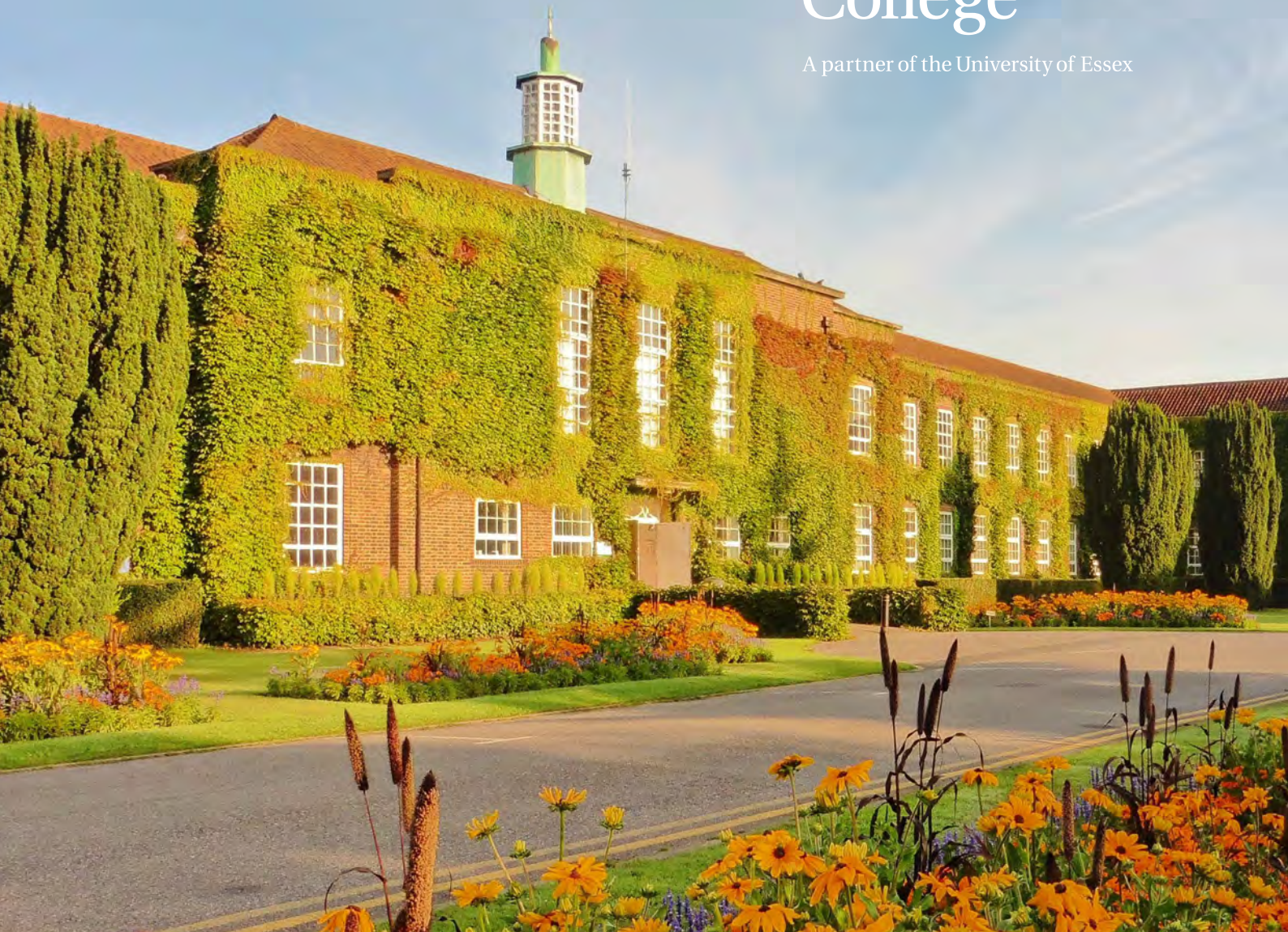


Writtle College

A partner of the University of Essex



Report and Financial Statements Year Ended 31 July 2015





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NATURE, OBJECTIVES AND STRATEGIES

The members present their report and the audited financial statements for the year ended 31 July 2015.

Legal Status

On the 1st October 1994, the College transferred from the Further Education sector to the Higher Education sector upon the authority of the Secretary of State for Education and by order of the Privy Council under Section 124A (3) and (4) of the Education Reform Act, 1988.

The College has one wholly owned company, Writtle College Services Ltd, (WCSL) which is currently dormant.

Vision and Mission

The top level new Strategic Vision 2015-2018 was approved by the Board of Governors during the 2014 autumn term.

Writtle College's Strategic Vision is *"A distinctive place to study and to serve the environment through science and the arts. Recognised for the quality of our specialist education locally, regionally, nationally and internationally"*.

In order to achieve this desired end state, the college mission is *"Transforming lives and the environment through inspiring education"*. Underpinning this are core values and ambitious plans. Realisation of our ambitions will propel us to be:

- An independent college in the university sector.
- An outstanding Further Education provider.
- A high quality diverse community of international acclaim.
- A business partner of choice.

To achieve these goals, a number of enabling strategies have been developed for Higher Education, Further Education, Human Resources, Estates, Marketing, IS&T, Research and Business & Financial.

Financial Objectives

The overall financial objective is to maintain a robust and stable financial position, on which bedrock the College can be confident of achieving its educational aspirations. The four key strategic themes identified are:

- Quality of Financial and Management information.
- Revenue maximisation, including grant funding and third stream income.
- Cost savings and efficiencies.
- College structure and investment strategy.

Priority actions have been agreed for the 2015/16 year and outputs will be measured.

FINANCIAL RESULTS

Summary Financial Results

Please find below a summary of the financial results for 2014/15 with prior year comparatives.

	2015	2014
	£k	£k
Income	17,405	16,777
Expenditure	16,844	16,402
Surplus after depreciation of assets at valuation	561	375
Profit on disposal of land & buildings	241	543
Pension credit re disposal of shuttleworth staff	–	629
	802	1,547
Depreciation on revalued assets	180	180
Realisation of property valuation gains of prior years	36	72
Adjusted Surplus/ (Deficit) at Historic Cost	1,018	1,799

Surplus for the Year

For the financial year ended 31 July 2015 the College is reporting an Historic cost surplus after depreciation of assets at valuation of £1,018k (2014 £1,799k) with a Surplus after exceptional items of £802k (2014 £1,547k). The surplus for 2015 includes profit on disposal of land and property from the Estate at £241k (2014 £543k).

Total income for the year of £17.4m represents an overall increase of 4% on the previous year, despite reduced direct government funding for higher education on introduction of the new fee regime, and a lesser reduction also in FE funding.

Expenditure has been well controlled and in particular savings have been made against budget in the areas of staffing and property, though some essential property work will need to be carried into 2015/16.

Staffing Costs

The overall employee expenditure, expressed as a percentage of the total College income was further reduced to 54.5% in 2015/16, from 57.2% in the previous year.

Balance Sheet

The College had an accumulated Income and Expenditure account of £8,151k (2014 £6,777k) excluding Pension Liability of £10,892k. Total reserves were £2,763k (2014 £2,489k) including Revaluation Reserve of £5,504k (2014 £5,720k). The cash position stood at £5,233k (2014 £4,287k) and long term debt of £4,475k (2014 £4,430k) at the Balance Sheet date.

Tangible fixed asset additions during the year amounted to £1,179k, split between land and buildings acquired and assets under construction of £467k and equipment purchased of £712k. The major items of spend during the year included the new canine therapy unit TC2 (completed September 2015), new gas fired boiler system in TC1, 2 mini-buses, dishwasher (catering), muck spreader, new generator and LED lighting to Lordship Campus.

Cash Flow and Liquidity

The College achieved a net cash inflow from operating activities for 2015 of £1,901k (2014 £2,051k). Sufficient cash is held to meet the repayment of the fixed term interest only loan of £3.6m. High costs have been quoted to break this arrangement early and the College is currently in discussion with its bankers.

The continued improving trend in cash flow from operating activities is reflected in the College's year end cash balances. All creditor payments were met as they fell due.

Outlook

As a mixed higher and further education economy the College is dependent on strong levels of recruitment in each area and is equally exposed to government funding cuts in the HE and FE sectors. With relatively fixed costs of teaching delivery and high estate overheads the revenue generated by each additional student recruited goes through to the bottom line surplus, making student numbers absolutely key to future financial stability.

The financial year 2014/15 saw the HE sector continuing to come to terms with the financial impact of reduced direct government funding and the removal of the Student Number Control (SNC).

The introduction of the new higher education fee regime resulted in a substantial reduction in recruitment, into the 2012/13 cohort, which is still impacting on third year student numbers in 2014/15. Recruitment improved in 2014/15 but has dropped back slightly going into 2015/16. In 2014/15 the College introduced a four year Integrated Masters programme for veterinary physiotherapy and this will have a roll-through positive impact on student numbers into 2016/17 and beyond.

There are general concerns about the level of HE recruitment with a limited national pool of students electing to pursue agriculture and horticulture at degree level. In response to this the College recognises the need to consider broadening its offering, but without losing sight of its specialism. International recruitment has not been as strong as it could be and this is seen as a potential opportunity with the correct level of marketing support in place.

The FE market is arguably an easier one for this College with a good reputation locally, practical skills training which lends itself to apprenticeships and most importantly a stronger position financially compared to other FE institutions. Accordingly, in the five year plan a modest 3% growth rate has been assumed and the early signs are that we have recruited to this level in 2015/16.

In the short to medium term new alternative sources of third stream income are being sought and there is a continued focus on improved efficiency and cost savings, without detracting from the quality of the provision.

PUBLIC BENEFIT

Writtle College is a Higher Education Institution and, therefore, an exempt charity under the terms of the Charities Act 2011. In setting and reviewing the Colleges strategic objectives, the Governing Body has had due regard to the Charity Commission Guidance on public benefit and particularly the supplementary guidance on the advancement of education. Our charitable objectives are the provision of Higher and Further education and the carrying out of research.

Government research attests to the enhanced social and economic benefits gained by individuals and the wider public as direct and indirect results of people engaging with further and higher educations. Recognising the benefits of engagement with education beyond school leaving age, the law has now been amended to increase the age of participation to 18. Anyone born on or after 1 September 1997 is now required to undertake some form of further education until their 18th birthday. A substantial body of information shows clearly that training and research undertaken by HEIs has important and measurable regional and national economic and social benefits, evidenced by publications and research material available on the Higher Education Funding Council (HEFCE) website. The wider public benefit and national economic importance of vocational training and research undertaken by institutions such as Writtle College was highlighted in the Government's UK Strategy for Agricultural Technologies, published July 2013.

Vision and Mission

Core aspects of how Writtle College provides public benefit are articulated in our Strategic Plan.

Our Strategic Vision Statement is that Writtle College will be "A distinctive place to study and to serve the environment through science and the arts", and our Mission Statement is "Transforming lives and the environment through inspiring education".

The College delivers its vision and mission through five objectives:

1. Students

To provide an excellent learning experience for all our students, through engagement with well-informed teaching, delivered by experts, in a supportive and stimulating environment.



2. Research

To ensure that our research makes a major contribution to the maintenance of an appropriate academic culture; enhances the ability of the College to engage with the industries it serves within the wider context of the natural environment and is inclusive of all members of our academic community who have the potential to make a relevant contribution. To be recognised for the excellence of our research in the land-based sector, as well as for a distinctive blend of science, arts, and business across our research portfolio.

3. Industry and Business

To strengthen and grow our links with industry and business. To be known for our high quality and flexible delivery of quality knowledge transfer, research and consultancy.

