

GOODENOUGH COLLEGE

England & Wales · Charity number 312894

Details

Other names	LONDON HOUSE FOR OVERSEAS GRADUATES, THE LONDON GOODENOUGH TRUST FOR OVERSEAS GRADUATES
Status	Registered
Legal form	Charitable company
Company number	00246919
Registered	1961-01-01
Register	View on the Charity Commission register

Contact

Address
Goodenough College
London House
Mecklenburgh Square
London
WC1N 2AB

Phone 02075201522

Email goodfinance@goodenough.ac.uk

Website www.goodenough.ac.uk

Activities

Objects: TO ORGANISE, ENCOURAGE AND ASSIST THE EDUCATION IN ENGLAND AND SCOTLAND OF STUDENTS (" RESIDENT MEMBERS OF THE COLLEGE") FROM ANY PART OF THE WORLD, GIVING PREFERENCE TO STUDENTS FROM THE COMMONWEALTH (WITH PRIORITY FOR STUDENTS FROM THOSE NATIONS LESS ABLE FROM TIME TO TIME TO PROVIDE RESOURCES AND FACILITIES OF THEIR OWN). (FOR FURTHER DETAILS SEE CLAUSE 4 OF THE ARTICLES).

Activities: Goodenough College provides residential accommodation for British and international postgraduate students and their families in central London. We deliver a vibrant community through a unique programme of intellectual, cultural and social activities in line with our values of global citizenship and social responsibility. The Burn offers accommodation and an academic retreat in Scotland.

Classification

- **How:** Makes Grants To Individuals, Provides Buildings/facilities/open Space, Provides Services, Provides Advocacy/advice/information
- **What:** Education/training, Accommodation/housing, Economic/community Development/employment
- **Who:** Children/young People, Other Defined Groups, The General Public/mankind

Geography

- Scotland
- Throughout London

Finances

Period end	Income	Expenditure	Assets	Employees
2024-08-31	£18,095,000	£16,807,000	£153,505,000	96
2023-08-31	£16,670,000	£15,481,000	£151,178,000	95
2022-08-31	£11,330,000	£13,369,000	£150,136,000	95
2021-08-31	£10,627,000	£17,711,000	£153,693,000	100
2020-03-31	£13,831,000	£14,373,000	£154,936,000	85

Trustees

Name	Role	Appointed
Stuart James Shilson LVO DL	Chair	2019-12-03
-- Lindsay Dodsworth		2022-09-01
Charles James Stuart Cormack		2024-09-05
Dame Mary Patricia McGowan		2017-10-18
David Thomas Bulman		2022-09-01
Fiona Helen Wilkinson		2023-02-18
Guy Paul Cuthbert Parsons		2022-07-26
Her Honour Deborah Frances Taylor		2026-03-01
James Alexander Douglas		2017-12-05
Jonathan Walsh Fitzgerald		2024-02-29
Prof Morag Elizabeth Shiach		2026-03-01
Prof Sally Elizabeth Wheeler		2026-03-01

GOODENOUGH COLLEGE

England & Wales - Charity number 312894

Accounts



Goodenough College
(A company limited by guarantee)

Annual Report and Financial Statements

for the year ended 31 August 2024

Company Registration No. 00246919
Registered Charity No. 312894 (England and Wales) and SC039173 (Scotland)

Goodenough College

Trustees' Annual Report and Strategic Report

for the year ended 31 August 2024

President's Welcome

I am pleased to introduce Goodenough College's Annual Report and Financial Statements for the year ending 31 August 2024. The period was characterised by a strong admissions field, high occupancy levels in our accommodation and a wide take-up by College residents ("Members") of our renowned intellectual, social and cultural enrichment programme. Encouraging financial performances by the College's hotel, short-stay and sabbatical accommodation and events and venue-hire business helped consolidate our firm financial footing. We were able to expand our scholarships programme and retain an emergency fund for those Members facing unexpected financial difficulty.

The year under review saw modest but welcome relaxation in the strategic risks (inflationary pressures on the economy, rising staff, food and energy costs) which had characterised the previous year. Any early uncertainty about filling our accommodation in both 2023 and 2024, in light of the UK Government's changes in visa eligibility from 1 January 2024, was alleviated by a strong stream of applicants in both admissions periods. A significant number of families, of those eligible to bring dependents to the UK during their study, continue to reside among and enhance our community.

This is not to deny that the College continued to field significant challenges throughout the year under review. The lack of clarity on implications for student accommodation of the draft Renters' Reform Bill made it difficult to plan strategically or allocate some budgets. Disappointing outcomes in the management of the College estate led to a decision to bring the process in-house, with the attendant challenge of building a strong Estates team in a heated job market. Our Scottish estate continued to face challenges in attracting clients from a Scottish Higher Education sector with significant funding constraints. A febrile global political environment and heated public protest, including within many of London's academic institutions, threatened the College's signature spirit of global collaboration; in the event, we were proud of our Members' capacity to maintain a friendly and constructive atmosphere across our campus, including between those whose nationalities might put them on opposing sides of fierce political debate.

During the year, there were multiple opportunities for College Members to engage in UK-wide and overseas study trips, several successful retreats on our Scottish estate, The Burn, and a wide variety of cross-disciplinary talks and seminars delivered with public figures and scholars from respected academic institutions across the UK. We were delighted to be able to offer a splendid array of musical events, including opera and orchestral performances by the College membership, drawing on a generous endowment by the Argyris family in memory of their son Christopher, a former College Member.

