



Writtle
University
College



Report and Financial Statements Year Ended 31 July 2016



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GOVERNORS AND ADVISORS

CHANCELLOR

The Baroness Jenkin of Kennington

VICE-CHANCELLOR

Dr Stephen Waite

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 or resignation	Committees served
Ms S Aitkin	Appointed 20 March 2015	
Miss D Bittner (Students' Union President)	Appointed 1 July 2016	
Mr S Brice	Re-appointed 14 October 2016	Finance & General Purposes Committee
Mr D Church	Re-appointed 14 October 2016	
Mr P Downer	Re-appointed 18 March 2016	Academic Standards & Quality Enhancement Committee
Mr R Eveleigh	Appointed 15 November 2013	Personnel & Remuneration Committee (from June 2014)
Mr J Howe (Students' Union President)	Resigned 30 June 2016	
Mr F Howie	Appointed 13 June 2014	Personnel & Remuneration Committee
Mr I Hutton-Jamieson	Appointed 14 November 2014	Audit Committee
Ms P Judd	Re-appointed 21 October 2015	Chair of Audit Committee
Mr N Kirby (member of staff)	Appointed 14 June 2014	
Ms J Logie	Resigned 13 March 2016	Chair of Academic Standards & Quality Enhancement Committee
Mr J McLarty	Re-appointed 17 July 2015	Finance & General Purposes Committee
Mr B Morris	Appointed 19 July 2013	Audit Committee
Mr K Moule (member of staff)	Re-appointed March 2016	Academic Standards & Quality Enhancement Committee
Mr C Newenham	Re-appointed 22 March 2013	Chair of Finance & General Purposes Committee
Mr G Page	Appointed 1 September 2015	Finance & General Purposes Committee
Dr A Perera (member of staff)	Re-appointed March 2016	
Mr A Radford	Appointed 15 November 2013	Audit Committee
Mrs J Smith (Chair of Board)	Re-appointed 13 June 2014	Academic Standards & Quality Enhancement Committee, Personnel & Remuneration Committee Chair of Search & Governance
Mr N Spenceley	Appointed 14 October 2016	Academic Standards & Quality Enhancement Committee
Mr P Swan	Appointed 14 November 2014	
Mr P Van Damme	Re-appointed 13 June 2014	Chair of Personnel & Remuneration Committee, Search & Governance Committee
Dr S Waite (Vice- Chancellor)	Appointed 2 April 2013	Finance & General Purposes, Personnel & Remuneration, Search & Governance
Ms S White	Appointed 16 October 2015	Academic Standards & Quality Enhancement Committee

The Vice-Chair position is shared between the Chairs of Audit, Finance & General Purposes, Personnel & Remuneration Committees.

PROFESSIONAL ADVISORS

External Auditors	Deloitte LLP, 3 Victoria Square, Victoria Street, St Albans, AL1 3TF. (appointed June 2016)
Bankers	Barclays Bank plc, 40-41 High Street, Chelmsford, Essex, CM1 1BE.
Internal Auditors	Scrutton Bland, 17 - 19 Museum Street, Ipswich, Suffolk, IP1 1HE. (re-appointed June 2016)
Solicitors	Birkett Long, Essex House, 42 Crouch Street, Colchester, Essex, CO3 3HH. Quatrills Solicitors, The Peninsula Business Centre, Wherstead Street, Wherstead, Ipswich, IP9 2BB (HR Support)

UNIVERSITY COLLEGE DETAILS

Address	Writtle University College Lordship Road Writtle Chelmsford Essex CM1 3RR
Telephone	+44 (0)1245 424200
Email	Info@writtle.ac.uk
Website	www.writtle.ac.uk

Copies of the Financial Statements can be obtained from the University College's address above, or downloaded from the website.

NATURE, OBJECTIVES AND STRATEGIES

The members present their report and the audited financial statements for the year ended 31 July 2016.

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.

In March 2015 the College was awarded taught degree awarding powers and has recently been successful in its application for University College title. With effect from 22 August 2016 it became Writtle University College (WUC).

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

Vision and Mission

The top level Strategic Vision 2015-2018 was approved by the Board of Governors during the 2014 autumn term, since when the Board of Governors has been kept informed of progress against strategic actions.

WUC'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 institution 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 achieve and to maintain a robust and stable financial position, on which bedrock the University 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.
- University College structure and investment strategy.

Priority actions have been agreed for the 2016/17 year and outputs will be measured.

FINANCIAL RESULTS

Summary Financial Results

Please find below a summary of the financial results for 2015/16 with prior year comparatives (restated for FRS102).

	2016	2015
	£k	£k
Income	17,359	17,402
Expenditure	17,155	17,151
Surplus before other gains and losses	204	251
Gain on disposal of fixed assets	2	241
Surplus	206	492
Actuarial (loss) on pension scheme	(3,897)	(267)
Total comprehensive income for the year	(3,691)	225

Surplus for the Year

For the financial year ended 31 July 2016 the University College is reporting a Surplus of £206k (2015 – £492k), after profit on disposal of assets of £2k (2015 – £241k). Due to the actuarial loss on the Local Government Pension Scheme (LGPS) of £3,897k (2015 – £267k) the reserves position is eroded by a net £3,691k (2015 increased – £225k).

Total income of £17.4m for the year remains at a similar level to last year, with little variation in the mix between Further Education and Higher Education fees and funding compared to prior year.

Expenditure has been well controlled and in particular savings have been made against budget in all areas, in particular staff costs and property. Essential property work will need to be undertaken during 2016/17, including more substantial capital spend projects.

Staffing Costs

The overall employee expenditure, expressed as a percentage of the total University College's income was 57.4% (2015 – 54.5%) With flat income combined with the inevitable inflationary and incremental pay increases it is proving difficult to hold/reduce staff costs. However, in response to this a voluntary redundancy programme has been introduced at the start of the 2016/17 academic year.

Balance Sheet

Under FRS102 the University College has taken the opportunity to revalue the land and buildings of the Estate as at 1 August 2014, the impact of which has been to significantly strengthen the Balance Sheet overall.

The University College has an accumulated Income and Expenditure deficit of £2,703k (2015 - £763k) including pension liability of £15,407k (2015- £10,892k). Total reserves are £19,445k (2015 £23,136k) including Revaluation Reserve of £22,145k (2015 £22,370k).

The cash position is strong and has improved, standing at £6,041k compared to £5,236k at the start of the year. Unsecured long term debt has reduced slightly at £4,316k compared to £4,475k at the start of the year and including £3.6m interest only loan.

Tangible fixed asset additions during the year amounted to £1,303k, split between additions and improvements to buildings, including those under construction of £453k and plant and equipment purchases of £850k. The major items of spend during the year included £240k investment in Sturgeons Farm, £246k on the Recreation centre, including new sports equipment, £85k on IT, including upgrading the wireless provision in the accommodation blocks, and around £100k spend on equipment for the science labs, funded partly by South East Local Enterprise Partnership (SE LEP).

Cash Flow and Liquidity

The University College achieved a net cash inflow from operating activities for 2016 of £2,429k (2015 £1,832k). The overall cash position, after fixed asset purchases and repayment of borrowings has increased by £805k (2015- £946k). Sufficient cash is held to meet the repayment of the fixed term interest only loan of £3.6m in December 2017, at which time the University College will review its borrowing requirements. High breakage costs have meant that it has been uneconomic to break this fixed high interest rate loan arrangement early.

The continued improving trend in cash flow from operating activities is reflected in the University College's year-end cash balances.

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

Outlook

As a mixed Higher and Further Education economy the University College is dependent on strong levels of recruitment in each area and is exposed equally to government funding constraints in the HE and FE sectors. With relatively fixed costs of teaching and high estate overheads the revenue generated by each additional student recruited goes through to the bottom line surplus, making student numbers critical to future financial stability.

Whilst the financial health of the sector as a whole is sound, at institutional level the picture is very mixed, with a trajectory that widens the gap between winners and losers. The removal of the Student Numbers Cap in 2015/16 and the proposed introduction of the Teaching Excellence Framework, further increase the pressure to invest in order to protect the student experience and to remain competitive.

Last year WUC was eligible for and applied for Institute Specific Funding. It was disappointing, that despite being able to demonstrate increased costs to deliver a land-based curriculum, and despite evidence that the University College had worked extremely hard to deliver efficiency savings, it was unable to secure the funding. Whilst not reliant on the additional funding, it would have strengthened the position considerably, providing a much need injection into the Estate and enabling the redevelopment of the curriculum in certain areas, notably horticulture.

The University College has recruited slightly below budget for 2016/17, though post graduate recruitment is ahead. There remain concerns about the level of HE recruitment generally with a limited national pool of students electing to pursue agriculture and horticulture at degree level. In response to this the University College recognises the need to broaden its offering, but without losing sight of its specialism. WUC is well placed to build on its success with vocational apprenticeships and is looking to develop higher degree level apprenticeships in specific subject areas.

