	Actuarial Loss £'000	At 31 July 2019 £'000
General funds	784	20,466	(19,650)	(51)	-	1,549
Branch funds	1,042	1,600	(1,638)	(114)	-	890
Regional branch reserve fund	657	-	-	114	-	771
	2,483	22,066	(21,288)	(51)	-	3,210
Designated funds	5,073	93	(597)	(12)	-	4,557
Pension deficit	(106)	1,075	(884)	-	(85)	-
	7,450	23,234	(22,769)	(63)	(85)	7,767
Restricted funds:						
Revenue	868	4,193	(4,464)	51	-	648
Fixed asset fund	144	3	(24)	12	-	135
	1,012	4,196	(4,488)	63	-	783
Total funds	8,462	27,430	(27,257)	-	(85)	8,550

Designated funds represent the part of the Association's funds balance represented by purchases of fixed assets.

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

Transfers between unrestricted and restricted funds:

Fixed asset funds: the transfer of £12,522 from designated funds to the ESFA-funded capital expenditure fund reflects the match funding that the WEA has provided during the year.

Restricted revenue: the transfer of £50,593 from unrestricted funds to restricted funds reflects match funding that the WEA has provided during the year.

Unrestricted funds:	At 1 August 2017 £'000	Income £'000	Expenditure £'000	Transfers £'000	Actuarial gain £'000	At 31 July 2018 £'000
General funds	1,357	20,510	(21,037)	(46)	-	784
Branch funds	979	1,558	(1,358)	(137)	-	1,042
Regional branch reserve fund	520	-	-	137	-	657
	2,856	22,068	(22,395)	(46)	-	2,483
Designated fund	4,945	475	(338)	(9)	-	5,073
Pension deficit	(1,851)	937	(850)	-	1,658	(106)
	5,950	23,480	(23,583)	(55)	1,658	7,450
Restricted funds:						
Revenue	840	3,913	(3,931)	46	-	868
Fixed asset fund	159	-	(24)	9	-	144
	999	3,913	(3,955)	55	-	1,012
Total funds	6,949	27,393	(27,538)	-	1,658	8,462

Notes to the financial statements for the year ended 31st July 2019

Lottery funded projects

	At 1 August 2018 £	Received income £	Accrued/Deferred/Matched income £	Funded expenditure £	Transfer from/(to) General Fund £	At 31 July 2019 £
Eastern						
Big Lottery Fund and ESF Building Better Opportunities Grant - Papworth Community Connections South	51	23,267	-	(23,236)	(82)	-
Big Lottery Fund and ESF Building Better Opportunities Grant - Papworth Community Connections	-	61,744	-	(74,083)	-	(12,339)
East Midlands						
Big Lottery Fund Funding - Leicester Ageing Together	18,623	-	-	(18,447)	(176)	-
Big Lottery Fund and ESF Building Better Opportunities Grant - Vista Will	-	65,131	11,365	(57,765)	-	18,731
Big Lottery Fund and ESF Building Better Opportunities Grant - Money Sorted in D2N2	-	58,701	307	(60,619)	-	(1,611)
Big Lottery Fund Funding - Mental Health and Wellbeing	16,840	-	16,531	(33,371)	-	-
Big Lottery Fund and ESF Building Better Opportunities Grant - Greater Lincolnshire Engagement Into Learning	-	(1,665)	-	1,665	-	-
North East						
Big Lottery Fund Grant - Greening Wingrove	7,130	-	-	705	-	7,835
Heritage Lottery Fund - North East 1918-1928	(3,386)	3,973	(864)	(3,330)	3,607	-
North West						
Ageing Better Programme - Brightlife Cheshire (Arts of Ageing)	13,699	(5,316)	-	(8,383)	-	-
Big Lottery Fund and ESF Building Better Opportunities Grant - New Leaf Cheshire	(1,764)	58,617	4,079	(58,768)	-	2,164
Big Lottery Fund and ESF Building Better Opportunities Grant - Sefton Liverpool Digital Inclusion	12,518	41,273	9,282	(69,322)	-	(6,249)
Big Lottery Fund and ESF Building Better Opportunities Grant - Halton Liverpool Digital inclusion	5,286	16,331	595	(26,799)	-	(4,587)
Big Lottery Fund and ESF Building Better Opportunities Grant Liverpool Financial Inclusion	-	-	-	(7,978)	7,978	-
Big Lottery Fund and ESF Building Better Opportunities Grant - Working Well in Carlisle & Eden Grant	19,891	266,979	-	(241,805)	-	45,065
Big Lottery Fund and ESF Building Better Opportunities Grant - Lancashire Digital Inclusion	139,156	582,054	49,300	(810,351)	39,841	-
The Womens' Organisation - ESIF ESCI	5,564	-	12,460	(5,892)	-	12,132
Southern						
Big Lottery Fund and ESF Building Better Opportunities Grant - Oxford and Cherwell Valley College Active Learning	-	1,047	-	(1,047)	-	-
Big Lottery Fund and ESF Building Better Opportunities Grant - Routes Community Works	8,436	40,117	-	(35,268)	-	13,285
Big Lottery Fund and ESF Building Better Opportunities Grant - Get Socially Active	9,857	25,424	8,175	(39,369)	-	4,087
Big Lottery Fund and ESF Building Better Opportunities Grant - Slough Borough Council-Ways into Work	-	2,702	5,557	(8,337)	-	(78)
Big Lottery Fund and ESF Building Better Opportunities Grant - Aspire - Family Learning Surrey	3,358	22,542	11,885	(32,473)	-	5,312
Big Lottery Fund and ESF Building Better Opportunities Grant - Building Family Bridges	-	337,664	(64,219)	(281,445)	-	(8,000)
Balance carried forward	255,259	1,600,585	64,453	(1,895,718)	51,168	75,747