Meanwhile, the College's Director of Philanthropy and Alumni Relations expanded engagement with philanthropic supporters, including establishing new scholarships, reconnecting with Alumni communities and launching the early phase of a capital campaign to enable renovation of five Georgian townhouses on the College's estate, which will offer increased access to lower-cost accommodation for students of more limited financial means.

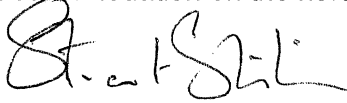
Looking ahead, our main objective for 2024-25 will be to ensure that the College continues to attract high numbers of exceptional students from across the world, who will make the most of their time at the College to build friendships, contacts, knowledge and experiences which will serve them in their subsequent lives and career. Areas for particular focus will include continuing outreach to countries of the global south (especially in the Commonwealth) where

Goodenough College

Trustees' Annual Report and Strategic Report

for the year ended 31 August 2024

our visibility remains low; marketing of our Scottish estate, The Burn, to a wider customer base; enhancing its long-term sustainability; and the raising of significant funds - and selection of a contractor – for renovations which will increase the provision of lower-cost College accommodation on the north side of Mecklenburgh Square.



Stuart Shilson LVO DL
Chair of the Board

Contents	Page
Goodenough College President's Personal Welcome	
Trustees' Annual Report and Strategic Report	
Company information	2-3
Structure, governance and management	4-6
Strategic Report	6
Objectives and activities	6-8
Achievements and performance	8-10
Financial review	10-16
Plans for future periods	16-17
Statement of Trustees' responsibilities	17-18
Independent Auditor's Report	19-22
Financial Statements	
Consolidated statement of financial activities	23
Balance sheet	24
Consolidated cash flow statement	25-26
Comparative consolidated Statement of financial activities	27
Notes to the financial statements	28-52

Goodenough College

Trustees' Annual Report and Strategic Report

for the year ended 31 August 2024

The Board of Trustees present their Report and audited Financial Statements for the year ended 31 August 2024 under the Charities Act 2011 and the Companies Act 2006.

COMPANY INFORMATION

PATRON

King Charles III

TRUSTEE BOARD

Stuart Shilson LVO DL – Chair, President of the College

Dame Maura McGowan DBE - Vice Chair

Andrew Brown KC (until 18 October 2024)

David Bulman

Corey Cook (until 1 March 2024)

Charles Cormack (from 5 September 2024)

Lindsay Dodsworth

James Douglas

John Fitzgerald (from 29 February 2024)

Guy Parsons

Martin Schwab (until 12 January 2024)

Danielle Weese

Fiona Wilkinson

Senior Staff

College Director

Director of Finance and Resources

(Company Secretary; Deputy to the Director)

Director of Operations

Director of Estates

Director of Philanthropy and Alumni Relations

Dean

Registrar

Bursar, The Burn

The Hon Alice Walpole OBE

Richard Barker

Janine Binks (until 15 September 2023)

Sarfraz Arfan (from 29 January 2024)

Andrew McGowan

The Rev Dr Alan McCormack

Caroline Persaud

David Turner OBE (until 29 March 2024)

Jan Wallwork Clarke (from 25 March 2024)

Address and Registered Office

London House

Mecklenburgh Square

London

WC1N 2AB

Website: www.goodenough.ac.uk

COMPANY INFORMATION *(continued)*

Professional Advisers

Auditor:

Buzzacott LLP
130 Wood Street
London
EC2V 6DL

Legal Advisers:

Cripps LLP
Number 22
Mount Ephraim
Tunbridge Wells, Kent
TN4 8AS

Bankers: Barclays Bank PLC

1 Churchill Place
Canary Wharf
London
E14 5HP

Investment Managers:

CCLA
One Angel Lane
London
EC4R 3AB

Rathbone Investment Management Ltd

8 Finsbury Circus
London
EC2M 7AZ

Company number 00246919

STRUCTURE, GOVERNANCE AND MANAGEMENT

The full name of the Charity is Goodenough College ('the College').

The College was formed as a company limited by guarantee without share capital on 28 March 1930, registered company number 00246919. It is registered with the Charity Commission, Charity number 312894 (England and Wales) and SC039173 (Scotland). The College's purposes are set out within its Articles of Association.

The governing document of the charity is the Articles of Association of Goodenough College Limited, as adopted on 24 January 2023. On 2 May 2024 the College passed a written resolution to amend the Articles of Association of the Company.

The amended articles set out the following main features of the governance structure of the College:

- A Board of 8–15 Directors who are legally and financially responsible for the management of College affairs. These are the charity Trustees and the Directors of the company. The Board holds meetings on a regular basis, with an expectation of four meetings being held over the course of a calendar year.
- The Articles of Association require each Director to be appointed by the Board for terms not exceeding three years. A Director shall not remain in office after the ninth anniversary of the date of their first appointment (with the provision that any Director in office on 2 January 2023 shall remain in office until the end of their current term).
- The process for the appointment of Board Directors is set out within the College's Articles of Association. Appointments are normally made on the recommendation of the Nominations and Remuneration Committee at Board meetings.
- The Members of the Company (as defined in the Articles of Association) can appoint/remove any Director notwithstanding the provisions available to the Board.

In accordance with the revised Memorandum of Association, every Member is liable to contribute a sum of £1 in the event of the company being wound up. At 31 August 2024, there were 11 members (2023: 11 members); on 21 January 2025, there were 10 members.