4. Public Profile

To enhance our networks and reputation globally, nationally, regionally and locally by proactively engaging with our audiences. To reflect our brand values, communicating the richness and diversity of the Writtle portfolio, and demonstrating the wealth of academic expertise, especially through dissemination of research and enterprise initiatives.

5. Financial and Human Resources

Through careful planning and investment ensure activities carried out are financially sustainable. To recruit, retain and support employees so that they are engaged, they excel and are able to perform at their very best.



Public Benefit and Higher Education

Students undertaking courses at Writtle College obtain a direct benefit from the education they receive and the enhanced careers which they subsequently pursue. A wider benefit is also afforded to society as they implement their specialist knowledge and graduate skills throughout the course of their careers.

In addition to providing subject specific theoretical knowledge, understanding and practical skills Writtle College courses also address topics relevant to the development of an informed, active, and inquiring citizenry; including ethics, sustainability, and climate change. In addition to subject-specific expertise offered by lecturers, the College provides a supportive environment in which those with a variety of learning requirements, and those with a range of disabilities, can benefit from an education at Writtle.

The School of Sport, Equine and Animal Sciences offers undergraduate, taught postgraduate and research degrees in these areas and Veterinary Physiotherapy. Graduates go on to serve their professions in a range of roles that benefit society including *inter alia*; public health, food supply and production, animal welfare, and the recreation and leisure industries. Research in the school spans fields as diverse as conservation, genetics, studies into dangerous dogs, ruminant nutrition, and fertility. The outcomes of this research are widely published and cited, making a significant contribution to the sum of scientific knowledge. The College has continued to benefit from a substantial BBSRC (Biotechnology and Biological Sciences Research Council) award granted in 2012 for a joint project with the University of Essex and the Royal Veterinary College focused on the tracking of dairy cattle. The impact of case studies submitted as part of the 2014 Research Excellence Framework (REF) attest to the social and economic value of the research undertaken by members of academic staff at this College.

Numerous professional and charitable bodies sponsor prizes and awards for our students, an independent recognition of the value of our provision to their respective sectors. These include: Novus International, The Alice Noakes Charitable Trust, Wynne-Williams Associates, Strutt & Parker, The Essex Wildlife Trust, and the Worshipful Company of Farmers.

The School of Sustainable Environment and Design offers programmes in Agriculture, Conservation, Floristry, Horticulture and incorporates what was previously known as the Writtle School of Design.

Across the school portfolio, and indeed across the provision of the College, issues of sustainability are key. Staff and students work on the problems of reconciling the need for greater arable and livestock production to meet a growing world population with the imperative to manage land sustainably for the benefit of future generations. Research within the School spans thermodynamic analyses of ecosystems – focusing on resilience to climate change – through to close collaboration with supermarkets and packaging companies in post-harvest technology; applying research to minimize food waste, transport costs, and carbon emissions.

The School of Sustainable Environment and Design offers an interrelated programme of teaching and research in the fields of Art and Design and Landscape Architecture and Garden Design, drawing inspiration from society and the environment. Staff and students have participated in regional and national design projects, won prizes for their work, and enjoyed notable success in securing prestigious internships and employment. Through its outreach initiatives the school delivers a range of community and regionally-based activities as well as enriching the undergraduate and postgraduate curriculum. These include bespoke training and awareness sessions for Essex secondary school teachers, with presentations from our recent graduates; summer schools; and school visits.

Most courses are flexible – full and part time – in order to suit a wide range of potential applicants with different personal/family circumstances. The block-delivery pattern of our innovative MSc in Arable Crop Management, for example – scheduled to avoid the peak times of the farming year – has been notably successful in attracting working farmers to return to the University sector and upskill.

In May 2015 Writtle College hosted the 8th annual Essex Schools Food and Farming Day with more than 2,500 primary school children attending from over 60 schools across Essex. College staff, local farmers, and other exhibitors offer these students insights into agriculture, food production and conservation, making use of the College estate and specialist resources to illuminate vital issues for a wider constituency of learners.

Public Benefit and Further Education

The Further Education (FE) Division offers a range of programmes in land-based and associated subjects from level 1 to level 3 including apprenticeships, 14-16 schools' work and full cost short courses which are often bespoke for employers. Provision is offered at level 1, 2 and level 3 with good progression routes into HE.

The FE Division is organised into two curriculum areas:

- Faculty of Animal Management (which offers programmes in animal management, dog grooming and horse management).
- Faculty of Art & Design, Floristry, Sport and Land-based provision.

Progression into employment or further or higher education is good and a strong emphasis is placed on providing employability skills and supporting progression within education. For example, as an integral part of their Programme, all full-time learners undertake a work placement which forms part of their qualification and a number of 'real work environments' are effectively utilised to develop skills such as a floristry training shop, dog grooming parlour, animal unit and equine yard, stud duties and estate duties.

All full-time 16 to 18 year-old learners participate in study programmes including a main qualification, work experience, employability training and English and Maths. This individually-tailored package of learning provides not only a main qualification but wider life skills which improve progression and employment potential. Examples of employability training undertaken include Certificates of Competence (tractor driving, pesticide application, forklift truck operation), fitness instructing, photography, sustainable development, enterprise skills and coaching.

Enrichment activities based around being healthy, staying safe, enjoying and achieving, developing awareness of equality and diversity, enterprise skills and awareness of sustainability are built into all study programmes. Examples of activities include:

- Learners across the Division participating in the Essex 'Road Runners' event held at the College which focuses on promoting safe driving, drug awareness and the dangers of drink driving.
- Encouragement of physical activity such as participating in nature walks and undertaking yard and estate duties, plus individual and team sports, as part of the curriculum.
- Promotion of healthy eating through horticulture students growing their own vegetables.
- Study tours which provide opportunities to undertake new experiences alongside meeting curriculum objectives.
- Promotion of volunteering. For example:
 - Animal Studies learners encouraged to help in primary schools, visit the elderly and support the 'Vets and Wildlife' volunteer scheme.
 - Sports students working with local schools to provide coaching assistance.

- Working with local organisations and facilities. For example:
 - Countryside learners undertaking work at a local power station, woods and Danbury Country Park as part of their curriculum. Examples of work include renovating and installing bridges and maintenance of paths and hedges.
 - Floristry students providing floral displays for Harvest Festival at the local parish church.
 - Animal Studies learners assisting in the training of police sniffer dogs and raising money for the Canine Partners charity.
 - Equine learners raising money for Cancer Research.
 - Horticulture learners building a water feature at a local primary school.
- Learners are able to display their work with some participating in local and national competitions. For example:
 - Art and Design students holding a Writtle College Art Exhibition which is open to friends, families and the public.
 - Floristry learners participating in producing a display for the Hampton Court Palace Flower Show.
 - Horticulture learners achieving Gold in the Young Gardeners of the Year competition at the Ideal Home Show 2015.

The Division continues to work hard to develop a number of collaborations and partnerships with stakeholders, which enhance quality and efficiency, as well as developing communication and planning. Examples of these include:

- **Schools** – opportunities for 14-16 learners to undertake vocational programmes, taster days, special schools work, enhanced curriculum sessions.
- **Colleges** – collaborative funded projects, peer review, lesson observation moderation, sharing good practice, shared CPD (Continuing Professional Development).
- **Sub-contracted provision** – APEX at Harlow College for apprenticeship delivery.
- **Collaborations** – FEDEC (Federation of Essex Colleges), Landex (Excellence in Land-based Colleges), Food and Farming Day with Essex Agricultural Society and Essex County Council, Abberton Rural Training Project and Pets Corner in Harlow.
- **Employers** – provide guest speakers, host visits and work placements. The College provides training in the form of apprenticeships, short and bespoke courses.
- **Local businesses** – delivery of provision, for example, Marsh Farm for delivery of 14-16 vocational provision.
- **Apprenticeships** – delivery of a large number of diverse and high quality schemes in partnership with local businesses and supported by government policy.

Trustees

No member of the Board receives payment for the work they do as Governors or Trustees, but expenses for travelling and subsistence are reimbursed. For the academic year 2014/15, a total amount of £714 (2014 £511) was paid in respect of claims made by governors. Members of staff serving on the Board receive no supplementary payment for trusteeship.

HIGHER EDUCATION

Student Numbers

During the year, for 2014/15, the College had 866 HE enrolments, totalling 818 Full Time Equivalents (FTE). Of these, 94 FTEs were international students (i.e. not from the UK or EU). The majority enrolled on undergraduate programmes, principally BSc and BA awards, but also Foundation degrees, Higher diplomas and certificates. There were 54 FTE student enrolments on taught post-graduate (PGT) programmes and 9 FTEs enrolled on postgraduate research programmes (PGR).

Direct HEFCE funding associated with teaching totalled £1,202k. Total fee income was £6,479k of which £952k was international fees.

The College also received £189k from University of Essex for its PGT and PGR students which are 'returned' to HEFCE as part of the University's funding claim.

Student Achievement

Writtle College students continue to perform well. For the academic year 2014/15 students achieved the following awards:

- 21 taught postgraduate awards.
- 173 Bachelor degrees.
- 17 Foundation degrees.
- 17 Diplomas of Higher Education.
- 23 Certificates of Higher Education.

Curriculum Developments

As in previous years, the College worked closely with the University of Essex, our validating partner, to achieve our annual cycle of periodic reviews of existing programmes, validations of new offerings, and the events and procedures that comprise our Quality Assurance and Enhancement regime. External examiners' reports attest to the currency and rigour of our courses, the maintenance of academic standards, the soundness of learning opportunities, and the suitability of our specialist resources, with many aspects of good practice noted.

Writtle was granted Taught-Degree Awarding Powers by the Privy Council in March 2015, allowing the College to validate its own Higher Education programmes and is now pursuing University status. This development builds on the recognition of academic standards and quality that Writtle has earned from external agencies.

Other notable achievements in HE in 2014/15 included:

- Several animal science students have had their dissertation research featured on the local BBC Essex radio station with topics such as "Can you entertain a hyena with a fruit kebab?", "How do you clicker train a pig?" and "Do cats and pumas play in the same way?"
- This year we have started work on a new Animal Therapy Centre for Veterinary Physiotherapy students, which opened at the start of the academic year. There have been further improvements at the Cow Watering Campus, including the installation of an equine water treadmill, which has attracted national and regional media interest, not least a journalist from the Times Higher Education supplement who featured the College in its Campus Close-Up. We are sure that these investments in resources will make a positive contribution towards the teaching experience our students receive.

- Our Sports scheme was ranked 14th out of 69 in the country in the Guardian League Tables for Sports Science 2015. In addition, the same scheme received 100% overall student satisfaction in this year's National Student Survey as did Conservation, which places them as the highest ranked courses in the country.
- The BSc animal programmes have also received professional and academic body recognition from the Royal Society of Biology this year, which is a testament to the rigour and quality of our courses.
- Our equine department has helped to house a number of horses on campus having supported the World Horse Welfare charity. It gives all of us tremendous pride in witnessing our staff and students make substantial improvements to the lives of horses who have suffered from neglect.

Finally, Research Provision at Writtle College has been reapproved by Essex for a period of 5 years subject to periodic review. Recommendations included:

- The level of record taking throughout the supervisory process – particularly the way in which students were expected to maintain records as to what was said and done, and how it is posted to Moodle. This is very good practice.
- PG Conference that is run and organised by students – it was felt this was excellent practice in terms of enhancing their skills and experience.
- The approachable and supportive environment created by Dissertation Supervisors – all students they saw were very clear about this.

FURTHER EDUCATION

Learner Numbers

During the 2014/15 academic year, the FE Division delivered a range of programmes funded by the Education Funding Agency (EFA) and the Skills Funding Agency (SFA). These included 16-19 Study Programmes, Adult Skills Budget (classroom based and Apprenticeship) and 24+ Advanced Learning Loan programmes totalling a core provision of £4,567k (2013/14, £4,512k) Around 950 funded and 1900 commercially funded learners were provided for.