Lottery funded projects (continued)

	At 1 August 2018 £	Received income £	Accrued/ Deferred/ Matched income £	Funded expenditure £	Transfer from/(to) General Fund £	At 31 July 2019 £
Balance brought forward	255,259	1,600,585	64,453	(1,895,718)	51,168	75,747
West Midlands						
Big Lottery Fund and ESF Building Better Opportunities Grant - Aspire	11,169	-	-	(11,169)	-	-
Big Lottery Fund and ESF Building Better Opportunities Grant - Accelerate	(2,692)	23,711	(14,564)	(16,755)	-	(10,300)
Big Lottery Fund and ESF Building Better Opportunities Grant - Community Matters	1,159	(18,978)	14,708	(13,796)	-	(16,907)
Yorkshire & Humber						
Big Lottery Fund and ESF Building Better Opportunities Grant - Action Towards Improvement	2,633	19,925	(1,854)	(21,402)	-	(698)
Heritage Lottery Fund - Painted Fabrics	6,469	43,000	-	(49,469)	-	-
BLF Men's Health Lounge	-	9,928	-	(8,044)	-	1,884
Scotland						
Heritage Lottery Fund - Bringing to Life the Meaning of Conscientious Objection across Scotland	-	42,886	(9,492)	(33,394)	-	-
Big Lottery Fund - Reach Out Project	-	106,824	-	(39,399)	-	67,425
Total lottery fund projects	273,997	1,827,881	53,251	(2,089,146)	51,168	117,151
Other projects						
ESF (note 13b)	3,317	656,910	(284,803)	(370,509)	-	4,915
Other restricted funds (note 13c)	590,512	2,054,791	(114,094)	(2,004,605)	(575)	526,029
Total restricted revenue funds (note 13)	867,826	4,539,582	(345,646)	(4,464,260)	50,593	648,095

Notes to the financial statements for the year ended 31st July 2019

European Social Funds (ESF) and other European funding

	At 1 August 2018 £	Received income £	Accrued/ Deferred/ Matched income £	Funded expenditure £	Transfer from / (to) General Fund £	At 31 July 2019 £
Scotland						
Scottish Refugee Council - EU Asylum, Migration and Integration Fund: Rights and Communities Project	-	38,052	33,382	(69,182)	-	2,252
Scottish Refugee Council - EU Asylum, Migration and Integration Fund: Sharing Lives Sharing Languages	-	3,188	-	(525)	-	2,663
North East						
Erasmus	3,317	4,032	-	(7,349)	-	-
North West						
ESF 16-18 Community Grants Liverpool	-	533,873	(301,184)	(232,689)	-	-
ESF 16-18 Community Grants Halton	-	77,765	(50,682)	(27,083)	-	-
ESF 19-21 Community Grants Manchester	-	-	8,662	(8,662)	-	-
ESF 19-21 Community Grants Lancashire	-	-	12,775	(12,775)	-	-
ESF 19-21 Community Grants Halton	-	-	1,250	(1,250)	-	-
ESF 19-21 Community Grants Liverpool	-	-	10,994	(10,994)	-	-
Total European restricted funds (note 13a)	3,317	656,910	(284,803)	(370,509)	-	4,915