There are pockets of International HE recruitment where the University College has captured the market, such as South Korea for Floristry. However, more generally, international recruitment is not as strong as it could be and this is seen as a potential opportunity with the correct international marketing strategy in place. The fact that "University" now features in the name is expected to strengthen the international appeal, with appropriate marketing support. WUC has successfully re-instated the US Federal loan scheme, making this an accessible market for the future.

Traditionally the FE market has been a relatively easy one for the University College with a good reputation locally, practical skills training which lends itself to Apprenticeships and a strong position financially compared to other FE institutions. In 2016/17, for the first time, and in common with other local FE institutions the level of recruitment has been disappointing. Although there will be some opportunity for in-year recruitment this potentially impacts on the level of funding for the 2017/18 year on a lagged funding model. The extension of adult learning loans to the 19 to 23 year-old age group is seen as a potential opportunity.

In conjunction with increasing student numbers in HE and FE, WUC must look to make further efficiency savings and to look increasingly at third stream commercial income streams. WUC is very proud to have acted as host to John Lewis for their classroom based staff training programme, ahead of the opening of the new store in Chelmsford on 29 September.



HIGHER EDUCATION

Student Numbers

During the year, for 2015/16, WUC had 787 HE enrolments, totalling 742 Full Time Equivalents (FTE). Of these, 89 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 48 FTE student enrolments on taught post-graduate (PGT) programmes and 21 FTEs enrolled on postgraduate research programmes (PGR).

Direct HEFCE funding associated with teaching totalled £1,111k (2015- £1,202k). Total fee income was £6,556k of which £848k was international fees.

The Institution also received £209k from University of Essex for its PGT and PGR students which are 'returned' to HEFCE as part of the University's funding claim. In 2015/16 WUC benefitted from £156k of PGT funding from University of Essex, relating to earlier years.

Student Achievement

WUC students continue to perform well. For the academic year 2015/16 students achieved the following awards:

- 171 Bachelor degrees
- 36 Foundation degrees
- 25 Diplomas of Higher Education
- 42 Certificates of Higher Education
- 50 Masters' degrees
- 28 Other postgraduate awards

Curriculum Developments

In April 2016 Writtle College achieved University status and in August 2016 the institution launched its new title as Writtle University College (WUC). This development builds on the recognition of academic standards and quality that has been earned from external agencies.

As in previous years, WUC continues to work closely with the University of Essex to achieve the annual cycle of events and procedures that comprise our Quality Assurance and Enhancement process; however running parallel to this is the institution's post taught degree awarding powers transition plan, and teams are working hard to ensure we continue to have the requisite quality and curriculum frameworks in place when WUC offers its own Awards from September 2017. 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.

Other notable achievements in HE in 2015/16 included:

- A team of PG Landscape Architecture and Garden Design students was awarded a prestigious Silver-Gilt award for their garden design at the Hampton Court Palace Show in July.
- Students studying towards a degree in Horticulture bred a new plant called Little Writtle, which is now being commercially marketed.
- A student in her second year of an Equine Studies and Business Management degree competed in Riding for the Disabled Association National Championships.
- A Landscape Garden Design graduate was awarded a prestigious gold medal by the Royal Horticultural Society in the Young Designer of the Year competition.

Finally, although Research Provision at WUC was reapproved by the University of Essex for a period of 5 years subject to periodic review in 2014/15, Essex has made a strategic decision to withdraw from partnership work. In response to this the institution is currently in discussion with both Anglia Ruskin University and the University of West London who are both interested in accrediting our Post Graduate research provision from 2018/19.



FURTHER EDUCATION

Student Numbers

During the 2015/16 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 £4,684k (2014/15- £4,567k). This represented 1,072 funded and 2,024 commercially funded students.

Level one schools 14-16 provision worth c £120k was delivered at out centres including Saffron Walden County High School, Pets Corner (Harlow), Tendring and Marsh Farm.

Quality Improvement

The Division continues to improve and has internally self-assessed its provision as 'Good'. This remains in line with Ofsted's January 2014 inspection grade, and WUC remains one of only three further education providers to achieve an Ofsted grade 2 'Good' in Essex. The institution is scheduled for an Ofsted visit from January 2017 when it is envisaged that there will be a two day 'short' inspection to confirm that the institution remains 'good'.

Student achievement remains high, as in the recently published Landex data comparison tables the Division was ranked in the top 5 institutions for Success when compared with local colleges and national land-based college and in the top 3 for Apprentice success rates.

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 predominantly at levels 2 and 3. The FE provision is designed to, not only give students the skills they need within their chosen industry, but also to allow them to progress onto appropriate HE programmes. During 2015/16 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. In addition to this WUC has now been approved to offer technical certificates in a range of subjects.

Notable FE student achievements during 2015/16 were:

- A silver medal in the Ideal Young Gardeners of the Year competition at the Ideal Home Show 2016.
- An Apprentice in Horticulture has been employed as Assistant Groundsman at Arsenal Football Club at the Emirates Stadium upon completion of his L3 qualification in Groundsmanship (Sports Turf).
- L3 Floristry Diploma students has opened her first Floristry Shop and was also invited to compete in a floristry challenge on the Alan Titchmarsh TV show, which she won.



FINANCIAL POSITION

Treasury Policies and Objectives

Treasury management is the management of the University 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 University College has a separate treasury management policy in place.

Post Balance Sheet Events

The University College has now exchanged contracts with R W Crawford Agricultural Machinery Ltd for the sale of land off Foxburrows Lane in the sum of £575k. This a collaborative arrangement whereby WUC will see the benefit of an enhanced curriculum for Agriculture students.

The University College is soon to complete on a further land sale, on the periphery of the village of Writtle to Stonebond Properties Ltd, which will fund the relocation of the stud at Daws Farm and improved Equine facilities at Cow Watering Lane.

Going Concern

For the past six years, excepting 2012/13, when HE recruitment dipped on introduction of the higher fee regime, WUC has delivered an Operating surplus. For the year ended 31 July 2016 WUC reports a modest surplus, before asset sales of £204k (2015- £251k).

In 2015/16, despite disappointing HE recruitment, leaving income almost £1m short of the original budget, through tight cost control, including staffing costs WUC is reporting an Operating surplus of £204k (2015- £251k), before asset sales.

The HE UG recruitment intake for 2016/17 has fallen slightly short of budget, though PGT recruitment is ahead. FE recruitment is below target, which is not unusual in the sector, and the apprenticeship programme is running slightly ahead.

With relatively static student numbers overall and certain unavoidable cost increases, WUC is facing a difficult 2016/17 year ahead and has projected a deficit at operating level in the order of £0.6m to HEFCE. Recognising this, measures have been taken by introducing a voluntary redundancy programme, which closed in September 2016. The impact of this will be an increased deficit in 2016/17, after circa £0.5m of exceptional restructuring costs, and thereafter ongoing staff cost savings of c £300k from 2017/18 onwards. Even before the impact of the staff cost savings in 2017/18 the financial position is set to improve with the permitted inflationary increase in fees from £9,000 to £9,250, the 4th year of the Veterinary Physiotherapy Integrated Masters' Degree and the introduction of a new Bio-veterinary Integrated Masters' Degree.

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

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

The Estate

Tangible resources include the main university college campus which covers some 220 hectares, encompassing 31,000m² of floor space to deliver and support its academic provision. The University College has residential accommodation on campus for 400 students, as well as a number of residential properties

A revaluation of the land and property on the Estate was carried out in 2014 by Strutt and Parker for the purposes of FRS102. This revaluation has been adopted in the restated financial statements for the year to 31 July 2015 and is reflected in these financial statements. The impact of the revaluation has been to add c £17m onto the value of the assets, significantly strengthening the Balance Sheet position.

People

On average during 2015/16 the University College employed 263 members of staff, expressed as full time equivalents (FTEs). This represents a slight increase on the previous year when there were 257 FTEs. Included within the total are 165 Academic/ Academic Support staff members (2015/16).

Commencing in July 2016 the University College invested in a Leadership and Management Development Programme, in partnership with Berkshire Consultancy, with the objective of strengthening middle management. Initial feedback has been very encouraging and WUC is planning to run the scheme out to a second cohort, starting in January 2017.

Principal Risks and Uncertainties

The highest ranking risk in the University College's risk register continues to be the level of HE recruitment, which in turn drives the financial sustainability in the longer term. The underlying asset position is strong, but there is a sustainability gap that needs to be addressed by improving the return on the capital employed, increasing the surplus available for reinvestment and thereby improving the student experience. Improvements to the Estate and to the educational environment at WUC will in turn work to attract HE and FE students to study at WUC.

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

Major external risks faced by the University College relate to the potential impacts of Government changes in educational policy and funding regimes. These uncertainties, taken together with changes in the patterns of 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 University 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.

WUC is a strong advocate of the principles of Value for Money (VfM), choosing to produce a VfM report to HEFCE last year, before it was mandatory to do so.

The over-riding principle that is applied at WUC is 'to make the best use of the resources available in order to achieve the desired outcome and maximise the benefit achieved from that output'.

Objectives of Writtle University College's VfM are:

- To appraise the University College's operational effectiveness and increase the efficiency and effectiveness of our systems and processes that seek to fulfil 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.