Approximately £50k of schools 14 – 16 provision was delivered at out centres including Saffron Walden County High School, Pets Corner (Harlow), Tendering Enterprise Studio School and Marsh Farm. Funding of £64k was received in the year from Essex County Council to deliver a land-based programme at Abberton Reservoir in conjunction with the Abberton Rural Training Project.

Quality Improvement

The Division continues to improve and has self-assessed its provision as 'Good'. This is in line with Ofsted's January 2014 inspection grade, and Writtle remains one of only two further education providers to achieve an Ofsted grade 2 in Essex.

In the recently published Landex data comparison tables the Division was ranked 6th out of 33 similar institutions with 86.6% overall success rates compared with the land-based sector average of 82.6%. This performance includes Functional Skills success rates for the first time, which saw some providers overall success rates fall by more than 10%.

Curriculum Developments

The FE Division primarily serves the needs of the land-based sector within Essex and the wider community with a range of programmes from Level 1 to Level 3. The FE provision is designed to not only give learners the skills they need within their chosen industry, but to allow them to progress onto appropriate HE programmes. During 2014/15 the annual Course Portfolio Review was undertaken which refreshed the course offering in line with local need, and refocused it to student profiles within subject areas. This review encompassed the Government's Study Programme agenda, with the integration of GCSE English and Maths resits for learners with a grade D, and work experience across all curriculum areas.

Investment in high quality, specialist resources has been made during the year, with further developments to follow in 2015/16. This year saw the completion of the second phase of refurbishment at Cow Watering Campus, used for Equine courses, including refurbishment of the clock tower building for new staff accommodation, together with reception and IT facilities. The major project undertaken in 2015/16 was the development of animal facilities unit at the Titchmarsh Centre to include an animal hydrotherapy pool, to serve both Further and Higher Education.

Other notable achievements for FE in 2014/15 were:

- FE Horticulture students achieved gold in the Young Gardeners of the Year competition at the Ideal Home Show 2015.
- Floristry students qualified as finalists for the RHS Floristry College of the Year Competition for 2016.
- Horticulture students designed and built a garden for young people with learning difficulties.
- FE Agriculture students received awards for external competitions.
- Charity events held by Equine and Animal Studies learners raised several hundreds of pounds for selected charities.



FINANCIAL POSITION

Treasury Policies and Objectives

Treasury management is the management of the College's cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.

The College has a separate treasury management policy in place.

Post Balance Sheet Events

There are no known Post balance sheet events to report.

Going Concern

The year ended 31 July 2015 saw the College report an Historic Cost surplus of £1,018k. Even before considering the benefits from the sales of property from the Estate the College has delivered a modest operating surplus for the past two consecutive years, and for four out of the last five years.

The HE UG recruitment intake for 2015/16 has fallen slightly short of budget, FE recruitment, including apprentices, is on target. Once we get past 2015/16 HE student numbers benefit from the combined effect of (1) the introduction of the 4 year masters in veterinary physio and (2) the end of the cycle for low entrants in 2012/13 (the year of the fee rise).

In its mid year forecast to HEFCE the College forecast the following surpluses after depreciation of assets at valuation but before exceptional sales of: 2015/16 £321k, 2016/17 £517k and 2016/17 £889k. However, due to the level of HE student numbers recruited into 2015/16 these forecasts are now being revised. Measures are being taken to mitigate the impact with the objective of generating a positive, though not substantial surplus in 2015/16.

Subject to final planning permission being granted sales of land of £0.6m and £1.6m are anticipated in 2015/16 and 2017/18 respectfully. The intention is to re-invest these funds directly back as part of the overall rationalisation plan for the Estate.

There is significant uncertainty regarding the level of both HE and FE Government funding over the next few years. The College is concerned about the effect of these potential cuts on its financial position and is already considering what actions to take in order to mitigate the impact, should it be necessary to do so.

The College's cash position remains strong and as such it does not anticipate any issues in continuing to comfortably meet its financial commitments as they fall due.



RESOURCES

The College has various resources that it can deploy in pursuit of its strategic objectives.

Tangible resources include the main college campus which covers some 220 hectares, encompassing 31,000m² of floor space to deliver and support its academic provision. In addition the College has 400 bed student residences on campus as well as a number of residential properties.

Financial

As at 31 July the College had a Balance Sheet value of £17m net assets (excluding £11m pension liability) and it has long term debt of £4.3 million.

A revaluation of the land and property on the Estate was carried out in 2014 by Strutt and Parker and it is the intention to adopt this revaluation in the financial statements for the year commencing 1 August 2016 in accordance with SORP15. This will significantly strengthen the Balance Sheet, increasing the value of assets by around £17m.

People

The College employs 257 people (expressed as full time equivalents), including 162 Academics or Academic Support staff.

Principal Risks and Uncertainties

The major risks faced by the College relate to the potential impacts of Government changes in educational policy and funding regimes. These uncertainties, taken together with increased demand, removal of the student numbers cap, boarder agency restrictions impacting international recruitment and an overall more discerning consumer come together to create an increasingly competitive and changeable market. The College recognises the need to find ways to respond to these uncertainties by continuing to focus on student recruitment and increasing its operational efficiency and cost effectiveness.

Recruitment in HE/UG new starters for 2015/16 has been a little disappointing and International recruitment is also down due to no repeat of a contingent of Kurdistan agriculture students. FE enrolments are encouraging and in particular the number of apprentices has increased. The marketing team have been working hard to increase the momentum in order to maintain and to achieve the forward recruitment assumptions for HE and FE, which underpin the financial forecasts.

It is important that over the next 3 years that the College generates the level of operating cash flows assumed in the financial forecasts in order to ensure it continues to deliver the Estate and infrastructure improvements planned to provide the educational environment that will continue to attract students who wish to study Further and Higher educational courses at Writtle College.

Once recruited, students need to be retained and the incremental increase in the tariff entry points over recent years required by the College, combined with a range of interventions designed to support learners, has resulted in improved retention rates. High retention and success rates among FE learners contributed to the College's successful Ofsted inspection back in January 2013.

The College has chosen to adopt the Principles of Value for Money (VfM). The over-riding principle that is applied to all of our work is 'to make the best use of the resources we have available in order to achieve the desired outcome and maximize the benefit achieved from that output'.

Objectives of Writtle College's VfM Strategy are:

- To appraise the College's operational effectiveness and increase the efficiency and effectiveness of our systems and processes that seek to fulfill the corporate plan.
- To embed the pursuit of increased efficiency and effectiveness while maintaining costs to affordable levels throughout all layers of management in the institution.
- To challenge current practices and approaches in order to improve performance and position the institution to meet future challenges.

Continued effective cost management that ensures VfM and supports the student experience and the consolidation of teaching quality in both FE and HE is key to delivering the forecast financial results whilst working to improve and to enhance the student experience.

Monitoring KPIs

Following completion of the 2010 Strategic Options Review (SOR) a set of KPIs was agreed with HEFCE against which the College should report periodically. These KPIs, supplemented by further internally agreed matrices have successfully been used to measure performance, including for example, operating surplus expressed as a percentage of income and monitoring of student numbers to agreed levels.

During 2013/14 the College elected voluntarily to adopt the Annual Sustainability Assurance Report (ASSUR) methodology developed by the Financial Sustainability Strategy Group. As a result additional financial metrics were introduced for the first time in 2014/15, aligned to the College's strategic objectives. The importance of really understanding performance and of benchmarking against others in the sector is such that a comprehensive review of measures adopted internally is planned for 2015/16.

Estate Strategy

The College provided a revised Estate Strategy to HEFCE at the end of September 2011 which described the general direction and the funding of developments up until 2021. During 2014/15 following wide consultation the new Estate Masterplan was published. The plan takes account of the current dynamic nature of sector and identifies developments that will allow the College to better meet current and future challenges e.g., the need to invest in new curriculum areas. The plan is a living document, subject to regular review and update as elements of the estate and infrastructural development are achieved.



STAKEHOLDER RELATIONSHIPS

In line with other Universities and Colleges, Writtle College has many stakeholders. These include:

- Students
- Funding Councils
- Staff
- Local employers (with specific links)
- Local Authorities
- Government Offices/ Regional Development Agencies
- The local community
- Other HE and FE institutions
- Trade unions
- Professional bodies

The College recognises the importance of these relationships and engages in regular communication with them through the College Internet site and by meetings.

Diversity at Writtle College means recognising that everyone is different, respecting and encouraging these differences and valuing the benefits diversity brings. Equality at Writtle College means that everyone is treated fairly. The College believes Equality and Diversity is central to achieving the goals set out in the College's Strategic Plan, whilst enhancing our cultural profile and labour demographic.

Equality and Diversity

Diversity at Writtle College means recognising that everyone is different, respecting and encouraging these differences and valuing the benefits diversity brings. Equality at Writtle College means that everyone is treated fairly. The College believes that Equality and Diversity are central to achieving our goals set out in the College's Strategic Plan, whilst enhancing our cultural profile and labour demographic.

The College is committed to maintaining its excellent record in teaching and learning by ensuring there is equality of opportunity for all, fostered in an environment of mutual respect and dignity. The College recognises that the promotion of equality is the concerns all of members of the College's community, all staff and students. The College is careful to ensure that due consideration is given to the potential impacts on equality and diversity of its policies and actions. The College Equality Policy and Single Equality Action Plan are available on the College website (www.writtle.ac.uk/Equality-and-Diversity).

Disability Statement

The College works hard to ensure that disabled people are involved in all aspects of the College's work and life. Published on the College website (www.writtle.ac.uk) is the College's Single Equality Scheme where the Disability Equality Scheme and associated action plan can be found.

The Equality and Diversity Group includes several disabled members and the Student Union representative is in close contact with disabled students.

The Marketing Department proactively engages with willing participants to promote their student experience, as appropriate, in order to encourage students with similar disabilities to join the student community.

Counselling and welfare services are described in the College Student Handbook, which is issued to new (and prospective) students together with the Complaints and Disciplinary Procedure leaflets during their induction.

The College's Learner Services department seeks to promote the general well-being of students, parents and staff by providing practical help and guidance and by ensuring they have access to a full range of support services which include:

- Identifying, co-ordinating and providing study support for students with learning difficulties such as dyslexia
- Co-ordinating and providing support for students with disabilities
- Providing staff and students with the necessary information and skills to ensure they foster full engagement with the curriculum
- Providing a confidential counselling service

We also endeavour to provide specialist equipment, such as radio aids/loops, which the College can make available for use by students, staff or visitors. Some assistive technology is made available to those with learning difficulties/disabilities.

The admissions policy is non-discriminatory. Any appeals against a decision not to offer a place are dealt with through a complaints procedure.



CATERING AND RESIDENCES

The College continues to out-source its Catering operations. Although it has now been established that this operates at a net cost to the College, if the full cost of the original in-house provision is considered this remains a financially prudent move.

The overall financial objective of the student catering and residence operations at Writtle is to make an operating surplus, after allowing for loan interest in respect of the building costs associated with the new Halls of Residence. The net surplus for the year (allowing for interest payments but excluding depreciation) was £616k. This compares with £548k for the previous year.

PAYMENT OF CREDITORS

It is the policy of the College to obtain the best terms for all purchases, so terms may vary according to the individual agreement. Our normal terms of payment are within 30 days of the end of the month in which the invoice is received.

HEALTH AND SAFETY

The College's working procedures and practices have been progressively developed since the Health and Safety at Work Act 1974 and the provisions in the legislation now permeate all aspects of the College's activities.