Notes to the financial statements for the year ended 31st July 2019

Other restricted funds

	At 1 August 2018 £	Received income £	Accrued/ Deferred/ Matched income £	Funded expenditure £	Transfer from General Fund £	At 31 July 2019 £
Association Services						
Olive Cordell	6,008	-	-	(600)	-	5,408
Restricted Gift	500	-	-	-	-	500
ESFA-Flexible Learning Pilot	13,889	329,712	-	(343,601)	-	-
FETL Research Grant	-	39,735	-	(39,735)	-	-
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	358	7,370	-	(8,234)	506	-
LinHigher - Raising Aspirations	-	4,916	-	(584)	-	4,332
Bailey Thomas Fund - Lets Grow Together	-	3,000	-	-	-	3,000
Nottinghamshire ACLS 18-19 Inspire Learning	-	297	-	(297)	-	-
Eastern						
The Basil Slaughter Trust for Adult Education	-	-	-	(143)	-	(143)
Orbit Housing	-	11,898	-	(7,749)	-	4,149
Lester John Desmond Legacy	1,468	-	-	(2)	-	1,466
Active Practitioners	6,748	2,500	-	(9,248)	-	-
Clarion Housing	-	4,000	-	-	-	4,000
London						
Ilford Legacy	16,271	-	-	(885)	-	15,386
Hackney CVS	1,845	-	-	(1,845)	-	-
Cottier Legacy	10,118	-	-	(4,015)	-	6,103
ICELP Together We Learn	-	413,023	(230,936)	(87,919)	-	94,168
North East						
100 Club	1,803	15	-	-	-	1,818
Unison Bridges to Learn 7	13,695	88,123	(7,381)	(94,437)	-	-
Comic Relief- Active Ageing	17,324	17,355	-	(27,990)	-	6,689
NHS Newcastle Workshops	-	909	-	(1,033)	-	(124)
Unison Bridges to Learn 8	-	36,626	484	(37,110)	-	-
Achieving Further	-	2,800	-	(579)	-	2,221
North West						
RSC - Any Old Ions	15,297	-	-	(14)	-	15,283
RAS - Look Up to the Skies	32,077	6	-	(20,850)	-	11,233
Wellcome Trust	71,928	(2,016)	2,952	(73,176)	-	(312)
South West						
Reuben George Fund	323	-	-	(323)	-	-
Gloucestershire County Council - Growing Our Communities	-	3,255	-	(1,123)	-	2,132
Southern						
Southampton CC - Writing Courses	14,540	3,954	-	(15,220)	-	3,274
Fred Adler Legacy	83,220	-	-	(4,340)	-	78,880
Joan Taylor Legacy	812	-	-	-	-	812
K Smith Legacy	31,862	-	-	31	-	31,893
Santander	2,509	-	-	(1,566)	-	943
HiWCF Solent	1,472	-	-	(1,472)	-	-
Southampton City Council-Community Learning	21,081	(21,081)	-	-	-	-
ESOL Project OCC	4,729	(2,223)	-	(2,506)	-	-
ESOL Pathways	1,579	-	-	(1,579)	-	-
Sport England	-	18,832	-	(5,580)	-	13,252
Balance carried forward	384,751	963,006	(234,881)	(793,724)	506	319,658

Notes to the financial statements for the year ended 31st July 2019

Other restricted funds (continued)