Monitoring KPIs

The University College monitors its performance internally and reports to HEFCE periodically on an agreed set of KPIs. The University College is not being closely monitored by HEFCE and is regarded as "not at higher risk" The use of KPIs is supplemented by periodic benchmarking against the HEI sector and against relevant FE institutions.

The University College continues 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 University College's strategic objectives and continue to be reviewed and modified.

This year's Postgraduate Taught Experience Survey shows that WUC is leading the way in delivering first-class teaching and student support with an overall positive review of 88%, well ahead of the sector average which achieved 79%.

Employability for students leaving WUC is very high with more than 90% of HE students and 94% of FE students going into relevant employment or further study within 6 months of leaving the University College. (leaver destination data for 2014/15)

Apprenticeship achievement rates at 84% in 2015/16 are exceptionally high, compared to other General FE Colleges at around 70%

The figure for EBITDA (Earnings before interest and depreciation) at 12% is slightly ahead of the target set and is in line with the HE sector, despite a challenging year for the University College. The cash position is strong (136 net liquidity days) and the institution is relatively low geared with borrowing level at 25% of income.

Estate Strategy

The University 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. Following wide consultation, the new Estate Masterplan was published in 2015. The plan takes account of the current dynamic nature of sector and identifies developments that will allow the University 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, WUC 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 University College recognises the importance of these relationships and engages in regular communication with them.

Equality and Diversity

Equality at WUC means that everyone is treated fairly. The University College believes Equality and Diversity is central to achieving the goals set out in the University College's Strategic Plan, whilst enhancing our cultural profile and labour demographic.

Diversity at WUC means recognising that everyone is different, respecting and encouraging these differences and valuing the benefits diversity brings.

The University 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. WUC recognises that the promotion of equality is the concern all of members of the University College's community; all staff and students.

The University College is careful to ensure that due consideration is given to the potential impacts on equality and diversity of its policies and actions. WUC's Equality Policy and Single Equality Action Plan are available on the website (www.writtle.ac.uk/Equality-and-Diversity).

Disability Statement

The University College works hard to ensure that disabled people are involved in all aspects of the University College's work and life. The Disability Equality Scheme and associated action plan can be found published on the WUC website, under the Single Equality Scheme. (www.writtle.ac.uk/Equality-and-Diversity)

The Equality and Diversity Group includes at least one disabled member 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 University College Student Handbook, which is issued to new (and prospective) students together with the Complaints and Disciplinary Procedure leaflets during their induction.

The University College's Learning Support 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

WUC endeavours to provide specialist equipment, such as radio aids/loops, made readily available for use by students, staff or visitors. In addition 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 University College continues to out-source its Catering operations and the general feeling is that the relationship with the third party has progressed. The quality of the service and the quality of the food have improved and the provision is now more closely aligned to WUC's expectations and culture.

The overall financial objective of the student catering and residence operations at WUC is to make an operating surplus, after allowing for loan interest in respect of the building costs associated with the Halls of Residence. The net surplus for the year (allowing for interest payments but excluding depreciation) was £633k (2015- £616k).

HEALTH AND SAFETY

The University 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 University College's activities.

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

STAFF AND STUDENT INVOLVEMENT

The University College considers good communication with its staff and students to be paramount and to this end constantly reviews its communications processes. The Vice Chancellor 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 University College requires and encourages staff and student involvement in academic and general management through membership of a range of

committees. 2015/16 was the third year of running a staff suggestion scheme, developed to offer recognition for suggestions that improve the efficiency and quality of services the University College provides to its stakeholders.

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

CONCLUSION

WUC 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 has 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.

Ms P Judd
Vice-Chair of the Board of Governors
Date 25/11/16





Two alumni shortlisted for Society of Garden Designers awards

Two Writtle University College alumni were shortlisted for Society of Garden Designers awards.

Patricia Fox, who was an Associate Student of Garden Design at WUC in 2004, was shortlisted in three categories in the SGD Awards 2015 – 'Medium Residential Garden', 'Small Residential Garden' and 'Pocket Garden'. Her shortlisted projects also competed for the 'People's Choice Award'.



Fantastic results in the survey of Taught Postgraduates

The independent experience survey of Taught Postgraduates at Writtle University College showed that overall satisfaction was at 88% – above the sector average of 79%. Relative to the sector benchmarking group, skills development was the most positive area, with a score 9.7% higher than this benchmark.



Launch of new student portal - MyDay

A brand new student portal was launched for all Writtle Higher Education and Further Education students. The new portal called 'MyDay' went live in January as a one-stop-shop for everything students need to know about life at Writtle.

AUGUST

SEPTEMBER

OCTOBER

NOVEMBER

DECEMBER

JANUARY

Writtle University College qualifies for RHS Floristry College of the Year 2016

Writtle students and staff were awarded a place in the prestigious RHS Floristry College of the Year competition, which took place at RHS Chelsea Flower Show. As a result of their creative and eye-catching display at Hampton Court Flower Show 2015, a group of Level 2 and Level 3 Diploma Floristry students, supporting Writtle floristry staff, then competed in the national final in 2016.



Application submitted for UNESCO World Heritage reserve

A large UNESCO World Heritage reserve took a step closer to being established across the Altai Mountain region straddling the border between Russia and Kazakhstan thanks to the work of a Writtle University College academic and his colleagues.

Dr Peter Hobson had jointly worked on a Management Plan for the 1.6 million hectares of mountain landscape for more than two years with Professor Pierre Ibisch and project staff from Eberswalde University of Sustainability, Germany.



Universities Federation for Animal Welfare's Student Scholars' Meeting

The Animal Welfare Scientists of the future were in the spotlight as they presented their research at an international conference held at Writtle University College.

The topics covered were wide-ranging: from the sexing of chickens before they hatch, to the effect visitors have on the behaviour of macaques in zoos; from the nocturnal behaviour of orphan young Asian elephants in a Sri Lankan rehabilitation centre, to empathy in rats.

Silver Award for WUC at the Young Gardeners of the Year

Writtle University College won a Silver medal in the Ideal Young Gardeners of the Year competition at the Ideal Home Show 2016. This achievement followed on from last year's success, which saw the Writtle team win Best in Show, a Gold medal and the People's Choice award.



Writtle achieves University College status

Writtle was awarded University College status and relaunched as 'Writtle University College' in August.

This was the second milestone achievement in the space of a year for Writtle, who were granted Taught Degree Awarding Powers in March 2015 and means Writtle is able to provide its own degree courses from September 2017.



Silver-Gilt for landscape designers at Hampton Court Palace Flower Show

A talented team of postgraduate Landscape Architecture and Garden Design graduates from Writtle University College were awarded a prestigious Silver-Gilt award for their show-stopping garden at this year's Hampton Court Palace Flower Show.



FEBRUARY

MARCH

APRIL

MAY

JUNE

JULY

Postgraduate is finalist in the International Garden Photographer competition

A Writtle University College postgraduate was announced as a finalist in the International Garden Photographer of the Year (IGPOTY) competition - the world's premier competition and exhibition specialising in garden, plant, flower and botanical photography.

Photographer and mixed media artist, Marion Sidebottom, entered two stunning images of city trees that she took in Brisbane in the 'Greening the City' category, which showcased the relationship between cities and nature around the world.



Horticulture student wins national Student Scholarship

A Writtle University College student was awarded a £1,000 Student Scholarship from the David Colegrave Foundation (DCF).

Ran Lyu, 25, an international student from China, was studying as a BSc Horticulture student at Writtle. Her interests were in commercial horticulture, particularly post-harvest.



103-year-old alumna recalls time at Writtle

Having studied a horticulture course with Writtle between 1929 and 1931, Betty was likely to be one of the oldest alumni in the UK, if not the world, and spoke just as enthusiastically about her garden as what she did when studying her course all those years ago.

Formerly known as the East Anglian Institute of Agriculture, Writtle clearly had a place in Betty's heart as she recalled her time in education and where her interest in horticulture started.

CHARITABLE STATUS AND PUBLIC BENEFIT

WUC is a Higher Education Institution and, therefore, an exempt charity under the terms of the Charities Act 2011. In setting and reviewing the University College's 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. The 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 was amended, increasing 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 WUC was highlighted in the Government's UK Strategy for Agricultural Technologies, published July 2013. The importance of the land-based sector is acknowledged in the South East Local Enterprise Partnership and highlighted in the Essex Rural Strategy (relaunched 2016).

Vision and Mission

Core aspects of how WUC provides public benefit are well articulated in the Strategic Plan.

The Strategic Vision Statement is that Writtle University College will be *"A distinctive place to study and to serve the environment through science and the arts"*, and the Mission Statement is *"Transforming lives and the environment through inspiring education"*. The University College delivers its vision and mission through five objectives as follows:

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 University 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 University College 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 WUC obtain a direct benefit from the education they receive and the enhanced careers 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 WUC 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 institution provides a supportive environment in which those with a variety of learning requirements, and those with a range of disabilities, can benefit.