The Trustees are satisfied that the revised governance processes enable the College to engage more effectively with its mission and objectives. The Trustees consider that they have paid due regard to the Charity Commission's guidance in respect of their duties and obligations as Trustees of Goodenough College and the Charity Governance Code for larger charities.

No Trustee has any financial interest in the Charity or any group companies.

Goodenough College

Trustees' Annual Report and Strategic Report

for the year ended 31 August 2024

Board of Trustees

The Board of Trustees holds ultimate responsibility for the governance and strategic direction of the College, ensuring that the Charity upholds its ethos and values and delivers its objectives.

The Board has a written schedule of matters reserved for decision by the whole Board and delegates certain responsibilities to Board Committees. The Board meets quarterly.

New Trustees undertake an induction programme to familiarise themselves with the College, its objectives and its structure, alongside their roles and responsibilities under legislation and College governance. The Board has terms of reference for its own operation, based upon recommendations set out within the Charity Governance Code.

Committees

Trustees, Fellows and advisors may serve on one or more Board Committees, as set out below:

- Academic Committee
- Burn Committee
- Donations Advisory Committee
- Equality, Diversity and Inclusion Committee
- Finance & Audit Committee
- Nominations & Remuneration Committee
- Subsidiary Company Board.

Details of the composition and the Terms of Reference of each Committee are held by the College's Governance Officer.

Management

Operational management of the College is delegated by the Trustees to the College Director, who is accountable to the Board of Trustees for the stewardship of the Charity. The College Director and the senior leadership team (the Executive Committee) attend formal Board and Committee meetings. The College sets the pay of its key staff through its Nominations and Remuneration Committee. The Committee makes reference to general inflation, comparative salaries and pay awards within the charity, Higher Education and hospitality sectors and historical increases in pay. The remuneration of the College Director is set by the Board.

The Board delegates the operation of the College through an approved scheme of delegation overseen by the Finance and Audit Committee. The scheme provides for the most significant financial and operational decisions to be carried out by the Board.

Group structure and relationships

The College had two wholly-owned subsidiary companies, both registered in England and Wales:

- *Goodenough Trading Limited (Formerly Goodenough Club Limited)* (Company No. 02684378) provides overnight accommodation, events, venue hire and catering and commercially-let accommodation at The Burn. The subsidiary takes responsibility for the trading of The

Goodenough College

Trustees' Annual Report and Strategic Report

for the year ended 31 August 2024

Goodenough Hotel, London and the provision of short-stay accommodation in London House and William Goodenough House, as well as the College's Events and catering businesses. Its annual profits are donated to the College as qualifying distributions under deed of covenant; and

- *Goodenough Ventures Limited* (Company No. 09342926) did not trade in the year ended 31 August 2024 as its activities were transferred to Goodenough Trading Limited on 1 September 2023. The company was voluntarily dissolved on 19 November 2024.

The Burn estate in Angus, Scotland (a property donated to the College in 1947) is used by Members of the College for educational and recreational activities, as well as by many Scottish universities as a centre for reading parties, study groups and for educational events and seminars and. The Burn's net assets are a restricted fund of the College.

Investment powers and policies

The Trustees have the authority conferred by the Articles of Association to invest the monies of the College not immediately required for its purposes in or upon such investments, securities or property as may be thought fit, subject nevertheless to such conditions (if any) and such consents (if any) as may for the time being be imposed or required by law.

The College's Investment Policy is set out within its Investment Policy Statement. The College has divided its reserves into a long-term fund and a short-term fund. The College seeks to produce the maximum financial return within an agreed level of uncertainty about future values for each of its long-term reserves and its short-term funds.

The investment objective for the long-term fund is to grow its value at least in line with inflation to fund future asset replacement liabilities and maintain the remainder of the fund in real terms. The target is CPI plus 4% (after fees) over rolling economic cycles (five or more years). The investment objective for the short-term reserve is to maximise its returns while taking no capital risk and providing full liquidity.

The College delegates to its investment manager its requirement to invest only in companies that are aligned with its values of Tolerance, Respect, Understanding, Service and Togetherness, and Environmental care as set out in its Responsible Investing policy. In addition, the College expects to see its portfolio invested with an integrated and engaged approach to stewardship and voting, including disclosing any company identified in breach of the UN Global Compact.

STRATEGIC REPORT

OBJECTIVES AND ACTIVITIES

The history of the institution that is now Goodenough College began in 1930 when a group of individuals led by Frederick Craufurd Goodenough, Chairman of Barclays Bank, established a student residence in London for international postgraduate students. Goodenough's vision was the creation of a hall of residence for (male) students from Commonwealth countries, offering a collegiate community in the heart of London to promote friendships and enhance international understanding.

Goodenough College

Trustees' Annual Report and Strategic Report

for the year ended 31 August 2024

The College has expanded greatly since that time and now consists of a six hundred-strong community of postgraduates, some with accompanying families, from across the world.

The College's charitable objects, as set out in its Articles of Association, are:

To organise, encourage and assist the education in England and Scotland of students ('Resident Members of the College') from any part of the world, giving preference to students from the Commonwealth (with priority for students from those nations less able from time to time to provide resources and facilities of their own)."

We will continue to build upon our strong foundations to achieve our current vision and mission:

Vision

A fellowship of global citizens with shared values of tolerance, respect, understanding, service and togetherness (reflecting the spirit of the UK and the principles of the Commonwealth).