The College has a full-time Health & Safety Officer to oversee and advise on all matters relating to Health and Safety across all of the College's various activities. All Health and Safety meetings are attended by a representative member of the Board of Governors.

STAFF AND STUDENT INVOLVEMENT

The College considers good communication with its staff and students to be paramount and to this end constantly reviews its communications processes. The Principal has held a number of open all staff meetings through the year to inform staff of the developments within the institution and the FE and HE sectors. A weekly News and Events sheet is also published both electronically and in hard copy.

The College requires and encourages staff and student involvement in academic and College management through membership of a range of committees. 2014/15 was the second year of running a staff suggestion scheme, developed to offer recognition for suggestions that improve the efficiency and quality of services the College provides to its stakeholders.

The College has issued a College Charter for students which covers all services provided under the College's control. The Charter is designed to make it clear what we aim to provide, and what we expect in return, so that together we may achieve our aim of providing quality courses and services.

In order to develop staff across the entire College we have a staff review process. This process has been recently revised to improve staff performance and to provide staff development.





Farm Minister George Eustice recollects his time studying at Writtle College

The Conservative MP for Camborne, Redruth and Hayle since May 2010, who was appointed Farm Minister last October, said: "My learning at Writtle College has been very useful in my entire career, from running the family business to politics, and I still sometimes reference it.

Mr Eustice recalls: "I liked the feel of Writtle College. I looked at several colleges but Writtle College was one of the best colleges for Commercial Horticulture. I really liked the grounds and the buildings and when I went to the interview I really gelled with the place."



Botanist and broadcaster James Wong attends Employability Week

Writtle College students gained specialist advice, guidance and information about potential career opportunities from a wide range of industry experts - including botanist and broadcaster James Wong.

AUGUST

SEPTEMBER

OCTOBER

NOVEMBER

DECEMBER

Student's garden design for patients with dementia to be built at hospital

Student, Michael Ekers saw his concept for a calming courtyard garden for patients with dementia become a reality.

Mid Essex Hospital Services NHS Trust launched the project in May as part of its commitment to continuously improve the care of patients with dementia. Writtle College Diploma in Garden Design students were invited to provide proposals for the courtyard.



Writtle College student wins floristry challenge on The Alan Titchmarsh Show!

Sophie Jones, who studied a Level 3 Floristry course, contacted the show after they tweeted that they were looking for people to take part in a floristry demonstration. Sophie answered the call and she was invited to the ITV studios in South Bank, London. Along with two other contestants, she was given 30 minutes in the "floristry fisticuffs" to create an Autumnal arrangement, with celebrity florist Simon Lycett judging the competition for Alan – who is the Writtle College patron. Sophie, from Brentwood, said: "I was really nervous but I think the arrangement went very well and I'm really proud of it. It was a great experience."



Horticulture student wins national scholarship

Writtle College horticulture student James Hayley has been awarded a national scholarship from a horticultural charity.

The 27-year-old, who lives near Woodbridge, Suffolk, is one of only six students across the country to be given the Student Scholarship from the David Colegrave Foundation (DCF).



Lordships Stud welcomes two young rescue horses from World Horse Welfare

Writtle College has welcomed two young horses from World Horse Welfare - the UK's largest horse rescue and rehoming charity.

The two-year-old horses, Revel and Alaska, joined Lordships Stud on the 21st January and will stay for the duration of their formative years, before being returned to the charity for rehoming.



Best in Show, gold and now People's Choice for Writtle College!

Writtle College has won the People's Choice award in the Young Gardeners of the Year competition, chosen by visitors to this year's Ideal Home Show.

The award means that the College's team has scooped all three of the top honours in the competition - Best in Show, gold and now the popular vote.



Mayor of Chelmsford visits Writtle College

Writtle College staff were delighted to welcome the Mayor, Councillor Paul Hutchinson, and Mayor's Escort, Mr Ali Murad, to the campus.

Whilst on their visit, horticulture lecturer, John Cullum presented Cllr Hutchinson with a Little Writtle plant and explained the process behind the breeding of this new plant.

JANUARY

FEBRUARY

MARCH

APRIL

MAY

JUNE

JULY

Postgraduate wins prestigious garden design student award

A Writtle College postgraduate has won a major student award for her garden design which aims to support those facing mental health issues.

Jiyoung Kim, from South Korea, who graduated with an MA in Garden Design last year, overcame strong competition to be joint winner of the Society of Garden Designers' Student Award.



Writtle's Mark Walker helps Alex Dowsett to smash one-hour record!

Essex boy Alex Dowsett has beaten the one-hour cycling record in the Manchester Velodrome and Writtle College's Mark Walker was integral to this success, with a carefully constructed training schedule to ensure Alex was at peak fitness for the attempt.



Sports Turf student grows exciting career!

A Writtle College Sports Turf student has visited Georgia with the Rugby Football Union to help assess the country's pitches.

Stuart Facey, a Writtle College Apprentice, visited the country for a week to help develop a plan to bring the pitches up to world-class standard.

Stuart, from Witham, explained: "Last year the RFU went out to Georgia and conducted a survey which identified coaching and pitches as areas that needed improvement. I went out on their second visit to assess the pitches and to help create a plan of how to develop them."



Writtle College granted Taught Degree Awarding Powers

The Privy Council has confirmed that the College has been granted Taught Degree Awarding Powers (TDAP), which means that, from September 2017, students will be able to study for a degree awarded by the College.

The first students will graduate with Writtle College qualifications (Higher Education Certificates and postgraduate taught Masters) during the College's 125th year in 2018, with the first Bachelors degrees awarded in 2020.



PROFESSIONAL ADVISORS

External Auditors	KPMG LLP, 6 Lower Brook Street, Ipswich, Suffolk, IP4 1AP.
Bankers	Barclays Bank plc, 40-41 High Street, Chelmsford, Essex, CM1 1BE.
Internal Auditors	Scrutton Bland, 17 – 19 Museum Street, Ipswich, Suffolk, IP1 1HE.
Solicitors	Birkett Long, Essex House, 42 Crouch Street, Colchester, Essex, CO3 3HH.
College Address	Lordship Road, Writtle, Chelmsford, Essex, CM1 3RR.

Copies of the Financial Statements can be obtained from the College’s address above..

CONCLUSION

The College has again been well served during the year by its Governors and staff and well supported by its students. Relationships with our external stakeholders continue to strengthen.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

The members of the Board of Governors who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information of which the auditors are unaware. Each of the members of the Board of Governors have confirmed that they have taken all the steps that they ought to have taken in order to make themselves aware of any relevant information and to establish that it has been communicated to the auditor.

Mrs J Smith
Chair of the Board of Governors
Date



STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL

The College is committed to exhibiting best practice in all aspects of corporate governance. This summary describes the manner in which the College has applied the principles set out in the UK Corporate Governance Code issued in June 2010. Its purpose is to help the reader of the financial statements understand how the principles have been applied.

Throughout the year ended 31 July 2015, the College has had due regard to the provisions set out in the UK Corporate Governance Code insofar as they relate to the HE Sector. The Internal Audit of Governance carried out earlier this year concluded that the College “can already demonstrate a high level of compliance against the code”. The College also complies with the Guide for Members of Governing Bodies of Universities and Colleges in England and Wales that was issued by the Committee of University Chairmen in 2004, updated in 2009.

Members of the Board of Governors

The members who served on the Governing Body during the year and up to the date of signing these accounts (who are also trustees of the exempt charity) are listed below;

	Date of appointment	Term of office	Date of resignation	Status of appointment	Committees served
Ms S Aitkin	20 March 2015	4 years		Co-opted member	Finance & General Purposes Committee
Mr L Anstee	1 July 2014	1 year	1 July 2015	Student member	
Mr S Brice	19 October 2012	4 years		Independent member	Finance & General Purposes Committee
Mr D Church	13 July 2012	4 years		Independent member	
Mrs B D'Arcy Reed	13 June 2014	4 years	27 April 2015	Co-opted member	Non Board Member Equality & Diversity wef Oct 2015
Mr P Downer	23 March 2008 & 23 March 2012	4 years		Co-opted member	Further Education Committee
Mr R Eveleigh	15 November 2013	4 years		Independent member	Personnel & Remuneration Committee (from June 2014)
Mr R Gochin	23 March 2008 & 23 March 2012	4 years		Non Board member	Further Education Committee
Mr J Howe	1 July 2015	1 year		Student member	Personnel & Remuneration Committee wef 20/3/15
Mr F Howie	13 June 2014	4 years		Co-opted member	
Mr I Hutton Jamieson	14 November 2014	4 years		Co-opted member	Audit Committee
Ms P Judd	21 Oct 2011 & 21 Oct 2015	4 years		Independent member	Chair of Audit Committee, & Search & Governance (until March 2015)
Mr N Kirby	13 June 2014	3 years		Support staff member	
Ms J Logie	25 Mar 2011 & 25 Mar 2015	4 years		Independent member	Chair of Further Education Committee
Mr J McLarty	15 July 2011 & 17 July 2015	4 years		Independent member	Finance & General Purposes Committee
Mr B Morris	19 July 2013	University of Essex		Co-opted member University of Essex	Audit Committee
Mr K Moule	22 March 2013	3 years		Teaching staff member	Further Education Committee
Mr C Newenham	17 March 2009 & 22 March 2013	4 years		Independent member	Finance & General Purposes Committee
Ms L-L Olsen	10 May 2010 & 22 March 2013	2 years	May 2015	Independent member	Chair of Governors, Finance & General Purposes, Personnel and Remuneration, Chair of Search and Governance.
Mr G Page	1 September 2015	4 years		Independent member	Finance & General Purposes Committee
Ms A Perera	22 March 2013	3 years		Teaching staff member	
Mr A Radford	21 October 2011 & 15 November 2013	4 years		Independent member (previously non board member)	Audit Committee
Mrs J Smith	16 July 2010 & 13 June 2014	4 years		Independent member	Chair of Board (appointed 9 May 2015) Further Education Committee, Search and Governance Personnel and Remuneration Committee
Mr P Swan	14 November 2014	4 years		Co-opted member	
Mr P Van Damme	16 July 2010 & 13 June 2014	4 years		Independent member	Chair of Personnel and Remuneration Committee, & Search and Governance (wef March 2015)
Dr S Waite	2 April 2013	N/A		Principal	Finance & General Purposes, Personnel and Remuneration, Search and Governance.
Ms S White	16 October 2015	4 years	Oct 2019	Co-opted member	
Dr J Wright	22 March 2013	4 years	June 2015	Independent member	

Summary of the College's Structure of Corporate Governance

On 1 October 1994, the College transferred from the Further Education sector to the Higher Education sector upon the authority of the Secretary of State for Education and by order of the Privy Council under Section 12A (3) and (4) of the Education Act, 1988. The Board of Governors was reconstituted from the date of transfer and comprises lay and academic persons appointed under the Instrument of Government of the College, the majority of whom are non-executive. The roles of Chairman and Vice-Chairman of the Governing Body are separated from the role of the College's Chief Executive, the Principal. The responsibilities of the Governing Body are set out in the Articles of Government of the College and operational controls are laid down in the Financial Memorandum issued by the Higher Education Funding Council for England. The Governing Body is responsible for:

- the determination of the educational character and mission of the College and for oversight of its activities;
- the effective and efficient use of resources, the solvency of the College and for safeguarding their assets;
- approving annual estimates of income and expenditure;
- the appointment, grading, suspension, dismissal and determination of the pay and conditions of service of the holders of senior posts; and
- setting a framework for the pay and conditions of service of all other staff.

The Governing Body meets at least four times a year and has the following sub-committees: Finance and General Purposes Committee; Audit Committee; Personnel and Remuneration Committee; Further Education Committee; and Search and Governance Committee.