The School of Sport, Equine and Animal Sciences (SSEAS) offers undergraduate, taught postgraduate and research degrees in these programmes as well as a 4 year Integrated Masters Degree in Veterinary Physiotherapy. A new Integrated Masters in BioVeterinary Science will also come on line from September 2017. 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 institution has recently secured a second tranche of research funding from Sustainable Agriculture Research Innovation Club – a collaboration between BBSRC/NERC/Innovate UK and Industry Partners in a combined bid with Scotland's Rural College and University of Essex, which will enable an extension of the project on the tracking of dairy cattle.

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, The Geoff Hamilton Foundation and the Worshipful Company of Farmers.

The School of Sustainable Environment and Design (SSED) offers programmes in Agriculture, Conservation, Floristry, Horticulture, Landscape Architecture,

Garden Design and Art and Design. Across the school portfolio, and indeed across all provision at WUC, 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 also provides 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 from the environment. Through their work the graduates make a vital contribution to society in return. 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 both nationally and internationally. Through its outreach activities 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.

Wherever possible, WUC aims to offer a flexible delivery structure that fits in with the busy lives of students, for example, the Cycling Performance course is structured around the Professional Cycling calendar which enables students who enrol to still perform competitively whilst studying.

In June 2016 WUC hosted the 9th annual Essex Schools Food and Farming Day with more than 2,500 primary school children attending from over 60 schools across Essex. Staff, local farmers, and other exhibitors offer these students insights into agriculture, food production and conservation, making use of the estate and specialist resources to illuminate vital issues for a wider constituency of students.

Along with the University of Essex and Anglia Ruskin University, WUC played an active role in the Essex Collaborative Outreach Network throughout 2015/16, helping to encourage more young people into HE in Essex.

Public Benefit and Further Education

The Further Education (FE) Division offers a range of programmes in land-based and associated subjects including apprenticeships, 14-16 schools' work and full cost short courses which are often bespoke for employers. In 2015/16 the Institution made a strategic decision to withdraw from level 1 full time classroom based provision for 16-18 year olds and to extend provision at level 2 and 3, in order to strengthen progression into HE.

The FE Division is organised into two faculties comprising the following curriculum areas:

- Animal Management (which offers programmes in animal management, dog grooming and horse management)
- Art and 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, all full-time students undertake a work placement which forms part of their programme of study and a number of 'real work environments' are effectively utilised to develop skills (such as a dog grooming parlour, animal unit and equine yard, stud duties and estate duties).

All full-time 16 to 18 year-old students participate in study programmes, which comprise a main qualification, work experience, employability training and English and Maths. This tailored package of learning provides not only academic achievement but also incorporates 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:

- Students across the Division participating in the Essex 'Road Runners' event held at the Institution 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 herbs and vegetables.
- Study tours which provide opportunities to undertake new experiences alongside meeting curriculum objectives.

Promotion of volunteering. For example:

- Animal Studies students 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 students 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 students assisting in the training of police sniffer dogs and raising money for the Canine Partners charity.
- Equine students raising money for Cancer Research.
- Horticulture students building a water feature at a local primary school.

Students are able to display their work with some participating in local and national competitions. For example:

- Art and Design students holding a WUC Art Exhibition which is open to friends, families and the public.
- Floristry students participating in producing a display for the Hampton Court Palace Flower Show.
- Horticulture students achieving a commendation in the Young Gardeners of the Year competition at the Ideal Home Show 2016.

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 students 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).

- Collaborations – FEDEC (Federation of Essex Colleges), Landex (Excellence in Land-based Colleges), Food and Farming Day with Essex Agricultural Society and Essex County Council and Pets Corner in Harlow.
- Employers – provide guest speakers, host visits and work placements. The Institution provides training in the form of apprenticeships, short and bespoke courses.
- Local businesses – delivery of provision e.g. Marsh Farm for delivery of 14-16 vocational provision.

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 2015/16, a total amount of £2,048 (2014/15 £714) was paid in respect of claims made by governors. Members of staff serving on the Board receive no supplementary payment for trusteeship.



STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL

The following statement is provided to enable readers of the Financial Statements of the University College to obtain a better understanding of the governance, management and legal structure of the University College.

Writtle University College is a higher education corporation established under the terms of the Education Reform Act 1988. Its objects, powers and framework of governance are set out in the Articles of Government, the current version of which was approved by the Privy Council in May 2016, when the college changed its name to Writtle University College.

The University College is committed to exhibiting best practice in all aspects of corporate governance, and endeavours to conduct its business in accordance with the seven Principles identified by the Nolan Committee on Standards in Public Life (selflessness, integrity, objectivity, accountability, openness, honesty and leadership). The University College has also applied the principles set out in The Higher Education Code of Governance, first published by the CUC in June 2010, and as revised in December 2014. HEFCE conducted an Assurance Review of the college in January 2016. The report was positive about the Governance arrangements.

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 University College, the majority of whom are non-executive. The role of Chair of the Governing Body is separated from the role of the College's Chief Executive, the Vice-Chancellor. The responsibilities of the Governing Body are set out in the Articles of Government of the University 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 University College and for oversight of its activities;
- the effective and efficient use of resources, the solvency of the University 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; Academic Standards & Quality Enhancement 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 two qualified accountants.

The Finance and General Purposes Committee inter-alia recommends to the Governing Body the University 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 University College's systems of internal control, together with the University College's management response and implementation plans. The Audit Committee receives and considers reports from the Higher Education Funding Council for England as they affect the University College's business and monitors adherence with the regulatory requirements. It reviews inter-alia the University 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. WUC senior members of staff attend the Committees as appropriate.

The University College maintains a Register of Interests of members of the Governing Body, which may be consulted by arrangement with the Clerk of the Governing Body.

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.

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 University 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 2016 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 organisation wide risk register is maintained and an internal system of review is in place to keep up to date the record of risks facing the organisation.
- A system of key performance and risk indicators is being developed.
- 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 continued development of the University College's risk policy and internal processes for assessing and monitoring risk.

Following regular consideration by the Senior Management Team and University College Executive Group (UCEG), 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 Academic Standards and Quality Enhancement 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 University 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

Ms P Judd
Vice-Chair of the Board of Governors

Date 25/11/16

Dr Stephen Waite
Vice-Chancellor

Date 25/11/16



STATEMENT OF THE RESPONSIBILITIES OF THE MEMBERS OF THE GOVERNING BODY

In accordance with the University College's Instruments and Articles of Government, the Governing Body is responsible for the administration and management of the University 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 University 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 University 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 University 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 University College and prevent and detect fraud
- secure the economical, efficient and effective management of the University College's resources and expenditure

The key elements of the University 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 University 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

Ms P Judd

Vice-Chair of the Board of Governors

Date 25/11/16



INDEPENDENT AUDITOR'S REPORT TO THE GOVERNING BODY OF WRITTLE UNIVERSITY COLLEGE

We have audited the financial statements of Writtle University College for the year ended 31 July 2016 which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Reserves, the Cash Flow Statement, and the related notes 1 to 28. 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), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Statement of Recommended Practice: Accounting for Further and Higher Education.

This report is made solely to the governing body in accordance with the memorandum of assurance and accountability effective August 2013. 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 board of governors as a 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 Governing Body's Responsibilities Statement, the governing body is responsible for the preparation of the financial statements that 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.

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 University 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 University College's affairs as at 31 July 2016 and of its surplus for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice and the Statement of Recommended Practice: Accounting for Further and Higher Education.

Opinion on other matters prescribed by the Higher Education Funding Council for England Audit Code of Practice

In our opinion, in all material respects:

- income from the funding council, the Skills Funding Agency and the Education Funding Agency, grants and income for specific purposes and from other restricted funds administered by the University College during the year ended 31 July 2016 have been applied for the purposes for which they were received; and
- income during the year ended 31 July 2016 has been applied in accordance with the University's statutes and, where appropriate, with the memorandum of assurance and accountability, with the funding council, the funding agreements with the Skills Funding Agency and the Education Funding Agency; and
- the requirements of HEFCE's accounts direction have been met.