Mission

To create a stimulating, inclusive and mutually supportive, residential community in the heart of London where outstanding postgraduate students exchange ideas, openly debate values and form lasting friendships.

The College presents its 2023/24 expenditure in the pursuit of four strategic goals:

- To attract outstanding postgraduate students from a wide geographic, academic and social base, giving preference to those from the Commonwealth;
- To transform College Members through the experience of living in a values-based community which inspires intellectual engagement and endeavour, encourages cross-cultural understanding and offers an exceptional social environment;
- To raise the College profile, internationally and within the UK, by developing key opportunities and pursuing strategic partnerships consistent with our values and ambitions; and
- To sustain the College as an enduring institution, underpinned by secure finances, a well-maintained estate and high-quality staff, with a commitment to minimising its environmental impact.

The College measures its performance through regular Key Performance Indicators (KPIs) that compare success in the reporting period with prior years. These KPIs cover areas including occupancy; diversity of membership; delivery of cultural, social, sporting and educational events; volume of Scholarships and Bursaries; and number of Alumni contacts. Further information is contained within the Financial Review and Achievements and Performance.

College Members attend over forty academic and professional institutions in London. The College works to maintain a balance between the broad faculties of medicine and natural sciences, law, business, political and social sciences, and the arts and humanities. The College attracts scholars from a wide range of international schemes including Chevening, Commonwealth, Rotary, Marshall, Windle and others.

The College provides a wide public benefit. The Trustees are aware of and have regard to the Charity Commission's public benefit guidance when exercising any powers or duties to which the guidance is relevant. College Members return to their home nations or elsewhere with a broadened perspective on the world and a much-expanded knowledge of and affection for the culture and politics of the UK. This contribution to international tolerance and understanding serves an ever greater purpose in today's world of political and economic uncertainty.

The College frames its distinctive paradigm through the vectors of 'commensality' and 'conviviality'—common eating and common living. Members jointly engage in many intellectual, cultural, social, experiential and developmental activities. Talks, seminars and colloquia, where renowned individuals lecture and share knowledge and life experience, are a regular feature of the College calendar. A series of 'GoodSkills' weeks take place to refine the non-academic skills base of College Members. College Members live and work amongst a broad spread of social, national and economic backgrounds, developing understanding and empathy across a wide spectrum of experience within a rich peer group. An external programme enables College Members to grow their capacity for understanding of the UK – and network across a range of external institutions in the Cities of London and Westminster and beyond. The College seeks to secure and provide an increasing level of scholarships to support those who struggle to meet the costs of their accommodation at the College.

The Burn, our Scottish estate and academic retreat, both welcomes College Members, in study groups or privately, and actively supports Scottish universities, offering its facilities to national and international students and academic groups. Higher Education institutions took a while to return to previous levels of off-campus activity once pandemic restrictions were lifted, meaning a lower level of take-up of The Burn's retreat venue offer. However, the emergence of a different audience for the unique, tranquil environment means a slight rise in bookings for private groups. Other charitable groups are discovering The Burn and this financial year (2023-2024) has brought welcome new clients. The Burn provided a valuable opportunity for all its guests to relax amongst their peers, undertake quiet or group study, build friendships and take pleasure in and learn more about the natural environment through engaging with the high-value habitat for wildlife on The Burn estate.

The College is opened to the public for concerts, operas, conferences and lectures. A large number of external organisations and individuals also use the College's facilities for their own events and activities.

ACHIEVEMENTS AND PERFORMANCE

Its resident postgraduate students continue to have an overwhelmingly positive experience at Goodenough College.

The impact of the College's activities on Members includes a growth in confidence, broadened perspectives, strong cultural, social and professional networks and a positive image of the UK and the Commonwealth. Enriched by these experiences, many of our Alumni become outstanding leaders in their fields, engaged global citizens and advocates of the College.

College Member occupancy in 2023/24 remained high throughout the academic year and over the summer period. The College saw strong commercial performance from its Hotel, short-stay and sabbatical rooms and its Events & Venue Hire businesses. The Burn continued to struggle to generate revenues sufficient to cover its cost base.

Goodenough College

Trustees' Annual Report and Strategic Report

for the year ended 31 August 2024

During 2023/24 £8.7m (2023: £8.2m) was spent against the goal of 'Transforming College Members', reflecting the operating costs of the College buildings (that so influence College life) alongside the influential Dean's programme.

The Dean's programme for the 2023-24 academic year delivered (including Member-led activities) 205 sporting fixtures or physical activity sessions; 152 cultural, music and arts-based events; 144 evening lecture 'Port Talks', transformative skills-based sessions (the 'GoodSkills' programmes) and academic seminar segments and study trips, all of them delivered in person. The Dean's Office also undertook an extensive and tailored programme of activities to support individual Member wellbeing through the academic year, which involved individual as well as group pastoral activity.

During 2023-24, the College maintained its accreditation with the National Code for Assured Accommodation, which demonstrates the College's commitment to the highest standards in delivering accommodation and supporting its community. The College was awarded the Global Student Living Index Best Specialist Accommodation Award in October 2023 and the new Global Student Living Platinum Certification for achieving the thresholds for seven metrics (Structural scores – Internet, Condition & Quality, Bedroom, Value for Money; Operational scores - Care & Support, Recycling & Environmental Facilities, Overall Management).