	At 1 August 2018 £	Received income £	Accrued/ Deferred/ Matched income £	Funded expenditure £	Transfer from General Fund £	At 31 July 2019 £
Balance brought forward	384,751	963,006	(234,881)	(793,724)	506	319,658
West Midlands						
Dudley MBC - Healthy Towns	-	79,800	2,000	(60,130)	-	21,670
Wellcome Trust	-	2,016	-	(2,016)	-	-
Nottingham City Council - Midlands Engine	-	77,428	52,203	(129,731)	-	(100)
Yorkshire & Humber						
Mike Haywood Fund	2,115	-	-	-	-	2,115
Yorkshire Adult Schools Union	8,300	-	-	-	-	8,300
British Council Active Citizens	2,852	12,038	-	(14,890)	-	-
C&G Canal and River Trust	1,382	-	-	(1,382)	-	-
Confidence to study	-	36,000	-	(10,819)	-	25,181
Painted Fabrics	-	3,000	-	(1,919)	(1,081)	-
Voices Doncaster	-	2,500	-	(2,500)	-	-
Sport England	-	59,626	13,826	(52,856)	-	20,596
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	22,113	83,662	(6,804)	(83,591)	-	15,380
Scottish Government - Inspiring Scotland - Self Directed Support Project 2015 - 2018	16,698	924	-	(16,696)	-	926
Scottish Government - Health and Social Care - Self Directed Support Project 2018 - 2020	-	33,230	34,299	(53,239)	-	14,290
Scottish Government - Vote Centenary Grants Scheme - Highland Womens' Choir	5,000	1,047	-	(6,047)	-	-
Scottish Government - Learning Links Scotland - Home School Link Project	-	4,000	-	(4,000)	-	-
Highland Community Planning Partnership - ESOL Programme	7,839	6,404	(1,994)	(12,231)	-	18
Highlife Highland - Open Programme	5,000	10,000	-	(5,660)	-	9,340
Calouste Gulbenkian Foundation	13,652	3,000	-	(16,652)	-	-
Edinburgh Community Learning & Development Partnership - ESOL Programme	6,600	-	-	(2,586)	-	4,014
Falkirk Council - Job Clubs	12,511	22,280	-	(17,671)	-	17,120
Aberdeenshire Council - Adult Education Programme	21,739	12,450	12,450	(36,367)	-	10,272
Aberdeen City Literacy Partnership - ESOL Programme	3,356	-	(47)	(3,309)	-	-
Aberdeen City Council - Parenting Project	12,770	-	-	-	-	12,770
South Lanarkshire Literacy Partnership - ESOL Programme	800	-	-	(800)	-	-
Endrick Trust	825	-	-	-	-	825
Glasgow City Council - Integrated Grant Fund - Adult Literacies and ESOL 2019-20	-	27,563	-	(23,686)	-	3,877
Glasgow City Council - Integrated Grant Fund - Adult Literacies and ESOL 2018-19	25,157	47,949	-	(73,106)	-	-
British Red Cross Chrysalis Project	-	16,744	-	(16,744)	-	-
Glasgow Literacy Partnership - ESOL Programme	-	12,250	-	(12,250)	-	-
Reach Out Project - General	7,900	-	-	(1,284)	-	6,616
Aberdeen City Council - Fairer Aberdeen Fund	3,457	20,968	-	(24,425)	-	-
Aberdeen City Council - Health & Social Care Partnership	-	26,000	-	(26,000)	-	-
Aberdeen City Council - Education Department	-	8,000	-	(8,000)	-	-
Robert Gordon University	-	1,120	-	(1,120)	-	-
North Ayrshire Council - ESOL Programme	7,456	58,302	55	(64,583)	-	1,230
South Lanarkshire Council - Additional ESOL Programme	-	1,650	-	(1,650)	-	-
Fife Council - Revenue Grant	-	29,361	-	(29,361)	-	-
Fife Council - Teaching Grant	8,913	13,827	-	(9,186)	-	13,554
Aberdeen City Council - Revenue Grant	-	33,750	(11,250)	(22,500)	-	-
Aberdeen City Council - Teaching Grant	9,326	16,920	(5,640)	(9,276)	-	11,330
University of Hertfordshire - Bristol Festival - Everyday Lives in War	-	3,087	-	(3,087)	-	-
Edinburgh College - National ESOL Programme 2018-19	-	-	4,000	(4,000)	-	-
West Highland College - National ESOL Programme 2018-19	-	6,313	-	(6,313)	-	-
Aberdeenshire Council - Home Office - ESOL Programme	-	6,800	-	(6,800)	-	-
North East Scotland College - National ESOL Programme 2018-19	-	11,526	27,689	(39,215)	-	-
Bank of Scotland Foundation	-	10,250	-	(3,203)	-	7,047
Total other restricted funds (note 13)	590,512	2,054,791	(114,094)	(2,004,605)	(575)	526,029

Notes to the financial statements for the year ended 31st July 2019

Prior year statement of funds

Lottery funded projects

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

Notes to the financial statements for the year ended 31st July 2019

Prior year statement of funds (continued)

Lottery funded projects (continued)

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

Notes to the financial statements for the year ended 31st July 2019

Prior Year Statement of funds (continued)
European Social Funds (ESF) and other European funding