All these Committees are formally constituted with terms of reference and comprise mainly of independent members of the Governing Body, one of whom is in the Chair. The Audit Committee is strengthened by a qualified accountant.

The Finance and General Purposes Committee inter-alia recommends to the Governing Body the College's annual revenue and capital budgets and monitors performance in relation to the approved budgets. The Committee met five times this year.

The Personnel and Remuneration Committee advises the Governing Body on personnel issues and determines the annual remuneration of senior staff including the Principal. This Committee met four times this year.

The Audit Committee reviews the findings of the External Auditors and meets with them at least twice a year. The auditors meet the Committee at least once every year without management present. The Committee meets at least three times each year with the Internal Auditors, to consider detailed internal audit reports and recommendations for the improvement of the College's systems of internal control, together with the College management's response and implementation plans. The Audit Committee receives and considers reports from the Higher Education Funding Council for England as they affect the College's business and monitors adherence with the regulatory requirements. It reviews inter-alia the College's annual financial statements, together with the accounting policies and considers and advises the Governing Body on external audit reports and management letters. In addition the Audit Committee has monitored the work done by the external and internal auditors and considers that they carry out their activities in an efficient and cost effective way. Senior staff of the College attend the Committees as appropriate.

Board of Governors self-assessment

A performance self-assessment review by the Board of Governors is carried out annually. Questionnaires are circulated to all governors seeking assessment of the performance of the Board, assessment of the governor's own individual performance, and assessment of committee performance. The responses are collated and analysed by the Clerk, and reported to each committee and the Board of Governors during the year.

Performance against KPIs

Following the Strategic Options Review which was completed and agreed in July 2010, key performance indicators were agreed with HEFCE for monitoring the College's progress towards sustainability. These KPIs are reported monthly to the Board of Governors.

All Key Performance Indicators are on schedule or better than target, with the exception of third stream income, which has an adverse variance for the year.

Full Minutes of meetings, except those deemed to be confidential by the Governors, are available from the Clerk to the Governors at: Writtle College, Lordships Road, Chelmsford, Essex, CM1 3RR.



Internal Control

As the Governing Body of Writtle College, we have responsibility for maintaining a sound system of internal control that supports the achievement of policies, aims and objectives, while safeguarding the public and other funds and assets for which we are responsible, in accordance with the responsibilities assigned to the governing body in the Instruments and Articles of Government and the Financial Memorandum with the HEFCE.

The system of internal control is designed to manage rather than eliminate the risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness.

The system of internal control is based on an ongoing process designed to identify the principal risks to the achievement of policies, aims and objectives; to evaluate the nature and extent of those risks and to manage them efficiently, effectively and economically. This process was in place for the year ended 31 July 2015 and up to the date of approval of the financial statements, and accords with HEFCE guidance.

As the Governing Body, we have responsibility for reviewing the effectiveness of the system of internal control. The following processes have been established:

- We meet termly to consider the plans and strategic direction of the institution.
- We receive periodic reports concerning internal control, and we require regular reports from managers on the steps they are taking to manage risks in their areas of responsibility, including progress reports on key projects.
- We have requested the Audit Committee to provide oversight of risk management.
- The Audit Committee receives regular reports from the internal audit providers, which include the internal auditor's independent opinion on the adequacy and effectiveness of the institution's system of internal control, together with recommendations for improvement.
- An internal system of review is in place to keep up to date the record of risks facing the organisation.
- A programme of risk awareness training is under way.
- A system of key performance and risk indicators is being developed.
- A robust risk prioritisation methodology based on risk ranking and cost-benefit analysis has been established.
- An organisation-wide risk register is now maintained.
- Reports are received by budget holders, department heads and project managers on internal control activities.

Through the Audit Committee the Governing Body has monitored the development of the College's risk policy and internal processes for assessing and monitoring risk. During the year the risk matrix was reviewed by management with the assistance of the internal auditors and a newly formatted risk register was subsequently presented to the Audit Committee. The revised register comprises a smaller number of key risks which are aligned to the Strategic Plan. The Committee is very supportive of this new approach.

Following regular consideration by the Senior Management Team and College Executive Group (CEG), the risk register is presented for discussion at each meeting of the Board of Governors, at each meeting of the Audit Committee, Finance and General Purposes Committee, Personnel & Remuneration Committee and the Further Education Committee (each of which is responsible for primary monitoring of specific risks). Where relevant, members of the Senior Management Team are questioned about actions implemented to mitigate risk. The Committee notes that risks

have been managed by senior management and substantively discussed at the various sub-committee meetings during the year.

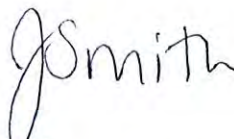
Our review of the effectiveness of the system of internal control is informed by internal audit, which operates to standards defined in the HEFCE Audit Code of Practice and which was last reviewed for effectiveness in August 2008. The internal audit providers submit regular reports which include their independent opinion on the adequacy and effectiveness of the institution's system of internal control, with recommendations for improvement.

Our review of the effectiveness of the system of internal control is also informed by the work of the executive managers within the institution, who have responsibility for the development and maintenance of the internal control framework, and by comments made by the external auditors in their management letter and other reports.


Going Concern

After making appropriate enquiries, the Board of Governors considers that the College has adequate resources to continue in operational existence for the foreseeable future. For this reason, it continues to adopt the going concern basis in preparing the financial statements.

Signed on behalf of the board of Governors



Mrs J Smith
Chair of the Board of Governors
Date 13.11.15



Dr Stephen Waite
Principal
Date 13.11.15

STATEMENT OF THE RESPONSIBILITIES OF THE MEMBERS OF THE GOVERNING BODY

In accordance with the College's Instruments and Articles of Government, the Governing Body is responsible for the administration and management of the College's affairs, including ensuring an effective system of internal control, and is required to present audited financial statements for each financial year.

The Governing Body is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the College and to enable it to ensure that the financial statements are prepared in accordance with the Instruments and Articles of Government, the Statement of Recommended Practice on Accounting in Education Institutions and other relevant accounting standards. In addition, within the terms and conditions of a Financial Memorandum agreed between the Higher Education Funding Council for England and the College's Governing Body, the Governing Body, through its designated office holder, is required to prepare financial statements for each financial year which give a true and fair view of the College's state of affairs and of the surplus or deficit and cash flows for that year.

In causing the financial statements to be prepared, the Governing Body has ensured that:

- suitable accounting policies are selected and applied consistently
- judgements and estimates are made that are reasonable and prudent
- applicable accounting standards have been followed, subject to any material departure disclosed and explained in the financial statements
- financial statements are prepared on the going concern basis unless it is inappropriate to presume that the Institution will continue in operation. The Governing Body is satisfied that it has adequate resources to continue in operation for the foreseeable future: for this reason the going concern basis continues to be adopted in the preparation of the financial statements.

The Governing Body has taken reasonable steps to:

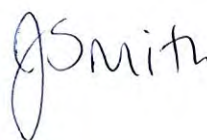
- ensure that funds from the Higher Education Funding Council for England are used only for the purposes for which they have been given and in accordance with the Financial Memorandum with the Funding Council and any other conditions which the Funding Council may from time to time prescribe
- ensure that there are appropriate financial and management controls in place to safeguard public funds and funds from other sources safeguard the assets of the College and prevent and detect fraud
- secure the economical, efficient and effective management of the College's resources and expenditure

The key elements of the College's system of internal financial control, which is delegated to discharge the responsibilities set out above, include the following:

- clear definitions of the responsibilities of, and the authority delegated to, senior members of the College staff;
- planning processes supplemented by detailed annual income, expenditure, capital and cash flow budgets;
- monthly reviews of financial results involving variance reporting and updating of forecast outcomes;
- comprehensive Financial Regulations, detailing financial controls and procedures, approved by the Audit Committee and the Governing Body;
- clearly defined and formalised requirements for approval and control of expenditure, with investment decisions involving capital or revenue expenditure being subject to formal detailed appraisal and review according to approval levels set by the Governing Body;
- appointment of professional internal auditors whose annual programme is determined by the Audit Committee and approved by the Governing Body.

The Audit Committee, on behalf of the Governing Body, continually reviews the effectiveness of aspects of the College's system of internal control. Any system of internal financial control can, however, only provide reasonable, but not absolute, assurance against material misstatement or loss.

Signed on behalf of the Board of Governors



Mrs J Smith
Chair of Board of Governors
Date 13.11.15



REPORT OF THE INDEPENDENT AUDITOR TO THE GOVERNING BODY OF WRITTLE COLLEGE

We have audited the College financial statements (the "financial statements") of Writtle College for the year ended 31st July 2015 which comprise the College Income and Expenditure Account, the College Balance Sheets, the Cash Flow Statement, the Statement of Total Recognised Gains and Losses, the Accounting Policies and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the Governing Body, in accordance with paragraph 13(2) of the College's Articles of Government and section 124B of the Education Reform Act 1988. Our audit work has been undertaken so that we might state to the Governing Body those matters we are required to state to it 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 Governing Body for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the Governing Body and auditor

As explained more fully in the Statement of the Responsibilities of the members of the Governing Body set out on page 18 the Governing Body is responsible for the preparation of financial statements which give a true and fair view. Our responsibility is to audit, and express an opinion, on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

The maintenance and integrity of the Writtle College website is the responsibility of the Governing Body; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.

Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Scope of the Audit of the Financial Statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the College's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Governing Body; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on Financial Statements

In our opinion the financial statements:

- give a true and fair view of the state of the affairs of the College as at 31st July 2015 and of the College's income and expenditure, recognised gains and losses and cash flows for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the 2007 Statement of Recommended Practice – Accounting for Further and Higher Education; and
- meet the requirements of HEFCE's Accounts direction to higher education institutions for 2014-15 financial statements.

Opinion on other matters prescribed in the HEFCE Audit Code of Practice issued under the Further and Higher Education Act 1992

In our opinion, in all material respects:

- funds from whatever source administered by the College for specific purposes have been properly applied to those purposes; and managed in accordance with relevant legislation
- income has been applied in accordance with the College's Articles of Government;
- funds provided by HEFCE have been applied in accordance with the Memorandum of Assurance and Accountability and any other terms and conditions attached to them; and
- the corporate governance and internal control requirements of HEFCE's Accounts direction to higher education institutions for 2014-15 financial statements have been met.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matter where the HEFCE Audit Code of Practice issued under the Further and Higher Education Act 1992 requires us to report to you if, in our opinion:

- the statement of internal control (included as part of the Corporate Governance Statement) is inconsistent with our knowledge of the College.

S Beavis

Stephanie Beavis
For and on behalf of KPMG LLP, Statutory Auditor
6 Lower Brook Street
Ipswich
Suffolk
IP4 1AP

20th November 2015

INCOME AND EXPENDITURE ACCOUNT

	Notes	2015 £000	2014 £000
INCOME			
Funding Council Income	2	5,895	6,593
Academic Fees and Support Grants	3	7,750	6,448
Research Grants and Contracts	4	108	124
Other Operating Income	5	3,626	3,588
Interest Receivable	6	26	24
Total Income		17,405	16,777
EXPENDITURE			
Staff costs	8	9,489	9,597
Other operating expenses	10	5,841	5,270
Amortisation/ depreciation	13	1,057	1,052
Interest payable	11	457	483
Total Expenditure		16,844	16,402
Surplus on continuing operations after depreciation of assets at valuation and before tax		561	375
Profit on disposal of fixed assets	7	241	543
Pension credit re. disposal of Shuttleworth staff	34	-	629
Surplus on continuing operations after depreciation of assets at valuation and disposal of assets but before tax		802	1,547
Taxation	12	-	-
Surplus for the year retained with general reserves	25	802	1,547

The income and expenditure account for 2015 and 2014 is in respect of continuing activities.