The Burn has continued to fulfil its charitable objectives through the provision of an academic retreat, event venue and unique and enriching student experience to the Scottish Higher Education sector and the wider academic marketplace. The drive for long-term sustainability continues and this period has seen both footfall and income increase, along with rising levels of interest from a range of new customers. The Burn has yet to realise the high activity levels enjoyed pre-pandemic but there are now positive signs of a rising market. The Burn's relationship with the Scottish university sector – The Burn's principal marketplace - remains strong. In addition, The Burn, under the leadership of its new Bursar, is more actively engaged with supporting the Member programme within Goodenough College, where it is seen as a key asset.

The College spent £0.6m on scholarships and the Mecklenburgh Fund in 2023-24 (2022-23: £0.6m). Scholarships and Mecklenburgh (hardship) funds are awarded by the College to Members, predominantly in the form of reductions in rent, on the basis of financial need. Half of the scholarships were from donated funds; the rest through the generosity of friends and Alumni. The College continues to review the allocation of scholarships to ensure that College is targeting suitable students and matching allocated scholarship funds to appropriate need. The budget for Scholarships and Bursaries grew in 2023-24 proportionate to a September 2024 increase in the level of rents.

During the period the College received 1,847 applications (2023-24: 2,003) from more than 120 countries for its 2024-25 academic year intake, 4.5 applications per available place at the College (2023-24: 4.9). The proportion of applications from EU countries stayed steady at 10% (2023-24: 11%) and applications from Commonwealth countries decreased to 39% (2023-24: 45%). The College continued to invest in additional marketing and engagement actions to maintain and develop the number of suitable applicants to the College and the appropriate Commonwealth representation.

During the 2023-24 academic year, Members came from 90 (2022-23: 95) countries (UK 10%; India 9%, Canada 8%, China 5%, Pakistan 4%) of which 47% (2022-23: 52%) were from the Commonwealth. These Members were studying at 39 academic institutions (UCL 28%; LSE 22%; Kings 10%); with 63% (2022-23: 64%) undertaking Master's courses; 31% (2022-23: 29%) undertaking PhD and other research programmes; and 5% (2022-23: 6%) other forms of

Goodenough College

Trustees' Annual Report and Strategic Report

for the year ended 31 August 2024

postgraduate qualifications. Their academic subject matter continued to be as diverse as their backgrounds.

Including the £1.2m 2023-24 interest costs of the College's debt (2023: £1.2m) and the costs of supporting the development and the strategic financial management of the College, £2.2m was spent on 'Sustaining the College' during the year (2023: £2.0m).

The College applied funds of £1.0m (2023: £1.2m) in replacements and enhancements to the College estate and IT services, of which £0.1m related to fire protection measures, £0.1m related to replacement of beds and mattresses in London House, £0.2m to the ongoing development of 43-47 Mecklenburgh Square, with the balance across the College estate. Fundraising costs were £0.1m for the year (2023: £0.1m).

Goodenough Trading Limited continued to trade successfully during 2023/24, with the Hotel business meeting a challenging revenue target and exceeding the prior year, although cost increases led to slightly reduced profit. The Events, Venue Hire and Catering activities were a combination of strong Events performance combined with lower than anticipated catering interactions with Members. The short-stay and sabbatical rooms business had another very strong summer. Overall the company's profit before qualifying distribution remained strong at £2.6m (compared with the exceptional £2.7m in the prior year).

All activities of Goodenough Ventures Limited were transferred to Goodenough Trading Limited from 1 September 2023, with Goodenough Ventures Limited ceasing trading from that date.

FINANCIAL REVIEW

The College generated group revenues of £18.1m in the year to 31 August 2024 (2023: £16.7m). Income from charitable activities (predominantly income generated from rents from Member accommodation) was £9.4m (2023: £8.6m); with increased occupancy and higher rents. Average Member occupancy in the 2023-24 academic year was 93.7%, compared with 93.5% achieved in the prior year and 92.6% in the pre-pandemic year of 2018-19.

Consolidated income from trading activities through Goodenough Trading Ltd for the year was £6.6m (2023: £6.3m across both subsidiaries) with the Hotel alone generating £4.0m. Revenue in 2023-24 consisted of Hotel income of £4.0m (£3.9m in 2022-23), short-stay accommodation income of £1.2m (2023: £1.1m), Events and Venue Hire income of £0.8m (2023: £0.7m), and £0.6m from providing catering to College Members (2023: £0.5m). Income of £76k (2023: £18k) was derived from the Burn's commercial trading activities. Goodenough Trading Limited generated a profit of £2.6m for the year (2023: £2.7m).

The Trustees and Directors remain confident of the potential for Goodenough Trading Limited to generate surpluses to be donated to the College in future years and continue to monitor performance of the company. Following the transfer of all of its activities to Goodenough Trading Limited on 1 September 2023, Goodenough Ventures Limited was voluntarily dissolved on 19 November 2024.

On 22 July 2024, the Directors of Goodenough Trading Ltd approved a budget for the 2024/25 financial year showing a £2.4m surplus and a business plan showing increasing surpluses thereafter. Post year-end trading conditions remain strong.

The Consolidated Statement of Financial Activities for the year shows a £1.3m net income before gains and losses on investment assets and financial instruments (2023: £1.2m). The College bore £1.2m in loan interest charges (2023: £1.2m) and depreciation of £2.7m (2023: £2.6m), demonstrating an EBITDA gain (excluding debt and asset impairment costs) of £5.2m (2023: £5m). On 30 July 2024, the Trustees approved a consolidated budget for the 2024-25 academic year showing an EBITDA surplus of £3.9m. The Trustees remain confident that the College will achieve a significant operating surplus in 2024-25.