	At 1 August 2017 £	Received income £	Accrued/ Deferred/ Matched income £	Funded expenditure £	Transfer from / (to) General Fund £	At 31 July 2018 £
North East						
Erasmus	3,876	5,417	-	(5,976)	-	3,317
North West						
ESF 1618 Community Grants Liverpool	(16,588)	477,122	284,721	(745,255)	-	-
ESF1618 Community Grants Halton	202	50,469	50,681	(101,352)	-	-
Total European restricted funds (note 13d)	(12,510)	533,008	335,402	(852,583)	-	3,317

Notes to the financial statements for the year ended 31st July 2019

Prior year statement of funds (continued)

Other restricted funds

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

Notes to the financial statements for the year ended 31st July 2019

Prior year statement of funds (continued)

Other restricted funds (continued)

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

Notes to the financial statements for the year ended 31st July 2019

	2018/19 £'000	2017/18 £'000
Net incoming/(outgoing) resources	173	(145)
Loss on disposal of fixed assets	34	5
Depreciation	704	617
Other finance charges	884	850
Decrease/(increase) in debtors	284	(504)
(Decrease) in creditors and provisions	(90)	(732)
Interest received	(16)	(21)
Other finance income	(888)	(806)
Non cash movements in respect of FRS 102 s.28	(187)	(131)
Net cash inflow from operating activities	898	(867)

	2018/19 £'000	2017/18 £'000
Income from investments and interest receivable	16	21
Net cash inflow for return on investments and servicing of finance	16	21

Net cash	At 1 August 2018 £'000	Cash flow £'000	At 31 July 2019 £'000
Short term deposits	1,546	(3)	1,543
Bank and cash	3,390	704	4,094
Total net funds	4,936	701	5,637

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

Trustees' expenses	2018/19 £'000	2017/18 £'000
Trustee meetings	2	3
Trustee travel	12	11
Trustee subsistence and accommodation	1	1
	15	15

The number of trustees reimbursed out of pocket travel and subsistence expenses was 10 (2017/18:12).

The trustees hold indemnity insurance. During the year, the Association spent £1,680 (2017/18: £1,680), to purchase this indemnity insurance policy.

Notes to the financial statements for the year ended 31st July 2019

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

The TP Scheme

The Association participates in the Teachers' Pension Scheme ("the TPS") for its teaching staff. The pension charge for the year includes contributions payable to the TPS of £1,025,210 (2018: £1,061,968) and at the year-end £82,628 (2018 - £98,360) 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 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.

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 a remedy to the discrimination conclusion has been determined by the Employment Tribunal 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 NOW: Pensions (auto-enrolment) Scheme is a defined contribution scheme contracted to NOW: Pensions, a pension scheme provider to oversee the WEA's legal obligation to enrol into a workplace pension workers who are not already participating in a qualifying workplace pension scheme, and who meet other stipulated criteria as to monthly taxable earnings if aged over 22 years, and their age in relation to State Pension age. Up to April 2019 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% attracted no further WEA contribution. Since April 2019 the WEA contributes 4.5% and employees contribute a minimum of 3.5%. Employees can choose to contribute at a higher level, but the WEA contribution remains the same.

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 2019 by a qualified actuary independent of the scheme's sponsoring employer.

This most recent actuarial valuation at 30 September 2017 showed a deficit of £4,148,000. 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).

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

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

Notes to the financial statements for the year ended 31st July 2019

	2018/19	2017/18
Principal assumptions		
Discount rate	2.50%	2.65%
Inflation (RPI)	3.30%	3.20%
Inflation (CPI)	2.30%	2.20%
Deferred revaluations	3.30%	3.20%
Salary increases	3.25%	3.20%
Allowance for pension in payment increases of CPI, or 5% p.a. if less	2.30%	2.20%
Allowance for pension in payment increases of CPI, or 3% p.a. if less	1.95%	1.90%
Allowance for pension in payment increases of CPI, or 2.5% p.a. if less	1.75%	1.70%
Allowance for commutation of pension for cash at retirement	75% of maximum	75% of maximum
The mortality assumptions adopted at 31 July 2018(2017) imply the following life expectancies (in years):		
Male retiring at age 65 in 2019 (2018)	22.1	22.3
Female retiring at age 65 in 2019 (2018)	23.9	24.0
Male retiring at age 65 in 2039 (2038)	23.5	23.7
Female retiring at age 65 in 2039 (2038)	25.1	25.3