The notes on pages 23 to 39 form part of these financial statements.

STATEMENT OF HISTORICAL COST SURPLUSES AND DEFICITS

	Notes	2015 £000	2014 £000
Surplus on continuing operations before tax		802	1,547
Difference between a historical cost depreciation charge and the actual depreciation charge for the year calculated on the revalued amount	25	180	180
Realisation of property valuation gains of prior years	25	36	72
Historical cost surplus after tax		1,018	1,799

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

	Notes	2015 £000	2014 £000
Surplus on continuing operations after depreciation of assets at valuation and tax		802	1,547
Actuarial (loss) in respect of pension scheme	34	(528)	(2,571)
Total recognised gains/ (loss) relating to the period		274	(1,024)

The notes on pages 23 to 39 form part of these financial statements.

BALANCE SHEET AS AT 31 JULY

	Notes	2015 £000	2014 £000
Fixed assets			
Tangible assets	13	17,837	17,725
Total fixed assets		17,837	17,725
Endowment asset investments	15	3	3
Current assets			
Stock	16	220	314
Debtors	17	653	615
Long Term Debtor		-	60
Assets held for resale	13	-	36
Cash at bank and in hand		5,233	4,287
Total current assets		6,106	5,312
Less: Creditors – amounts falling due within one year	18	(2,430)	(2,703)
Net current assets		3,676	2,609
Total assets less current liabilities		21,516	20,337
Less: Creditors: amounts falling due after more than one year	19	(4,317)	(4,293)
Less: Provisions for liabilities	21	-	-
Net assets excluding pension liability		17,199	16,044
Net pension liability	34	(10,892)	(10,008)
Net Assets Including Pension Liability		6,307	6,036
Deferred capital grants	22	3,541	3,544
Restricted Expendable Endowments	23	3	3
Income and expenditure account excluding pension reserve	25	8,151	6,777
Pension reserve	34	(10,892)	(10,008)
Income and expenditure account including pension reserve		(2,741)	(3,231)
Revaluation reserve	24	5,504	5,720
Total reserves		2,763	2,489
Total		6,307	6,036

The financial statements on pages 19 to 39 approved and authorised for issue by the Governing Body on 13th November 2015 and were signed on its behalf on that date by:

Mrs J Smith
Chair of Board of Governors
Date 13.11.15

Dr S Waite
Principal
Date 13.11.15

[Signature]
13.11.15

CASH FLOW STATEMENT

	Notes	2015 £000	2014 £000
Cash inflow from operating activities	29	1,901	2,051
Returns on investment and servicing of finance	30	(259)	(266)
Capital expenditure and financial investment	31	(742)	(524)
Cash inflow before management of liquid resources and financing		900	1,261
Financing	32	46	(47)
Increase in cash		946	1,214
Reconciliation of net cash flow to movement in net debt (see Note 33)			
Increase in cash in the period		946	1,214
New Loans		(188)	(67)
Payment of debt	32	142	114
Change in net debt		900	1,261
Net debt at 1 August		(144)	(1,405)
Net debt as 31 July	33	756	(144)

In this statement, figures in brackets refer to cash outflows and all other figures are cash inflows to the College.

The notes on pages 23 to 39 form part of these financial statements.

1 Statement of Principal Accounting Policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements.

1.1 Accounting Convention

These financial statements have been prepared under the historic cost convention and in accordance with both the "Statement of Recommended Practice: Accounting for Further and Higher Education" (SORP) and applicable Accounting Standards. They conform to guidance published by the HEFCE in their annual Accounts Direction.

1.2 Going Concern

Further information on the activities of the College, together with the factors likely to affect its future development and performance, are set out in the Operating and Financial Review. The financial position of the College, its cash flow, liquidity and borrowings are described in the Financial Statements and accompanying Notes.

The College's forecasts and financial projections indicate that it will be able to operate within these existing facilities and attached covenants for the foreseeable future, taking into account reasonable expected changes in performance.

Accordingly, the College believes that it has adequate resources to continue in operational existence for the foreseeable future and for this reason will continue to adopt the going concern basis in the preparation of its financial statements.

1.3 Basis of Accounting

The financial statements are prepared in accordance with the historical cost convention modified by the revaluation of certain fixed assets.

The financial statements do not include those of Writtle College Students' Union, as it is a separate unincorporated association in which the College has no direct financial interest. The College has no control or significant interest over policy decisions made by the Students' Union. The Students' Union presents Income and Expenditure accounts to the Governing Body on an annual basis.

Writtle College Services Ltd has not traded for a number of years and is currently dormant, therefore the financial statements of the College have not been prepared on a consolidated basis.

1.4 Recognition of Income

The Income and Expenditure Account has been drawn up in line with the SORP 2007 and with classifications based on the requirements of the annual financial return made to the Higher Education Statistics Agency.

Income from research grants, contracts and other services rendered is included to the extent of the completion of the contract or service concerned. All income from short-term deposits is credited to the income and expenditure account in the period in which it is earned. Recurrent grants from the LSC and its successor bodies and HEFCE are recognised in line with the latest estimates of grants receivable for the academic year.

Income received from endowments is credited to the income and expenditure account in the period in which it is earned. Income from specific endowments not expended in the year is transferred from the income and expenditure account to a specific endowment reserve.

1.5 Pension Scheme

Retirement benefits to employees of the College are provided by the Teachers' Pensions Scheme (TPS) and the Local Government Pension Scheme (LGPS). These are defined benefit schemes which are externally funded and contracted out of the State Earnings Related Pension Scheme.

Contributions to the TPS are charged to the income and expenditure so as to spread the cost of pensions over the employees' working lives with the College in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by qualified actuaries on the basis of quinquennial valuations using a prospective benefit method.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

The assets of the LGPS are measured using closing market values. LGPS liabilities are measured using the projected unit method and discounted at the current rate of return on a high quality corporate bond of equivalent term and currency to the liability. The increase in the present value of the liabilities of the scheme expected to arise from employee service in the period is charged to the operating surplus. The expected return on the scheme's assets and the increase during the period in the present value of the scheme's liabilities, arising from the passage of time, are included in pension finance costs. Actuarial gains and losses are recognised in the statement of total recognised gains and losses.

A more detailed explanation of the arrangements for pension schemes can be found in Note 34.

1.6 Tangible Fixed Assets

a. Land and Buildings

Land and buildings inherited from the Local Education Authority are stated in the balance sheet at valuation on the basis of depreciated replacement cost or the open market value as appropriate. Land and buildings acquired since incorporation are included in the balance sheet at cost. Freehold land is not depreciated. Freehold buildings are depreciated over their expected useful economic life to the College of between 5-50 years. Assets under construction are not depreciated. Once completed, assets under construction are transferred to freehold land and buildings and then depreciated.

On adoption of FRS 15, the College followed the transitional provisions to retain the book value of land and buildings, which were revalued in 1993, but not to adopt a policy of revaluations of these properties in the future. These values are retained subject to the requirement to test assets for impairment in accordance with FRS 11.

b. Equipment

Equipment costing less than £1,000 per individual item is written off to the income and expenditure account in the period of acquisition. All other equipment is capitalised at cost. Equipment inherited from the Local Education Authority is included in the balance sheet at valuation.

Exceptionally, PCs will be considered as a capital purchase even if purchased individually at a cost of less than £1,000 each (including VAT).

Equipment is depreciated on a straight line basis over its useful economic life to the College using rates of 7% - 50% per annum. Where equipment is acquired with the aid of specific grants it is capitalised and depreciated in accordance with the above policy, with the related grant being credited to a deferred capital grant account and released to the income and expenditure account over the expected useful economic life of the related equipment.

1.7 Stocks

Stocks (standing crops, livestock and consumable) are stated at the lower of their cost and net realisable value. Where necessary, provision is made for obsolete, slow moving and defective stocks.

1.8 Foreign Currency Transactions

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rates of exchange ruling at the end of the financial period with all resulting exchange differences being taken to the income and expenditure account in the period in which they arise.

1.9 Taxation

The College meets the definition of a charitable company for UK corporation tax purposes as it is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010. Accordingly, the College is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

The College is partially exempt in respect of Value Added Tax, as its main activity is the supply of education which is an exempt supply for the purposes of VAT. Accordingly, it can only recover a minor element of VAT charged on its inputs. Irrecoverable VAT on supplies and services received is included in the related costs in the financial statements. It is also added to the cost of tangible fixed asset as appropriate, where the inputs themselves are tangible fixed assets by nature.

As the VAT on supplies and services received exceeds the VAT on sales, VAT represents a net cost to the College.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

1.10 Investments

Endowment asset investments in the balance sheet are at market value.

1.11 Leases and Hire Purchase Contracts

Fixed assets held under finance leases and hire purchase contracts and the related lease obligations are recorded in the Balance Sheet at the fair value of the leased assets at the inception of the lease. The excess of lease payments over recorded lease obligations are treated as finance charges which are amortised over each lease term to give a constant rate of charge on the remaining balance of the obligations.

Rental costs under operating leases are charged to expenditure in equal amounts over the periods of the leases.

1.12 Provisions

A provision is recognised if, as the result of a past event, the College has a present or legal constructive obligation that can be estimated reliably and it is probable that an outflow of economic benefits will be required to settle the obligation. A restructuring provision is recognised when the College has approved a detailed and formal restructuring plan. Future operating costs are not provided for.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

	Note	2015 £000	2014 £000
2	Funding Council Grants		
	Recurrent grant – HEFCE	1,160	1,842
	Non Recurrent grant – HEFCE	42	58
	Recurrent grant – FE	4,560	4,503
	Non Recurrent grant – FE	7	9
	Release of deferred capital grants	126	181
		5,895	6,593
3	Academic Fees and Support Grants		
	HE		
	Full-time Student Fees	5,335	4,231
	Full-time Students charged overseas fees	952	827
	Part-time Student Fees	192	118
		6,479	5,176
	FE		
	Full-time Student Fees	128	86
	Full-time Students charged overseas fees	8	56
	Part-time Student Fees	229	214
	Short Course Student Fees	575	602
	Other Fees and Support Grants	331	314
		1,271	1,272
	Total	7,750	6,448
4	Research Grants and Contracts		
	Research grants and contracts	108	124
5	Other Operating Income		
	Catering and residence operations	2,286	2,215
	Releases from deferred capital grants	28	34
	Estate activities	385	441
	Other income	927	898
		3,626	3,588
6	Interest Receivable		
	Other interest receivable	26	24
7	Profit/Loss on Disposal of Fixed Assets		
	2015 - Fixed Assets have been disposed of during the year resulting in a profit of £241,000 (2014 £543,000)		

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

	2015 £000	2014 £000
8 Staff Costs		
The average number of persons (including senior post holders) employed by the College and its subsidiary during the year, expressed as full-time equivalents, was:		
Academic	102	102
Academic support services (Technical & Library staff)	60	65
Support Staff (Administration, Caretaking, Estate Staff, Halls and Catering Staff)	95	97
	257	264
Staff Costs for the above persons		
Wages and salaries	7,633	7,817
Social Security costs	526	547
Other pension costs (including FRS 17 adjustments of £184,000 – 2014 (£31,000))	1,294	1,085
Staff restructuring	36	148
Total	9,489	9,597
Academic departments	5,208	5,239
Academic support services	587	217
Administration and central services	2,134	2,451
Premises	688	615
Research	2	-
Other income generating activities	85	93
Catering and residences	380	520
Estates	369	314
Restructuring costs including pension strain	36	148
Total	9,489	9,597
Employment costs for staff on permanent contracts	8,545	8,761
Employment costs for staff on short-term and temporary contracts	908	688
Restructuring costs	36	148
Total	9,489	9,597

There were no staff, excluding the Principal, who received emoluments (including taxable benefits, but excluding employer's pensions contributions) in excess of £100,000 (2014 nil).