INVESTMENT PERFORMANCE

On 28 August 2024, the Trustees enacted their decision to transfer the College's long-term investment funds and the Burn investment fund, from Rathbone Investment Management Limited to CCLA Investment Management Limited (CCLA), each to be invested within the CCLA COIF Charities Investment Fund (the fund). The fund is a common investment fund, governed by the Charities Act 2011 (as amended) and authorised by the Charity Commission. The fund is managed as an unregulated collective investment scheme and as a UK alternative investment fund in line with the Alternative Investment Fund Managers Directive (AIFMD), as defined in the scheme particulars.

The fund is an actively managed, diversified portfolio of assets designed to help protect charities from the effects of inflation (as measured by the consumer price index). It will have an emphasis on equities (between 50% and 85%) but will also include property, bonds and other asset classes, which may be either liquid or illiquid in nature. Exposure to these assets may be through direct holdings and/or through investment in other funds (including those managed by the manager or their associates).

As at 31 August 2024 the long-term fund held £18.0m under investment. As at 31 August 2024 the Burn fund held £0.9m under a separate investment account.

The total return on the College main fund over the period was a gain of 9.6%, and for The Burn portfolio, a gain of 8.7%; the composite benchmark performance measures for these funds were a gain of 15.2% and 14.5% respectively. These funds have achieved a total return of 35.3% and 23.2% respectively over the last five years, against composite benchmarks of 49.8% and 31.8% respectively.

The College's short-term fund is held for the purpose of meeting the cash requirement for an anticipated capital investment project. The short-term fund is held across a portfolio of UK Government Bonds, UK Investment Grade Bonds and Time Deposits (managed by Rathbones Investment Management Ltd), and the CCLA COIF Charities Deposit Fund. The Deposit Fund is a UK Common Deposit Fund managed by CCLA, a short-term fund, designed for the charity sector. Under the Money Market Fund Regulation, the COIF Charities Deposit Fund is categorised as a short-term Low Volatility Net Asset Value Money Market Fund. The Deposit Fund principally invests in call accounts, term deposits, and money-market instruments, but may invest in other assets.

The short-term fund achieved a total return of 4.5% for the year. As at 31 August 2024 this fund held £6.1m under investment.

The College No.2 (medium-term) portfolio was closed during the year with all funds transferred to the long-term fund.

Goodenough College

Trustees' Annual Report and Strategic Report

for the year ended 31 August 2024

During the year, with the support of the Finance & Audit Committee, the Trustees were advised by Yoke & Co. Ltd on the College's investment management, its investment strategy, the selection of the College's investment manager and the selection of investment funds.

Working through the Finance & Audit Committee and with its investment managers, the Trustees continue to review the investment performance and strategies of its funds under investment as the College's financial performance, reserve position and capital ambition develop.

Funds and reserves

The College's reserves are divided between unrestricted, restricted and endowment funds. Unrestricted funds are further divided into designated and general unrestricted funds.

Unrestricted funds total £140.8m (2023: £138.6m), which includes designated reserves of £131.7m (2023: £130.3m), general funds of the charity of £8.9m (2023: £8.1m) and general funds of the subsidiary of £0.2m (2023: £0.2m). See Note 17 for further details.

The Trustees have designated the value of the College's non-investment fixed assets (net of funding from the long-term loan) as the Tangible Fixed Asset reserve. The value of this reserve is adjusted annually to reflect the net value of these assets and stands at £114.0m at year-end (2023: £115.3m). The Trustees have designated the value of the College's investment properties (recognising the College's strategy to retain investment properties as reliable long-term assets) as the Investment Property Reserve at £2.2m (2023: £3.1m). This reduction reflects a revaluation of the investment properties on 31 August 2024 and the transfer of a floor of one building to an asset for charitable use.

The College has an established long-term forecast, which enables the College to agree a revised framework for the management of its unrestricted funds and to quantify the level of liquid assets required to sustain the College as an enduring institution. The College has established a plan to ensure that sufficient levels of cash are available to secure a well-maintained estate. This established the requirement for an Asset Replacement Reserve (ARR) to support the costs identified for the replacement and refurbishment of the buildings, fixtures, fittings and equipment of London House, William Goodenough House and the hotel over a 30-year period to 2046. The required value of this fund was agreed to be designated from the available funds accumulated by the College from annually generated operating surpluses and drawn down against relevant costs.

After continued exceptional financial performance by the College and Hotel, the Trustees designated the budgeted contribution from performance to the ARR. After debiting appropriate asset replacement expenditure and accounting for income, gains and losses, the value of the ARR stands at £10.7m on 31 August 2024 (2023: £8.4m). The Trustees review the value of this designated fund annually as it accumulates and is utilised for asset replacement. The ARR is represented by investment funds with investment mandates (as overseen by the Finance & Audit Committee) matching the investment objectives and horizons of this reserve.

The Trustees have designated a further £1.2m to the planned future development of 43-47 Mecklenburgh Square. The fund at 31 August 2024 stands at £4.6m (2023: £3.5m). The College continues to develop its plans for the development site under the guidance of its Steering Committee. The fund is held with the College's short-term investment fund.