Deloitte LLP
Chartered Accountants and Statutory Auditor
St Albans

25 November 2016

STATEMENT OF COMPREHENSIVE INCOME AND EXPENDITURE

INCOME AND EXPENDITURE ACCOUNT

	Notes	Year ended 31 July 2016 £'000	Year ended 31 July 2015 £'000
INCOME			
Tuition fees and education contracts	1	7,740	7,750
Funding body grants	2	5,825	5,909
Research grants and contracts	3	24	108
Other income	4	3,672	3,540
Investment income	5	88	95
Total income before endowments and donations		17,349	17,402
Donations	6	10	-
Total income		17,359	17,402
EXPENDITURE			
Staff costs	7	9,963	9,489
Other operating expenses	9	5,387	5,841
Depreciation	11	1,121	1,103
Interest and other finance costs	8	684	718
Total Expenditure		17,155	17,151
Surplus before other gains losses		204	251
Gain on disposal of fixed assets		2	241
Surplus before tax		206	492
Taxation	10	-	-
Surplus for the year		206	492
Actuarial (loss) in respect of pension scheme	24	(3,897)	(267)
Total comprehensive income for the year		(3,691)	225
Represented by:			
Unrestricted comprehensive income for the year		(3,691)	225
		(3,691)	225
Surplus for the year attributable to:			
University College		206	492
Total Comprehensive income for the year attributable to			
University College		(3,691)	225

All items of income and expenditure relate to continuing activities

UNIVERSITY COLLEGE STATEMENT OF CHANGES IN RESERVES

	Income and expenditure account Endowment	Unrestricted	Revaluation reserve	Total
	£'000	£'000	£'000	£'000
Balance at 1 August 2014	3	313	22,595	22,911
Surplus/(deficit) from the income and expenditure statement	-	492	-	492
Actuarial (loss) in respect of pension scheme	-	(267)	-	(267)
Transfers between revaluation and income and expenditure reserve	-	225	(225)	-
Total comprehensive income for the year	-	450	(225)	225
Balance at 1 August 2015	3	763	22,370	23,136
Surplus from the income and expenditure statement	-	206	-	206
Actuarial (loss) in respect of pension scheme	-	(3,897)	-	(3,897)
Transfers between revaluation and income and expenditure reserve	-	225	(225)	-
Total comprehensive income for the year	-	(3,466)	(225)	(3,691)
Balance at 31 July 2016	3	(2,703)	22,145	19,445

UNIVERSITY COLLEGE BALANCE SHEET

	Notes	As at 31 July 2016 £'000	As at 31 July 2015 £'000
Non-current assets			
Fixed assets	11	34,092	33,894
Investments	12	756	772
		34,848	34,666
Current assets			
Stock	13	229	220
Trade and other receivables	14	593	653
Cash and cash equivalents	19	6,041	5,236
		6,863	6,109
Less: Creditors: amounts falling due within one year	15	(2,701)	(2,430)
Net current assets		4,162	3,679
Total assets less current liabilities		39,010	38,345
Creditors: amounts falling due after more than one year	16	(4,158)	(4,317)
Provisions			
Pension provision	17	(15,407)	(10,892)
Total net assets		19,445	23,136
Restricted Reserves			
Income and expenditure reserve - endowment reserve	18	3	3
Unrestricted Reserves			
Income and expenditure reserve - unrestricted		(2,703)	763
Revaluation reserve - unrestricted		22,145	22,370
		19,445	23,136
Total Reserves		19,445	23,136

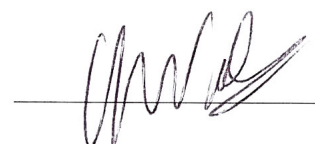
The financial statements were approved by the Governing Body on 25 November 2016 and were signed on its behalf on that date by:



Dr Stephen Waite
Vice-Chancellor
Date 25/11/16



Ms Penny Judd
Vice-Chair of the Board of Governors
Date 25/11/16



Mrs Catriona Wood
Director of Business and Finance
Date 25/11/16

UNIVERSITY COLLEGE CASH FLOW

	Notes	July 2016 £'000	July 2015 £'000
Cash flow from operating activities			
Surplus for the year		206	492
Adjustment for non-cash items			
Depreciation	11	1,121	1,103
(Increase)/Decrease in stock	13	(9)	94
Decrease in debtors	14	60	22
Increase/(decrease) in creditors	15	272	(294)
Pension cost less contribution	17	618	617
Adjustment for investing or financing activities			
Investment income	5	(88)	(95)
Interest payable	8	281	285
Profit on the sale of fixed assets		(2)	(241)
Capital grant income		(30)	(151)
Net cash inflow from operating activities		2,429	1,832
Cash flows from investing activities			
Proceeds from sales of fixed assets		2	286
Capital grants receipts		30	151
Investment income		88	95
Payments made to acquire fixed assets	11	(1,303)	(1,179)
		(1,183)	(647)
Cash flows from financing activities			
Interest paid	8	(281)	(285)
New unsecured loans		-	188
Repayments of amounts borrowed		(160)	(142)
		(441)	(239)
Increase in cash and cash equivalents in the year		805	946
Cash and cash equivalents at beginning of the year	19	5,236	4,290
Cash and cash equivalents at end of the year	19	6,041	5,236

STATEMENT OF ACCOUNTING POLICIES

1. Basis of preparation

Writtle University College is a higher education institution and, therefore, an exempt charity under the terms of the Charities Act 2011. These financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP): Accounting for Further and Higher Education 2015 and in accordance with Financial Reporting Standards FRS 102. The University College is a public benefit entity and therefore has applied the relevant public benefit requirement of FRS 102. The financial statements are prepared in accordance with the historical cost convention (modified by the revaluation of fixed assets).

2. Basis of consolidation

Writtle College Services Ltd, a wholly owned subsidiary with net assets of £100 has not traded for a number of years and is currently dormant. The financial statements of the University College are not consolidated on the grounds of immateriality and therefore group accounts have not been prepared as this is the University College's only subsidiary undertaking.

The financial statements do not include those of Writtle University Colleges Students' Union as the University College does not exert control or dominant influence over policy decisions. The Student's Union presents its financial position to the governing body on an annual basis. Transactions between the University College and the Students' Union are disclosed under transactions with related parties (note 28).

3. Income recognition

Income from the sale of goods or services is credited to the Statement of Comprehensive Income and Expenditure when the goods or services are supplied to the external customers or the terms of the contract have been satisfied.

Fee income is stated gross of any expenditure which is not a discount and credited to the Statement of Income and Comprehensive Expenditure over the period in which students are studying. Where the amount of the tuition fee is reduced, by a discount for prompt payment, income receivable is shown net of the discount. Bursaries and scholarships are accounted for gross as expenditure and not deducted from income.

Funds the University College receives and disburses as paying agent on behalf of a funding body are excluded from the income and expenditure of the University College where the University College is exposed to minimal risk or enjoys minimal economic benefit related to the transaction.

Grant funding

Grant funding including funding council block grant, research grants from government sources, grants (including research grants) from non government sources are recognised as income when the University College is entitled to the income and performance related conditions have been met. Income received in advance of performance related conditions being met is recognised as deferred income within creditors on the balance sheet and released to income as the conditions are met.

Grants (including research grants) from non government sources are recognised in income when the University College is entitled to the income and performance related conditions have been met. Income received in advance of performance related conditions being met is recognised as deferred income within creditors on the balance sheet and released to income as the conditions are met.

Donations and endowments

Non exchange transactions without performance related conditions are donations and endowments. Donations and endowments with donor imposed restrictions are recognised in income when the University College is entitled to the funds. Income is retained within the restricted reserve until such time that it is utilised in line with such restrictions at which point the income is released to general reserves through a reserve transfer.

Donations with no restrictions are recognised in income when the University College is entitled to the funds.

STATEMENT OF ACCOUNTING POLICIES (CONTINUED)

3. Income recognition (continued)

Capital grants

Capital grants are recognised in income when the University College is entitled to the funds subject to any performance related conditions being met.

4. Accounting for retirement benefits

Retirement benefits paid to employees of the University 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.

For defined benefit schemes the amounts charged to the operating surplus are the costs arising from employee services rendered during the period and the cost of the plan introductions, benefit changes, settlements and curtailments. They are included as part of staff costs. The net interest cost on the net defined benefit liability is charged to profit or loss and included within finance costs. Remeasurement comprising actuarial gains and losses and the return on scheme assets (excluding amounts included in net interest on the net defined benefit liability) are recognised immediately in other comprehensive income.

The TPS is an unfunded scheme and so no liability for past deficits is reported.

The LGPS is a funded scheme. The assets of the LGPS are measured using closing fair values. LGPS liabilities are measured using the projected unit credit method and discounted at the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of Comprehensive Income and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

Actuarial gains and losses and movements to the defined benefit pension scheme's assets or liabilities arising from a change in actuarial assumptions are charged to the Statement of Comprehensive Income in accordance with FRS 102.

5. Employment benefits

Short term employment benefits such as salaries and compensated absences are recognised as an expense in the year in which the employees render service to the University College. Any unused benefits such as holiday pay, are accrued and measured as the additional amount the University College expects to pay as a result of the unused entitlement.

6. Finance leases

Leases in which the University College assumes substantially all the risks and rewards of ownership of the leased asset are classified as finance leases. Leased assets acquired by way of finance lease and the corresponding lease liabilities are initially recognised at an amount equal to the lower of their fair value and the present value of the minimum lease payments at inception of the lease.

Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

7. Operating leases

Costs in respect of operating leases are charged on a straight-line basis over the lease term. Any lease premiums or incentives are spread over the minimum lease term.

STATEMENT OF ACCOUNTING POLICIES (CONTINUED)

8. Foreign currency

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated to the functional currency at the foreign exchange rate ruling at that date.

9. Fixed assets

Fixed assets are stated at cost or deemed cost less accumulated depreciation and accumulated impairment losses. Deemed cost refers to land and buildings that had been revalued to fair value on the date of transition to the 2015 FE HE SORP, being the revalued amount at the date of that revaluation.

Where parts of a fixed asset have different useful lives, they are accounted for as separate items of fixed assets. However, it is recognised that for certain historical assets held it is neither practical nor cost effective to split assets in this way. Componentisation has been adopted for assets acquired on or after 1 August 2014.