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

	2015 £000	2014 £000
9 Principals' Emoluments		
Senior post-holders, including the Principal and other higher paid staff, received a pay increase in line with the general pay award. No bonuses or other salary enhancements were awarded to senior post-holders or other higher paid staff.		
The emoluments below represent amounts payable to the Principal who is the highest paid senior post holder.		
Emoluments (excluding employer's National Insurance and pension contributions) paid to the Principal.	112	110
Benefit in kind	4	4
Pension contributions of the Principal paid at the same rate as for other academic staff	16	15
Total	132	129
10 Other Operating Expenses		
Residences, Catering and Conferences Operating Expenses	1,120	960
Consumables and Laboratory Expenditure	186	189
Books and Periodicals	242	219
Heat, Light, Water and Power	450	508
Repairs and General Maintenance	219	240
Grants to Students' Union	16	15
Rents and Rates	74	65
Audit Remuneration		
Financial Statements Audit	32	32
Internal Audit	31	27
Equipment Operating Lease Rentals	38	38
Cleaning Costs	281	274
Computer Costs – Licences & Maintenance Agreements	234	229
Examination Fees	245	239
Printing Costs	172	162
Scholarships	356	245
Insurances	174	173
Professional & Consultancy	217	262
Marketing	296	182
Transport	107	91
Other Expenses	795	673
Estate Activities	556	447
Total	5,841	5,270
Reimbursements to 2 trustees for expenditure incurred in attending trustee meetings amounted to £714 (2014 £511, 1 trustee)		
The trustees did not receive any remuneration from the charity.		
11 Interest Payable		
On bank loans, overdrafts and other loans:		
Repayable wholly or partly in more than 5 years	285	290
Pension finance costs (note 34)	172	193
Total	457	483

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

12 Taxation

UK Corporation Tax

- -

The standard rate of tax for the year, based on the UK standard rate of corporation tax is 21% (2014 – 22.3%).

The Institution is an exempt charity within the meaning of schedule 3 of the Charities Act 2011 (formerly schedule 2 of the Charities Act 1993) and is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Institution is potentially exempt from taxation in respect of income or capital gains received within categories covered by section 287 CTA2009 and sections 471, and 478-488 CTA 2010 (formerly s505 of ICTA 1988) or section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied to exclusively charitable purposes.

13 Tangible Fixed Assets

Consolidated and College	Freehold Land and Buildings	Equipment	Assets Under Construction	Total
	£000	£000	£000	£000
Cost or valuation				
At 1 August 2014	24,523	7,100	607	32,230
Additions at cost	17	712	450	1,179
Transfer to assets	457	168	(625)	-
Transferred to assets held for resale	36	-	-	36
Disposals	(60)	(155)	-	(215)
At 31 July 2015	24,973	7,825	432	33,230
Depreciation				
At 1 August 2014	8,791	5,714	-	14,505
Charge for the year	577	480	-	1,057
Eliminated in respect of disposals	(24)	(145)	-	(169)
At 31 July 2015	9,344	6,049	-	15,393
Net book value at 31 July 2015	15,629	1,776	432	17,837
Net book value at 31 July 2014	15,732	1,386	607	17,725

The transitional rules set out in FRS15 'Tangible Fixed Assets' have been applied on implementing the standard, and accordingly the book amounts for the inherited Freehold land and buildings have been retained.

If inherited land and buildings and equipment had not been re-valued they would have been included at nil cost.

Included in freehold land and buildings is land valued at £809,960 (2014: £809,960).

All assets valued in 1993 by Essex County Council Property Services.

The depreciation charge for the year is analysed as follows:

Owned assets	1,057	1,050
Assets held under hire purchase obligations	-	2
Total	1,057	1,052

Equipment with a net book value of nil is held under hire purchase agreements (2014 - £Nil)

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

	Note	2015 £000	2014 £000
14	Investments		
	The College also owns 100% of the issued share capital of Writtle College Services Limited, a company registered in England. This company ceased trading with effect from 1st August 2009.		
15	Endowment Asset Investments		
	Balance at 1 August 2014	3	3
	Transfer from Income & Expenditure account	-	-
	Balance at 31 July 2015	3	3
16	Stock		
	Livestock	112	155
	Consumables	108	159
	Total	220	314
17	Debtors		
	Amounts falling due within one year:		
	Trade debtors	133	274
	Amounts due from funding bodies	-	22
	Prepayments and accrued income	520	379
	Total	653	675
18	Creditors: Amounts falling due within one year		
	Bank loans and overdrafts, including other loans 20. a & 20. b	160	140
	Payments received on account	494	444
	Trade creditors	1,197	1,516
	Other creditors	143	157
	Other taxation and social security	191	183
	Amounts due to funding bodies	104	37
	Accruals	141	226
	Total	2,430	2,703
19	Creditors: Amounts falling due after more than one year		
	Bank loans 20. a	4,115	4,182
	Other loans 20. b	200	108
	Pensions and similar obligations	2	3
	Total	4,317	4,293

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

	2015 £000	2014 £000
20 Analysis of borrowings of the College		
a. Bank Loans and Overdraft		
Bank loans and overdrafts repayable as follows:		
In one year or less	85	82
Between one and two years	90	86
Between two and five years	301	288
In five years or more	3,725	3,808
Total	4,201	4,264

The bank loans and overdraft are secured on the freehold land and buildings

The College has one bank loan £3,585k which, with effect from November 2007, was transferred to an interest only loan over 10 years at an interest rate of 5.3%. The other College bank loans are fixed at a rate of 5.45% until August 2021.

b. Other loans		
Salix loans are repayable as follows:		
In one year or less	75	58
Between one and two years	72	49
Between two and five years	128	59
In five years or more	-	-
Total	275	166

The College has taken a new HEFCE Green Fund loan for £72k. This is an interest free loan and repayable over 4 years. Payable in quarterly instalments.

The College has 2 HEFCE Green fund loans detailed below:

Amount	Start Date	Finish Date
66,458.00	Nov-14	Nov-18
72,374.00	Nov-15	Nov-19

The College has 8 Salix loans detailed below. These are interest free and are repayable over 4 years. Payable in half yearly instalments.

Amount	Start Date	Finish Date
£56,329	Mar-12	Mar-16
£52,887	Mar-12	Mar-16
£15,106	Mar-12	Mar-16
£21,555	Mar-14	Mar-18
£34,740	Mar-14	Mar-18
£29,641	Mar-15	Mar-19
£74,501	Mar-15	Mar-19
£11,220	Mar-16	Mar-20

21 Provision for Liabilities

	Restructuring £000	
As at 1 August 2014	-	52
Transferred to income and expenditure account	-	(52)
Transferred from income and expenditure account	-	-
At 31 July 2015	-	-

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

22 Deferred Capital Grants

	Funding Councils £000	Other Grants £000	Total £000
As at 1 August 2014			
Land and buildings	2,707	718	3,425
Equipment	117	2	119
Total	2,824	720	3,544
Cash received			
Land and buildings	-	-	-
Equipment	140	11	151
Total	140	11	151
Released to income and expenditure account			
Land and buildings	(96)	(26)	(122)
Equipment	(30)	(2)	(32)
Total	(126)	(28)	(154)
As at 31 July 2015			
Land and buildings	2,611	692	3,303
Equipment	227	11	238
Total	2,838	703	3,541

23 Restricted Expendable Endowments

As at 1 August 2014	3	3
Transfer from Income and Expenditure account	-	-
As at 31 July 2015	3	3

24 Revaluation Reserve

As at 1 August 2014	5,720	5,972
Transfer from revaluation reserve to income and expenditure account	(180)	(180)
Gain realised on disposal of property transferred to income and expenditure reserves.	(36)	(72)
As at 31 July 2015	5,504	5,720

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

	Note	2015 £000	2014 £000
25	Income and Expenditure Account		
	As at 1 August 2014	(3,231)	(2,459)
	Transfer from revaluation reserve to income and expenditure account	180	180
	Actuarial loss in respect of pension scheme	(528)	(2,571)
	Surplus on continuing operations after depreciation of assets at valuation and tax	802	1,547
	Transfer to income and expenditure reserves in respect of realised gains	36	72
	As at 31 July 2015	(2,741)	(3,231)
	Balance represented by Pension Reserve	(10,892)	(10,008)
	Income and Expenditure reserve excluding Pension Reserve	8,151	6,777
	As at 31 July 2015	(2,741)	(3,231)
26	Financial Commitments		
	At 31 July 2015 the College had annual commitments under non-cancellable operating leases for equipment as follows:		
	Expiring within one year	8	2
	Expiring between two and five years inclusive	8	34
	Total	16	36
27	Capital Commitments		
	Commitments contracted for at 31 July 2015	241	186
		241	186
28	Post Balance Sheet Events		
	There are no material post balance sheet events to report.		
29	Reconciliation of Operating Surplus/ (Deficit) to Net Cash Inflow from Operating Activities		
	Surplus on continuing operations after depreciation of assets at valuation and tax	802	1,547
	Depreciation (note 13)	1,057	1,052
	Deferred capital grants released to income (note 22)	(154)	(215)
	Profit on disposal of tangible fixed assets	(241)	(543)
	Decrease/ (Increase) in stocks	94	(32)
	Interest payable (note 11)	457	483
	Pension costs less contributions payable (note 8)	184	(660)
	Decrease/ (Increase) in debtors	22	(54)
	(Increase)/ Decrease in creditors	(294)	549
	Decrease in provisions	-	(52)
	Interest receivable (note 6)	(26)	(24)
	Net cash inflow from operating activities	1,901	2,051

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

		2015 £000	2014 £000		
30	Returns on Investments and Servicing of Finance				
	Other Interest Received (note 6)	26	24		
	Interest Paid (note 11)	(285)	(290)		
	Net cash outflow from returns on investment and servicing of finance	(259)	(266)		
31	Capital Expenditure and Financial Investment				
	Tangible Assets Acquired	(1,179)	(1,223)		
	Receipts from Disposal of Tangible Assets	286	615		
	Deferred Capital Grants Received (note 22)	151	84		
	Net cash outflow from capital expenditure and financial investment	(742)	(524)		
32	Financing				
	New Loans	188	67		
	Repayment of long term loans	(142)	(114)		
	Net cash flow from Financing	46	(47)		
33	Analysis of Changes in Net Debt				
		At 1 August 2014 £000	Cash Flows £000	Non Cash Movement £000	At 31 July 2015 £000
	Cash at Bank and in Hand	4,287	946	-	5,233
		4,287	946	-	5,233
	Debt due within one year	(140)	(46)	25	(161)
	Debt due after one year	(4,291)	-	(25)	(4,316)
	Net debt	(144)	900	-	756
34	Pension and Similar Obligations				
	The Colleges' employees belong to two principal pension schemes: the Teachers' Pension Scheme in England and Wales (TPS) for academic and related staff, and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Essex County Council. Both are defined benefit schemes.				
	Total pension cost for the year		Year ended 31 July 2015 £000	Year ended 31 July 2014 £000	
	Teachers' Pension Scheme: contributions paid		485	508	
	Local Government Pension Scheme: contributions paid		625	608	
	FRS 17 (Credit)/ Charge		184	(31)	
	Exceptional pension charge re. transfer of Shuttleworth		-	(629)	
	Total Pension Costs for Year		1,294	456	

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest formal actuarial valuation of the TPS was 31 March 2004 and the LGPS 31 March 2013.