Goodenough College

Trustees' Annual Report and Strategic Report

for the year ended 31 August 2024

The Trustees have reviewed the College's reserves policy. The policy considers the nature of the income and expenditure streams, the need to match variable income with fixed commitments and the need to provide for known essential estate maintenance expenditure. To allow the College to be managed efficiently and to provide a buffer against interrupted services, the policy requires that general reserves in the range from £6m - £9m should be maintained. This range is based on managing to sustain core College activity if there were a fall in Member income of 25% for three years (c£6m) and a loss of 50% of The Goodenough Hotel, London and the College short-stay and sabbatical rooms business net operating surplus for two years (c£2m). In addition, a minimum of £1m is considered necessary to deal with major estate issues, such as a failure of heating, plumbing or electrical services in either House.

The Trustees have assessed the value of reserves and the operations of the College and do not consider that there remain material uncertainties related to these or other events or conditions that cast significant doubt on the College's ability to continue as a going concern. The College remains financially stable with freely available funds on 31 August 2024 of £8.9m (2023: £8.1m, see note 17 for more details); other unrestricted designated reserve funds of £15.5m (2023: £11.9m) and unrestricted investment properties valued at £2.1m.

Restricted funds are represented by assets and investments that can only be used or spent for a particular purpose as stated by the donors. The total value at 31 August 2024 was £12.4m (2023: £12.3m). See Note 16 for further details. Restricted funds include The Burn Fund of £11.8m (2023: £11.9m) and other restricted funds of £0.6m (2023: £0.4m). The Burn fund includes the operating land, building and assets of the site represented by a tangible fixed assets reserve of £9.9m (2023: £10.0m); investment properties reserve of £0.9m (2023: £0.9m) and a general restricted fund of £0.9m (2023: £1.0m). The general restricted fund is mainly represented by The Burn investment fund.

The other restricted funds have been donated to the College for a number of restricted purposes including restricted Scholarships and Bursaries funds of £0.4m (2023: £0.4m) and donations towards the refurbishment of 43-47 Mecklenburgh Square of £0.2m. The College continues to seek to increase the level of support to its important Scholarships and Bursaries activity provided through donations. Expenditure on Scholarships and Bursaries from restricted or designated donated funds was £0.3m in the year compared to £0.4m in the preceding year.

Endowment funds comprise the Christopher G. Argyris Student Activity Fund which is an expendable endowment fund providing support for community participation at the College, and particularly the performance of opera and Dean's Seminars. £24k was received in the year with a further £22k generated from investments (after charges) and £10k spent supporting College activities. The remaining balance of £313k is held within the College's long term investment portfolio, except for the element drawn down for spend in the year.

Borrowings and bank facilities

On 2 June 2017, the College secured a £40m non-amortising 30-year loan with Rothesay Life at a fixed interest rate of 3.102%. The loan is secured against London House, William Goodenough House and 47 Mecklenburgh Square.

Principal risks and uncertainties

To optimise the College's management of risk, the College Board and staff are briefed on the nature of risk and accept responsibility for risks associated with their area of authority. Senior management provides appropriate support, assistance and commitment to ensure that both operational and strategic risk is managed on a daily basis to the best of the College's ability. This risk management process provides reasonable, but not absolute, assurance that the organisation is protected.

We define key strategic risks as those that, without effective and appropriate mitigation, would have a severe impact on our work, our reputation or our ability to achieve our ambitions. The College continually improves the process by which it reviews, registers and mitigates risks that may impact on College life and operations. These risks (including likelihood, impact and mitigation measures) are listed in a Strategic Risks Register, which is regularly reviewed by the College Board and senior management. The risk management process encourages the Trustees to challenge any assumptions senior management has made about risks and interrogate the context in which decisions are taken. This helps ensure that the most serious risks are being mitigated effectively and the impact of mitigation is assessed.

Revenue shortfall, primarily through a downturn in Member application numbers, has been identified as a fundamental financial risk for Goodenough College. Vigorous promotion of the College through public outreach, strategic partnership building and enhancing the College's digital presence is given high priority in order to mitigate this risk; together with market-sensitive pricing of accommodation and a robust admissions policy making maximum use of search engine optimisation, peer reviews, advertising and approaches to educational institutions and scholarship bodies (within London, the UK and internationally). Application numbers are reviewed on a regular basis and the admissions strategy adjusted on the basis of findings.

The maintenance of a diverse College community (including enabling access for students with limited financial resources) is recognised by the Trustees as a key area of risk. The College will continue to focus on targeting its outreach on less represented geographic areas and socio-economic groups. It continues to enhance its scholarships schemes (including developing partnership schemes with other scholarship providers) to support less affluent students. The College maintains its focus on fundraising for scholarships (including hardship funds allocated as The Mecklenburgh Fund). The College reviews its rent annually and any increases applied are based on sound market information and consultation with the College Member community.

A key strategic objective of the College is to deliver a transformative experience for College Members through community, cross-cultural understanding and an exceptional intellectual and social programme. The College implements a rigorous process of risk assessment for all activities, together with impact reviews and ROI assessments of enrichment activities.

The College has previously recognised that failing to secure sufficient funds to implement its Asset Replacement Plan represents a key risk to the College. The College considers that it has substantially mitigated that risk through development of a comprehensive Asset Replacement Plan, long term financial planning and the securing of £40m of 30-year non-amortising debt. The Finance and Investment sub-Committee of the College Board reviews the long-term financially sustainable performance of the College and provides further diligence on the application of available funds. The College has demonstrated to itself, through challenging scenarios and stress testing, that it will be able to meet its Asset Replacement Plan for at least until 2046.