Land and buildings

Costs incurred in relation to land and buildings after initial purchase or construction, and prior to valuation, are capitalised to the extent that they increase the expected future benefits to the University College.

Freehold land is not depreciated as it is considered to have an indefinite useful life. Freehold buildings are depreciated on a straight line basis over their expected useful economic life to the University College ranging between 5-90 years.

No depreciation is charged on assets in the course of construction.

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.

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

Capitalised equipment including computers and software is depreciated on a straight line basis over its expected useful economic life to the University College ranging between 2-15 years.

Depreciation methods, useful lives and residual values are reviewed at the date of preparation of each Balance Sheet.

Where equipment is acquired with the aid of specific grants it is capitalised and depreciated in accordance with the above policy.

Borrowing costs

Borrowing costs are recognised as expenditure in the period in which they are incurred, no borrowing costs directly attributable in the acquisition, construction or production of a qualifying asset are capitalised.

10. Investment Properties

Investment property is land and buildings held for rental income or capital appreciation rather than for use in delivering services.

Investment properties were revalued initially as part of the overall valuation undertaken as at 1 August 2014. Although it is recognised that these assets should strictly be revalued annually according to market conditions as at 31 July each year, the annual movement is not considered likely to be material in current market conditions, and the revaluation exercise is not considered to be worthwhile or 'added value'. On this basis, Investment properties are accounted for using the cost model.

STATEMENT OF ACCOUNTING POLICIES (CONTINUED)

11. Investments

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

12. Stock

Stock (standing crops, livestock and consumables) is held at the lower of cost and net realisable value. Where necessary provision is made for obsolete, slow moving and defective stocks.

13. Cash and cash equivalents

Cash includes cash in hand, deposits repayable on demand and overdrafts. Deposits are repayable on demand if they are in practice available within 24 hours without penalty.

Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash with insignificant risk of change in value.

14. Provisions, contingent liabilities and contingent assets

Provisions are recognised in the financial statements when:

- (a) the University College has a present obligation (legal or constructive) as a result of a past event;
- (b) it is probable that an outflow of economic benefits will be required to settle the obligation; and
- (c) a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is determined by discounting the expected future cash flows at a pre-tax rate that reflects risks specific to the liability.

A contingent liability arises from a past event that gives the University College a possible obligation whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the University. Contingent liabilities also arise in circumstances where a provision would otherwise be made but either it is not probable that an outflow of resources will be required or the amount of the obligation cannot be measured reliably.

A contingent asset arises where an event has taken place that gives the University College a possible asset whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the University College.

Contingent assets and liabilities are not recognised in the Balance Sheet but are disclosed in the notes.

15. Taxation

The University College is an exempt charity within the meaning of Part 3 of the Charities Act 2011, and, as such, is a charity within the meaning of Section 506 (1) of the Income and Corporation Taxes Act 1988. The University College is recognised as a charity by HM Revenue & Customs.

It is therefore a charity within the meaning of Para 1 of schedule 6 to the Finance Act 2010 and accordingly, the University College is potentially exempt from taxation in respect of income or capital gains received within categories covered by section 478-488 of the Corporation Tax Act 2010 (CTA 2010) 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.

The University College receives no similar exemption in respect of Value Added Tax. The University College is partially exempt for Value Added Tax as its main activity is the supply of education which is exempt. Irrecoverable VAT on inputs is included in the costs of such inputs. Any irrecoverable VAT allocated to fixed assets is included in their cost.

Should the University College's subsidiary company, Writtle College Services Limited resume trading then it would be liable to Corporation Tax in the same way as any other commercial organisation.

STATEMENT OF ACCOUNTING POLICIES (CONTINUED)

16. Reserves

Reserves are classified as restricted or unrestricted. Restricted endowment reserves include balances which, through endowment to the University College, are held as a permanently restricted fund which the University College must hold in perpetuity.

Other restricted reserves include balances where the donor has designated a specific purpose and therefore the University College is restricted in the use of these funds.

17. Financial Instruments

Financial liabilities and equity are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form. All loans, investments and short term deposits held by the University College are classified as basic financial instruments in accordance with FRS 102. These instruments are initially recorded at the transaction price less any transaction costs (historical cost). FRS 102 requires that basic financial instruments are subsequently measured at amortised cost, however the University College has calculated that the difference between the historical cost and amortised cost basis is not material and so these financial instruments are stated on the balance sheet at historical cost. Loans and investments that are payable or receivable within one year are not discounted.

18. Transition to 2015 SORP

The University College is preparing its financial statements for the year ended 31 July 2016 in accordance with FRS 102 for the first time and consequently has applied the first time adoption requirements as at 1 August 2014. An explanation of how the transition to 2015 SORP has affected the reported financial position, financial performance and cash flows of the consolidated results of the University College is provided in note 26.

Application of first time adoption grants certain exemption from the full requirements of 2015 SORP in the transition period. The following exemptions have been taken into these financial statements:

(i) Fair value or revaluation as deemed cost - at 1st August 2014, fair value has been used for deemed cost for properties measured at fair value.

(ii) Deferred capital grants, previously accounted for on an accruals basis are now recognised on a performance basis ie once any condition of the grant has been satisfied.

Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing these financial statements, management have made the following judgements:

Tangible fixed assets

Tangible fixed assets, other than investment properties, are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

Local Government Pension Scheme

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 24, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2013 has been used by the actuary in valuing the pensions liability at 31 July 2016. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

NOTES TO THE ACCOUNTS

	Notes	Year Ended 31 July 2016 £'000	Year Ended 31 July 2015 £'000
1	Tuition fees and education contracts		
	HE		
	Full-time Student Fees	5,493	5,335
	Full-time Student Charged International Fees	848	952
	Part-time Student Fees	215	192
		6,556	6,479
	FE		
	Full-time Student Fees	125	128
	Full-time Student Charged International Fees	29	8
	Part-time Student Fees	276	229
	Short Course Student Fees	484	575
	Other Fees and Support Grants	270	331
		1,184	1,271
		7,740	7,750
2	Funding body grants		
	Recurrent grant		
	Higher Education Funding Council	1,111	1,202
	Skills Funding Agency	932	947
	Education Funding Agency	3,752	3,620
	Capital Grant	30	140
		5,825	5,909
3	Research grants and contracts		
	Research councils	24	108
4	Other income		
	Residences, catering and conferences	2,283	2,286
	Other capital grants	-	11
	Estate activities	300	385
	Other income	1,089	858
		3,672	3,540
5	Investment income		
	Income from Investment Properties	69	69
	Interest receivable	19	26
		88	95
6	Donations and endowments		
	Unrestricted donations	10	-

NOTES TO THE ACCOUNTS

	Year Ended 31 July 2016 £'000	Year Ended 31 July 2015 £'000
7 Staff costs		
Salaries	7,920	7,669
Social security costs	578	526
Other pension costs	1,465	1,294
Total	9,963	9,489
Emoluments of the Vice-Chancellor:		
Salary	119	112
Benefits	3	4
	122	116
Pension contributions	14	16
	136	132
No member of staff, other than the Vice-Chancellor was paid in excess of £100,000.		
Average staff numbers by major category:	No.	No.
Academic	104	102
Academic Support Services	61	60
Business Support Staff	98	95
	263	257

Key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the University College. The University College has defined key management personnel as the Senior Management Team. (SMT). SMT members are:

Vice-Chancellor

Pro Vice-Chancellor (Academic)

Director of Business and Finance

Director of HR

The total salary paid to SMT for 2016 £365k (2015 £297k)

There has been no compensation paid for loss of office to senior post-holders in 2015/16 or in 2014/15.

Board of Governors

The University College board of governors are the trustees for charitable law purposes. Due to the nature of the University College's operations and the compositions of the Board, being drawn from local public and private sector organisations, it is inevitable that transactions will take place with organisations in which a member of the Board may have an interest. All transactions involving organisations in which a member of the Board may have an interest, including those identified below, are conducted at arms length and in accordance with the University College's Financial Regulations and usual procurement procedures.

The total expenses paid to or on behalf of 4 board members was £2,048 (2015 - £714 to 2 board members). This represents travel and subsistence expenses incurred in attending Board, Committee meetings and Charity events in their official capacity.

NOTES TO THE ACCOUNTS

	Notes	Year Ended 31 July 2016 £'000	Year Ended 31 July 2015 £'000
8	Interest and other finance costs		
	Bank loan interest	281	285
	Pension scheme finance costs	24	433
		684	718
9	Analysis of total expenditure by activity		
	Residences, catering and conferences	1,088	1,120
	Consumables and Laboratory Expenditure	177	186
	Books and Periodicals	192	242
	Heat, Light, Water and Power	402	450
	Repairs and General Maintenance	250	219
	Grants to Students' Union	14	16
	Rents and Rates	58	74
	Auditors' Remuneration	38	32
	Internal audit	24	31
	Equipment Operating Lease Rentals	20	38
	Cleaning Costs	297	281
	Computer Costs - Licences & Maintenance Agreements	235	234
	Examination Fees	243	245
	Printing Costs	182	172
	Scholarships	162	356
	Insurances	155	174
	Professional & Consultancy	206	217
	Marketing	265	296
	Transport	90	107
	Other Expenses	843	795
	Estate Activities	446	556
		5,387	5,841

10 Taxation

UK Corporation Tax

The standard rate of tax for the year, based on the UK standard rate of corporation tax is 20% (2015 - 21%)

The Institution is an exempt charity within the meaning of schedule 3 of the Charities Act 2011 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 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 if the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied to exclusively charitable purposes.