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

	2018/19 £'000	2017/18 £'000
Present value of scheme liabilities	(35,089)	(33,804)
Fair value of scheme assets	37,911	33,698
Surplus/(deficit)	2,822	(106)
Amounts in the balance sheet		
Liabilities	-	(106)
Assets	-	-
Net liability to be recognised	-	(106)

The surplus in 2018/19 is not considered a recoverable amount and therefore has not been recognised in the financial statements in accordance with FRS102.

b) Reconciliation of present value of scheme liabilities and assets

	2018/19 £'000	2017/18 £'000
Present value of the defined benefit scheme		
Opening scheme liabilities	33,804	34,630
Current service cost	244	297
Expenses	-	112
Interest cost	884	850
Contributions by employees	141	163
Past service cost	88	-
Actuarial losses	974	(440)
Benefits paid	(1,046)	(1,808)
Closing defined benefit obligations	35,089	33,804

Notes to the financial statements for the year ended 31st July 2019

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

	2018/19 £'000	2017/18 £'000
Opening fair value of the scheme assets	33,698	32,779
Interest income	888	806
Expenses	(138)	-
Actuarial gains	3,711	1,218
Contributions by employer	657	540
Contributions by employees	141	163
Benefits paid	(1,046)	(1,808)
Closing fair value of the scheme assets	37,911	33,698

The actual return on the scheme assets over the period ended 31 July 2019 was £4,599,000.

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

	2018/19 £'000	2017/18 £'000
Current service cost	244	297
Expenses	138	112
Past service cost	88	-
Net interest cost	(4)	44
Total amounts charged within net incoming resources	466	453

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

	2018/19 £'000	2017/18 £'000
Net actuarial (loss)/gain recognised in the year	(85)	1,658
Net actuarial (loss)/gain	(85)	1,658

f) Fair value of assets

	Value at 31 July 2019 £'000	Proportion	Value at 31 July 2018 £'000	Proportion
Equity type assets	10,583	27.9%	14,205	42.2%
Bonds	21,326	56.3%	17,563	52.0%
Property	1,976	5.2%	1,845	5.5%
Other	4,026	10.6%	85	0.3%
Total value of assets	37,911	100.0%	33,698	100.0%

Notes to the financial statements for the year ended 31st July 2019

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

	2018/19 £'000	2017/18 £'000	2016/17 £'000	2015/16 £'000	2013/14 £'000
Present value of scheme liabilities	(35,089)	(33,804)	(34,630)	(34,169)	(30,118)
Scheme Assets	37,911	33,698	32,779	30,901	26,859
Surplus/(deficit)	2,822*	(106)	(1,851)	(3,268)	(3,259)
Experience adjustments on scheme liabilities	92	(630)	783	219	(264)
Percentage of the present value of scheme liabilities	(0.3%)	1.9%	2.2%	0.6%	(0.9%)
Experience adjustments on scheme assets	3,711	1,218	1,425	3,256	1,884
Percentage of the fair value of scheme assets	9.8%	3.6%	4.3%	10.5%	7.0%

*The surplus of £2,822,000 has only been recognised to the point of removing the brought forward deficit in the Statement of Financial Activities as it is not considered to be a recoverable amount.

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

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

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

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

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

	2018/19 £'000	2017/18 £'000
Interest on cash deposits	16	21
Interest on pension scheme assets	888	806
	904	827

At 31st July 2019 the Association owned the entire issued share capital of 1 ordinary shares (2017/18: 1 share) of WEA Trading Ltd. At 31st July 2019 the aggregate of share capital and reserves of WEA Enterprises Limited was £1 (2017/18: £1).

The company has not traded during the period and has nil assets at 2018/19 (2017/18: nil). Consolidated accounts have not been prepared, given that the results of the company, its aggregate reserves and capital are immaterial in the opinion of the trustees.

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 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 £9,675 (2017/18: nil).

Odgers Berndtson have charged the Association £9,675 in 2018/19 which is the first payment of a contract to recruit a new CEO. Narinder Uppal, a WEA trustee, is an employee of a company within the Odgers financial group. The amount owing at 31 July 2019 was £9,675.

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

	2018/19 £'000
Leased property Dilapidation	
At 1 August 2018	150
Provisions charged	-
Provisions released	(10)
At 31 July 2019	140

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.