There were no outstanding or prepaid contributions at either the beginning or the end of the financial year/ Contributions amounting to £142,000 (2014 £145,000) were payable to the scheme at 31st July and are included within creditors.

Teachers' Pension Scheme

The Teachers' Pension Scheme ("TPS") is a statutory, contributory, defined benefit scheme. The regulations under which the TPS operates are the Teachers' Pensions Regulations 2010. These regulations apply to teachers in schools and other educational establishments in England and Wales maintained by local authorities, to teachers in many independent and voluntary-aided schools, and to teachers and lecturers in establishments of further and higher education. Membership is automatic for full-time teachers and lecturers and from 1 January 2007 automatic too for teachers and lecturers in part-time employment following appointment or a change of contract. Teachers and lecturers are able to opt out of the TPS.

The Teachers' Pension Budgeting And Valuation Account

Although teachers and lecturers are employed by various bodies, their retirement and other pension benefits, including annual increases payable under the Pensions (Increase) Acts are, as provided for in the Superannuation Act 1972, paid out of monies provided by Parliament. Under the unfunded TPS, teachers' contributions on a 'pay-as-you-go' basis, and employers' contributions, are credited to the Exchequer under arrangements governed by the above Act.

The Teachers' Pensions Regulations require an annual account, the Teachers' Pension Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pensions' increases). From 1 April 2001, the Account has been credited with a real rate of return (in excess of price increases and currently set at 3.5%), which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return.

Valuation Of The Teachers' Pension Scheme

Not less than every four years the Government Actuary ("GA"), using normal actuarial principles, conducts a formal actuarial review of the TPS. The aim of the review is to specify the level of future contributions. The last formal actuarial valuation undertaken for the Teachers' Pension Scheme was completed in 2004. Consequently, a formal actuarial valuation would have been due by 2008. However, formal actuarial valuations for unfunded public service pension schemes have been suspended by HM Treasury on value for money grounds while consideration is given to recent changes to public service pensions and while future scheme terms are developed as part of the reforms to public service pension provision. The primary purpose of the formal actuarial valuations is to set employer and employee contribution rates, and these are currently being determined under the new scheme design.

Approximate actuarial assessments in intervening years between formal valuations using updated membership data are accepted as providing suitably robust figures for financial reporting purposes.

The contribution rate paid into the TPS is assessed in two parts. First, a standard contribution rate ("SCR") is determined. This is the contribution, expressed as a percentage of the salaries of teachers and lecturers in service or entering service during the period over which the contribution rate applies, which if it were paid over the entire active service of these teachers and lecturers would broadly defray the cost of benefits payable in respect of that service. Secondly, a supplementary contribution is payable if, as a result of the actuarial investigation, it is found that accumulated liabilities of the Account for benefits to past and present teachers, are not fully covered by standard contributions to be paid in future and by the notional fund built up from past contributions. The total contribution rate payable is the sum of the SCR and the supplementary contribution rate.

As noted, the last formal valuation of the TPS related to the period 1 April 2001 - 31 March 2004. The GA's report of October 2006 revealed that the total liabilities of the Scheme (pensions currently in payment and the estimated cost of future benefits) amounted to £166,500 millions. The value of the assets (estimated future contributions together with the proceeds from the notional investments held at the valuation date) was £163,240 millions. The assumed real rate of return was 3.5% in excess of prices and 2% in excess of earnings. The rate of real earnings growth was assumed to be 1.5%. The assumed gross rate of return was 6.5%.

As from 1 January 2007, and as part of the cost-sharing agreement between employers' and teachers' representatives, the SCR was assessed at 19.75%, and the supplementary contribution rate was assessed to be 0.75% (to balance assets and liabilities as required by the regulations within 15 years). This resulted in a total contribution rate of 20.5%, which translated into an employee contribution rate of 6.4% and employer contribution rate of 14.1% payable. The cost-sharing agreement also introduced – effective for the first time for the 2008 valuation – a 14% cap on employer contributions payable.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

Scheme Changes

From 1 April 2012 to 31 March 2014, the employee contribution rate ranged between 6.4% and 8.8%, depending on a member's Full Time Equivalent salary, with Employer contributions set at 14.1%. With effect from 1st April 2014 the employee contributions rates were increased and ranged between 6.4% and 12.4%, depending on a member's Full Time Equivalent salary, with Employer contributions set to increase to 16.4% from September 2015.

Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. Many of these are being discussed in the context of the design for a reformed TPS, as set out in the Proposed Final Agreement, and scheme valuations are, therefore, currently suspended. The Government, however, has set out a future process for determining the employer contribution rate under the new scheme, and this process will involve a full actuarial valuation.

The Proposed Final Agreement can be found at:

<http://media.education.gov.uk/assets/files/ppt/t/tps%20proposed%20final%20agreement.pdf>

The pension costs paid to TPS in the year amounted to £485,000 (2014: £508,000)

FRS 17

Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The College is unable to identify its share of the underlying assets and liabilities of the scheme.

Accordingly, the College has taken advantage of the exemption in FRS17 and has accounted for its contributions to the scheme as if it were a defined-contribution scheme. The College has set out above the information available on the scheme and the implications for the College in terms of the anticipated contribution rates.

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee administered funds. The total contribution made for the year ended 31 July 2015 was £671,000 of which employer's contributions totalled £448,000 and employees' contributions totalled £223,000. The agreed contribution rates for future years are set at 12.8% for employers and banded rates of 5.5% - 12.5% for employees. In addition an employer's annual contribution of £179,005 (2014 - £199,201) is made to meet past service deficiencies.

FRS 17

The following information is based upon a full actuarial valuation of the fund as at 31 March 2014 update to 31 July 2015 by a qualified independent actuary

Principal Actuarial Assumptions	Year ended 31 July 2015	Year ended 31 July 2014
Rate of RPI inflation	3.5%	3.5%
Rate of CPI inflation	2.6%	2.7%
Rate of increase in salaries	4.4%	4.5%
Rate of increase for pensions in payment/inflation	2.6%	2.7%
Discount rate for liabilities	3.8%	4.2%
Commutation of pensions to lump sums	60%	50%

The current mortality assumptions include sufficient allowance for future improvements in mortality rates. The assumed life expectations on retirement age 65 are:

Retiring today:

Males	22.8	22.7
Females	25.2	25.1

Retiring in 20 years:

Males	25.1	24.9
Females	27.6	27.4

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

The College's share of the assets in the scheme and the expected rate of return were:

	Long Term rate of return expected at 31 July 2015 £000	Fair Value at 31 July 2015 £000	Long Term rate of return expected at 31 July 2014 £000	Fair Value at 31 July 2014 £000
Equities		12,176	6.5%	10,721
Government Bonds		758	3.4%	1,028
Other Bonds		1,817	4.0%	1,783
Property		2,167	5.5%	1,926
Cash/Liquidity		463	3.2%	474
Other		1,348	4.0%	639
Total market value of assets	5.7%	18,729	5.7%	16,571
Actuarial value of scheme liabilities		(29,621)		(26,579)
Deficit in the scheme – Net pension liability		(10,892)		(10,008)

	31 July 2015 £000	31 July 2014 £000
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Analysis of amounts charged to income and expenditure account:

Employer's service cost (net of contributions)	(788)	(681)
Curtailment costs	73	(713)
Total operating charge	(715)	(1,394)

Analysis of pension finance costs:

Expected return on pension scheme assets	952	1,005
Interest on pension scheme liabilities	(1,124)	(1,198)
Pension finance costs	(172)	(193)

Amount recognised in the statement of total recognised gains and losses (STRGL)

Actuarial gains/ (loss) on pension scheme assets	1,023	(903)
Actuarial loss on pension scheme liabilities	(1,551)	(1,668)
Actuarial loss recognised in STRGL	(528)	(2,571)

Movement in deficit in the year:

Deficit in the scheme at 1 August	(10,008)	(7,904)
Current employer service costs	(788)	(681)
Employer contributions	677	628
Curtailment or settlements	(73)	713
Net interest	(172)	(193)
Actuarial (loss)/ gain	(528)	(2,571)
Deficit in scheme at 31 July	(10,892)	(10,008)

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

	31 July 2015 £000	31 July 2014 £000
Reconciliation of Liabilities		
Liabilities at start of period	26,579	25,944
Current Service cost	788	681
Interest cost on pension liabilities	1,124	1,198
Employee contributions	223	224
Actuarial gains	1,551	1,668
Benefits paid	(773)	(1,138)
Curtailments and settlements	47	5
Liabilities assumed/ (extinguished) on settlements	82	(2,003)
Liabilities at end of period	29,621	26,579
Reconciliation of Assets		
Assets at start of period	16,571	18,040
Expected return on assets	952	1,005
Actuarial gain/ (loss)	1,023	(903)
Employer contributions	677	628
Employee contributions	223	224
Benefits paid	(773)	(1,138)
Settlements prices received/ (paid)	56	(1,285)
Assets at end of period	18,729	16,571

The estimated value of employer contributions for the year to 31 July 2016 is £656,000 (2015 £626,000)

Deficit contributions

The College has entered into an agreement with the LGPS to make additional contributions of £179,000 per annum from 1st April 2015 in addition to normal funding levels until the next full valuation at which point the situation will be reviewed again.

History of experience of gains and losses	At 31 July 2015	At 31 July 2014	At 31 July 2013	At 31 July 2012	At 31 July 2011
Difference between the expected and actual return on scheme assets:					
Amount £000	1,023	(903)	2,150	(772)	49
Experience losses on scheme liabilities					
Amount £000	-	-	-	(2)	18
Total amount recognised in the statement of total recognised gains and losses:					
Amount £000	(528)	(2,571)	2,652	(2,690)	245

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

	31 July 2015 £000	31 July 2014 £000
35 Access Funds		
Funding Council Grants	18	25
Contribution to Staff Administration	-	(1)
	18	24
Balance unspent and brought forward	3	-
Disbursement to Students	(11)	(21)
Balance at 31 July 2014	10	3

Funding Council grants are available solely for students: the College acts only as a paying agent. The grants and related disbursements are therefore excluded from the Income and Expenditure Accounts.

There is £10,000 no unspent funds to be carried forward to 2015/16 (2014/15 – £2,481).

36 Learner Support Funds	2015 £000	2014 £000
Funding Council Grants	226	314
Contribution to Staff Administration	(11)	(15)
	215	299
Balance unspent and brought forward	6	7
Disbursement to Students	(205)	(158)
To be returned to Funding Council	(14)	(142)
Balance Unspent at 31 July 2015	2	6

There is £2,000 unspent funds to be carried forward to 2015/2016 (2014/2015 - £6,000)

Funding Council grants are available solely for students: the College acts only as a paying agent. The grants and related disbursements are therefore excluded from the Income and Expenditure Accounts.

37 Related Party Transactions

Due to the nature of the College's operations and the composition of the Board of Governors (being drawn from public and private sector organisations), it is inevitable that transactions will take place with organisations in which a member of the Board of Governors may have an interest. All transactions involving organisations in which a member of the Board of Governors may have an interest are conducted at arms length and in accordance with the College's financial regulations and normal procurement procedures.

Mr J McLarty, a Board member is a partner with Strutt and Parker, who were commissioned by the College to provide estate agent fees on a sale of a property costing £4k and advising on development value of a possible sale costing £4k.

Mr B Morris is a member of senior staff at University of Essex, the degree awarding body for HE provision at Writtle College. The income for the year amounted to £191k, expenditure £180k and the balance at the end of the year nil.

Mr Newenham is a Board member of Wilkin & Son Ltd, who rent out our tea rooms and shop. The agreement is purely on a commercial arms length basis. The income for the year amounted to £37k and the balance at the end of the year nil.



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