NOTES TO THE ACCOUNTS

11 Fixed Assets

	Freehold Land & Buildings	Plant & machinery and furniture & fittings	Assets in the Course of Construction	Total
	£'000	£'000	£'000	£'000
Cost or valuation				
At 1 August 2015	34,088	7,825	432	42,345
Additions	237	708	358	1,303
Transfers	403	142	(545)	0
Disposals	-	(111)	-	(111)
At 31 July 2016	34,728	8,564	245	43,537
Depreciation				
At 1 August 2015	2402	6,049		8,451
Charge for the year	601	504		1,105
Disposals	-	(111)		(111)
At 31 July 2016	3,003	6,442	-	9,445
Net book value				
At 31 July 2016	31,725	2,122	245	34,092
At 31 July 2015	31,686	1,776	432	33,894

At 31 July 2016, freehold land and buildings included £4.8m (2015 - £4.8m) in respect of freehold land and is not depreciated.

A full valuation of the University College's freehold land and buildings was carried out as at 1 August 2014 by Strutt and Parker, see note 25 on key estimates.

12 Investment Property

	Investment property £'000	Total £'000
At 1 August 2015	772	772
Depreciation for the year	(16)	(16)
At 31 July 2016	756	756

Investment properties were revalued initially as part of the overall valuation undertaken as at 1 August 2014 and have not been revalued since.

Although it is recognised that these assets should strictly be revalued according to market conditions as at 31 July each year, the annual movement is not considered likely to be material in current market conditions, and the revaluation exercise is not considered to be worthwhile or 'added value'. On this basis, Investment properties are accounted for using the cost model.

The University College owns 100% of the issued share capital of Writtle College Services Limited, a company registered in England (number 3466224). The company ceased trading with effect from 1st August 2009.

NOTES TO THE ACCOUNTS

		Year Ended 31 July 2016 £'000	Year Ended 31 July 2015 £'000
13	Stock		
	Work in progress	57	32
	Livestock	107	112
	General consumables	65	76
		229	220
14	Trade and other receivables		
	Amounts falling due within one year:		
	Other trade receivables	177	133
	Prepayments and accrued income	416	520
		593	653
15	Creditors: amounts falling due within one year		
	Secured loans	90	85
	Unsecured loans	69	75
	Trade payables	699	881
	Social security and other taxation payable	179	159
	Accruals	851	457
	Deferred income and payments received on account	639	494
	Other creditors	154	175
	Amounts due to funding bodies	20	104
		2,701	2,430

NOTES TO THE ACCOUNTS

	Year Ended 31 July 2016 £'000	Year Ended 31 July 2015 £'000
16 Creditors: amounts falling due after more than one year		
Secured loans	4,025	4,115
Unsecured loans	132	200
Pensions & similar obligations	1	2
	4,158	4,317
Analysis of secured bank loans:		
Due within one year or on demand (Note 15)	90	85
Due between one and two years	95	90
Due between two and five years	317	301
Due in five years or more	3,613	3,724
Due after more than one year	4,025	4,115
Total secured bank loans	4,115	4,200
Analysis of unsecured Salix loans:		
Due within one year or on demand (Note 15)	43	58
Due between one and two years	36	43
Due between two and five years	16	52
Due after more than one year	52	95
Total unsecured Salix loans	95	153
Analysis of unsecured HEFCE loans:		
Due within one year or on demand (Note 15)	26	17
Due between one and two years	35	29
Due between two and five years	45	76
Due after more than one year	80	105
Total unsecured HEFCE loans	106	122
Analysis of unsecured loans:		
Due within one year or on demand (Note 15)	69	75
Due between one and two years	71	72
Due between two and five years	61	128
Due in five years or more	-	-
Due after more than one year	132	200
Total unsecured loans	201	275
Secured loans	4,115	4,200
Unsecured loans	201	275

The bank loans are secured on the freehold land and buildings

NOTES TO THE ACCOUNTS

Included in the loans are the following:

Repayable	Lender	Amount £'000	Interest rate %
Nov 17	Barclays	3,584	6.97
Aug 21	Barclays	531	5.45
		4,115	
March 18	Salix	8	0.00
March 18	Salix	13	0.00
March 19	Salix	18	0.00
March 19	Salix	48	0.00
March 20	Salix	8	0.00
		95	
Nov 18	HEFCE	34	0.00
Nov 19	HEFCE	72	0.00
		106	
		Total 4,316	

17 Pension Provision

	Total Pensions Provisions (Note 24) £'000
At 1 August 2015	10,892
Actuarial Loss taken to statement of comprehensive income	3,897
Interest costs net of pension contributions	402
Staff costs net of contributions	216
At 31 July 2016	15,407

NOTES TO THE ACCOUNTS

18 Endowment Reserves

Restricted net assets relating to endowments are as follows:

	Unrestricted permanent endowments	2016 Total	2015 Total
	£'000	£'000	£'000
At 31 July 2016	3	3	3

19 Cash and cash equivalents

	Notes	At 1st August 2016	Cash Flows	At 31st July 2015
		£'000	£'000	£'000
Cash and cash equivalents		6,041	805	5,236

20 Capital and other commitments

Provision has not been made for the following capital commitments at 31 July 2016:

	31 July 2016	31 July 2015
	£'000	£'000
Commitments contracted for	282	241

21 Lease obligations

Total rentals payable under operating leases:

	31 July 2016		31 July 2015
	Other leases	Total	£'000
	£'000	£'000	£'000
Payable during the year	20	20	38
Future minimum lease payments due:			
Not later than 1 year	45	45	8
Later than 1 year and not later than 5 years	117	117	8
Total lease payments due	162	162	16

22 Events after the reporting period

The University College has now exchanged contracts with R W Crawford Agricultural Machinery Ltd for the sale of land off Foxburrows Lane in the sum of £575k.

The University College is soon to complete three land sales entered into during 2015/16. These relate to small pieces of land behind Back Road, Victoria Road and Daws Close to the value of £62.5k.

NOTES TO THE ACCOUNTS

23 Subsidiary undertakings

The subsidiary companies (all of which are registered in England & Wales), wholly-owned or effectively controlled by the University, are as follows:

Company	Status
Writtle College Services Ltd	100% owned

The company ceased trading with effect from 1st August 2009

24 Pension Schemes

Different categories of staff were eligible to join one of two different schemes:

- Local Government Scheme (LGPS)
- Teachers Pension Scheme (TPS)

The two schemes, are both defined-benefit schemes contracted out of the State Second Pension (S2P) the assets of which are held in separate trustee administered funds.

Total Pension cost for the year	July Year Ended 31 July 16 £000's	July Year Ended 31 July 15 £000's
TPS	585	485
LGPS	875	809
	1,460	1,294

Contributions amounting to £151,000 (2015 £142,000) were payable to the scheme at 31st July and are included within creditors, this amount was subsequently paid in August.

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 2010 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

The latest actuarial review of the TPS was carried out as at 31 March 2012 and in accordance with The Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education (the Department) on 9 June 2014. The key results of the valuation are:

- employer contribution rates were set at 16.48% of pensionable pay (including a 0.08% levy for administration)
- total scheme liabilities for service to the effective date of £191.5 billion, and notional assets of £176.6 billion, giving a notional past service deficit of £14.9 billion;
- an employer cost cap of 10.9% of pensionable pay.

The new employer contribution rate for the TPS has been implemented in September 2015.

A full copy of the valuation report and supporting documentation can be found on the Teachers' Pension Scheme website at the following location: <https://www.teacherspensions.co.uk/news/employers/2014/06/publication-of-the-valuation-report.aspx>

Scheme Changes

Following the Hutton report in March 2011 and the subsequent consultations with trade unions and other representative bodies on reform of the TPS, the Department published a Proposed Final Agreement, setting out the design for a reformed TPS was implemented from 1 April 2015.

The key provisions of the reformed scheme include: a pension based on career average earnings; an accrual rate of 1/57th; and a Normal Pension Age equal to State Pension Age, but with options to enable members to retire earlier or later than their Normal Pension Age. Importantly, pension benefits built up before 1 April 2015 will be fully protected.

In addition, the Proposed Final Agreement includes a Government commitment that those within 10 years of Normal Pension Age on 1 April 2012 will see no change to the age at which they can retire, and no decrease in the amount of pension they receive when they retire. There will also be further transitional protection, tapered over a three and a half year period, for people who would fall up to three and a half years outside of the 10 year protection.

Regulations giving effect to a reformed Teachers' Pension Scheme came into force on 1 April 2014 and the reformed scheme commenced on 1 April 2015.

The pension costs paid to TPS in the year amounted to £585,000 (2015: £485,000)

FRS

Under the definitions set out in FRS 102 (28.11), the TPS is a multi-employer pension scheme. The University College is unable to identify its share of the underlying assets and liabilities of the scheme.

Accordingly, the University College has taken advantage of the exemption in FRS 102 and has accounted for its contributions to the scheme as if it were a defined-contribution plan. The University College has set out above the information available on the plan and the implications for the University College in terms of the anticipated contribution rates.

NOTES TO THE ACCOUNTS

24 Pension Schemes (continued)

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee administered funds.

The Total contributions made for the year ended 31 July 2016 were £695,000 of which employer's contributions totalled £472,000 and employees contributions totalled £223,000. The agreed contribution rates for future years are 13.9% for employers and range from 5.5% to 12.5% cent for employees, depending on salary.

In addition an employers annual contributions of £187,127 (2015 - £179,005) is made to meet past service deficiencies

The following information is based upon a full actuarial valuation of the fund as at 31 March 2013 updated to 31 July 2016 by a qualified independent actuary.

Principal Actuarial Assumptions	At 31 July 2016	At 31 July 2015
Rate of RPI inflation	3.00%	3.50%
Rate of CPI inflation	2.10%	2.60%
Rate of increases in salaries	3.90%	4.40%
Rate of increase for pensions in payment/inflation	2.10%	2.60%
Discount rate for liabilities	2.50%	3.80%
Commutation of pensions to lump sums	60.0%	60.0%

The current mortality assumptions include sufficient allowance for future improvements in mortality rates.

The assumed life expectations on retirement age 65 are:

	At 31 July 2016	At 31 July 2015
<i>Retiring today</i>		
Males	22.90%	22.80%
Females	25.30%	25.20%
<i>Retiring in 20 years</i>		
Males	25.20%	25.10%
Females	27.70%	27.60%

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

Long term rate of return expected	Fair Value at 31 July 2016 9% £000	Fair Value at 31 July 2015 12% £000
Equities	14,051	12,176
Government Bonds	736	758
Other Bonds	921	1,817
Property	2,268	2,167
Cash/Liquidity	621	463
Other	1,896	1,348
Total market value of assets	20,493	18,729
Actuarial value of scheme liabilities	(35,900)	(29,621)
Deficit in the scheme - Net pension liability	(15,407)	(10,892)

NOTES TO THE ACCOUNTS

The amount included in the balance sheet in respect of the defined benefit pension plan (and enhanced pensions benefits) is as follows:

	2016 £000	2015 £000
Fair value of plan assets	20,493	18,729
Present value of plan liabilities	(35,867)	(29,590)
Present value of unfunded liabilities	(33)	(31)
Net pensions (liability) (Note 19)	(15,407)	(10,892)

Amounts recognised in the Statement of Comprehensive Income in respect of the plan are as follows:

	2016 £000	2015 £000
Amounts included in staff costs		
Current service cost	870	861
Total	870	861

Amounts included in investment income

Net interest income	402	424
	402	424

Movement in net defined benefit surplus/(deficit) in the year:

(Deficit) in the scheme at 1 August	(10,892)	(10,008)
- current employer service costs	(870)	(788)
- employer contributions	663	677
(Gains) Past service costs/curtailments or settlements	-	(73)
Administration Expenses	(9)	(9)
Net interest /return on assets	(402)	(424)
actuarial loss/gain	(3,897)	(267)
Deficit on scheme at 31 July	(15,407)	(10,892)

NOTES TO THE ACCOUNTS

Asset & Liability Reconciliation

	31 July 2016 £000	31 July 2015 £000
Changes in the present value of defined benefit obligations		
Liabilities at start of period	29,621	26,579
Current Service cost	870	788
Interest cost on pension liabilities	1,116	1,124
Employee contributions	223	223
Experienced gains and losses on scheme liabilities		
Changes in financial assumptions	4,817	1,551
Benefits paid	(747)	(773)
Curtailments and settlements	-	47
Liabilities assumed/(extinguished) on settlements	-	82
Liabilities at end of period	35,900	29,621
Reconciliation of Assets		
Assets at start of period	18,729	16,571
Interest on assets	714	700
Return on assets less interest	920	1,284
Administration expenses	(9)	(9)
Employer contributions	663	677
Employee contributions	223	223
Benefits paid	(747)	(773)
Settlements prices received	-	56
Assets at end of period	20,493	18,729

The estimated value of employers contributions for the year to 31 July 2017 is £711,000 (2016 £656,000)

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.

25 Accounting estimates and judgements

In the course of preparation of these financial statements it has been necessary, on occasion to adopt certain estimates and assumptions. The most significant areas where this applies are in relation to

1. The revaluation of the land and buildings carried out by Strutt and Parker as at 1 August 2014.

The University College has two types of properties, specialised and non-specialised. Specialised property is defined as; “a property that is rarely, if ever, sold in the market, expect by the way of a sale of the business or entity of which it is part, due to the uniqueness arising from its specialised nature and design, its configuration, size location or otherwise”. Those properties have been valued by using the depreciated replacement cost method.

Non-specialised buildings and land, for which there is a recognised market have been assessed by the comparable valuation method and, where let, on open market lettings for a term of years, by the investment method, and

2. The valuation of the liability of the Local Government Pension scheme which is revalued every three years by professionally qualified independent actuaries. Between the triennial revaluation a professionally qualified independent actuary will roll forward the value of the Employer’s liabilities calculated for the funding valuation as at 31 March 2013 using financial assumptions that comply with FRS 102. The full actuarial valuation involves projecting future cash-flows to be paid from the fund and placing a value on them. Therefore the financial statements include critical judgements around the valuation of unquoted securities, and the assumptions underpinning the Fund liability. The LGPS fund’s investment includes unquoted investments (such as private equity, infrastructure, timber and liquid debt) and direct property investments. Judgements are taken when valuing those investments whose prices are not publically available. Current market volatility means such judgements can quickly become outdated, especially when there is significant time period between the latest available audited information and the fund at year end.

In addition, estimates have been used to calculate accrued costs and deferred income in the normal course of events and in accordance with standard accounting practice. None of these sums individually are material and there are no significant variations arising subsequent to the year end.

NOTES TO THE ACCOUNTS

26 Transition to FRS102 and the 2015 SORP

As explained in the accounting policies, these are the University College's first financial statements prepared in accordance with FRS 102 and the SORP. The accounting policies set out in Note 1 have been applied in preparing the financial statements for the year ended 2016, the comparative information presented in these financial statements for the year ended 2015 and in the preparation of an opening FRS 102 Statement of Financial Position at 1 August 2015. In preparing its FRS 102, SORP based Statement of Financial Position, the University College has adjusted amounts reported previously in financial statements prepared in accordance with its old basis of accounting (2007 SORP). An explanation of how the transition to FRS 102 and the SORP has affected the University College's financial position, financial performance and cash flows is set out in the following tables.

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

	1 August 14 2007 SORP £000	31 July 2015 2015 SORP £000
Financial position		
Total reserves under 2007 SORP	2,492	2,766
Deferred Capital Grants	3,544	3,540
Fixed asset revaluation one-off transition	16,875	16,830
Total effect of transition to FRS 102	20,419	20,370
Total reserves under 2015 SORP	22,911	23,136
		Year ended 31 July 2015 £'000
Financial performance		
Surplus for the year under 2007 SORP		802
Increase LGPS Interest charges		(261)
Additional Depreciation		(46)
Capital Grant income		151
Capital Grant release		(154)
Previously reported in the STRGL-LGPS		(267)
Total effect of transition to FRS 102		(577)
Total comprehensive income for the year under 2015 SORP		225

Cash Flows

The only impact of the transition to FRS 102 on the cash flow of the University College is the reclassification of some net cash inflow items from "operating activities" to "cash and cash equivalents" as shown above.

NOTES TO THE ACCOUNTS

27 LEARNER SUPPORT FUNDS

	2016 £,000	2015 £,000
Funding Council Grants	108	226
Contribution to Staff Administration	(5)	(11)
	103	215
Balance Unspent and brought forward	2	6
Disbursement to Students	(85)	(205)
To be returned to Funding Council	(16)	(14)
Balance Unspent at 31 July 2016	4	2

There is £4,000 unspent funds to be carried forward to 2016/2017 (2015/2016 - £2,000)

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

28 Related Parties

Due to the nature of the University 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 University 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 University College to provide advice on development value of a possible sale at Foxborrows Lane costing £4k. They were also commissioned to provide a property valuation which was conducted on a commercial basis at a cost of £11k. Strutt and Parker hired our conference facilities at a value of £5k, the balance at the end of the year was nil.

Mr B Morris is a member of senior staff at University of Essex, the degree awarding body for HE provision at Writtle University College. The income for the year amounted to £361k, expenditure £188k and the balance at the end of the year was nil.

Mr Newnham 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 was nil.

The Student Union is run by the students of the University College, the University College contributes £14k towards the running costs and employs one member of staff.



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