Goodenough College

Trustees' Annual Report and Strategic Report

for the year ended 31 August 2024

The level of the College's unrestricted freely available reserves, combined with its designated funds (see below), reassure the College as to its going concern.

The 30-year fixed-interest debt minimises the College's exposure to variations in debt financing costs. Further details can be found in Note 15.

The Board continues to oversee the College's business continuity and contingency arrangements, should the College suffer from a major disaster affecting the College estate, be impacted by terrorism or disease outbreak or pandemic. The Board is confident that the College's plans, controls and insurance arrangements, adequately mitigate these risks to a tolerable level. As the College's main base of operations is in central London, the College recognises that terrorist activity, both local to the College and worldwide, has the potential significantly to affect the College, through restricting physical access to the College; reducing future applications to the College; and directly on the welfare of College Members. The College exercises care in maintaining its access control and security arrangements, holds financial reserves, specific appropriate insurance cover, effective business continuity plans and robust welfare systems in order to mitigate that risk.

With accommodation at its heart, fire risk management forms a key consideration in the College's operation and development. The College regularly reviews its fire management policies and carries out annual fire risk assessments and complies with all statutory obligations and best practice.

The College takes safeguarding very seriously. The College is confident that it provides a safe and trusted environment, and promotes an organisational culture that prioritises safeguarding. The College considers that it maintains adequate safeguarding policies, procedures and measures to protect people. These are reviewed regularly and kept up to date in line with Government guidance and best practice. The College has reviewed its safeguarding governance and management arrangements within the last 12 months.

In response to the Corporate Criminal Offence of Failure to Prevent the Facilitation of Tax Evasion introduced by the Criminal Finances Act 2017, the College carried out a risk assessment and made a Top Level Commitment to a zero tolerance to the criminal facilitation of tax evasion at its Board meeting in March 2018. The College continues to apply due diligence; apply and communicate its procedures; and monitor and review its position.

Goodenough College continues to meet the requirements of the General Data Protection Regulations (GDPR) and the Privacy and Electronic Communications Regulations (PECR), building on its previous programme of work to achieve compliance. The Trustees remain content that the College is fully complying with the Regulations.

Fundraising standards

The College's fundraising activities are undertaken by its Philanthropy and Alumni Relations team. The College does not use third party fundraisers or commercial participators.

The College is a member of The Council for Advancement and Support of Education (CASE), a professional association serving educational institutions and the professionals who work on their behalf in alumni relations, communications, development, and allied areas. As part of its work, CASE sets standards and an ethical framework for the fundraising profession, which the College follows.

The College has established a Donations Advisory Committee that meets as necessary to review the acceptance of any large gifts.

Contacts who are judged to have an interest in Goodenough College are encouraged to donate. Those who have opted out of fundraising appeals are, of course, exempted from this programme of activity. There is a clear focus on enabling supporters to reengage and reconnect with the College, as well as making an informed decision on supporting the College financially. The College does not accept donations where we have reason to believe that the donor may be vulnerable, or where we judge accepting the donation would be ethically wrong or cause harm to the donor. To help inform our approach, we refer to the Fundraising Regulator's Code of Practice and the Chartered Institute of Fundraising's statement on vulnerable donors. We regularly review industry standards to ensure we are meeting requirements. No complaints have been received by CASE, the Charity Commission, the Fundraising Regulator or by the College about its fundraising activities in the year ended 31 August 2024.

PLANS FOR FUTURE PERIODS

The approved budget for 2024-25 reflects the College's ambitions and priorities for the year, including its continued focus on scholarships for exceptional students with limited financial means, its commitment to a major renovation project to enhance lower-cost student accommodation on the College estate, the reallocation of funds to deliver an in-house managed maintenance, asset replacement and building development service and the delivery of the College's enhanced IT strategy.

The College remains confident of its capacity to attract high calibre students who will make a substantive contribution to the College community. Applications for admission for 2025-26 were strong. The College is at full Member occupancy and expects to remain at this level throughout the academic year, with any Member room vacancies let as short-stay accommodation. Notwithstanding, the College will continue to develop and refine its marketing and admissions processes and procedures for the 2025-26 intake and thereafter as the political and economic climate develops.

Meanwhile, the College remains committed to enhancing and diversifying its scholarship programme in future years, continuing to work with alumni, established partner bodies (such as the Chevening scholarships programme and London universities) and other stakeholders. The College will seek to develop new partnerships, further expanding access to the College for those from lower income backgrounds and nations currently under-represented.

The Director of Philanthropy & Alumni Relations will work to further develop a substantive philanthropic impulse among College alumni, partners and other stakeholders, thereby growing funding for scholarships and College activities. A public capital fundraising campaign is underway to enable the College to refurbish five Georgian townhouses comprising 43-47 Mecklenburgh Square.

The Dean will further develop the College's renowned programme of events and activities, supported, inter alia, by the Argyris endowment, College Fellows and the goodwill of friends and stakeholders.

Goodenough College

Trustees' Annual Report and Strategic Report

for the year ended 31 August 2024

The College will continue to exert downward pressure, wherever possible, on overhead and running costs through a programme of careful housekeeping and cost-effective expenditure. The Director continues to develop the College's operations in consultation with the Board of Trustees. During the year, the College will continue to remobilise and seek to gain ever greater value and impact from its catering, housekeeping and cleaning contracts, following their review during 2024-25.

The College will build on the review of the College's Asset Replacement Plan, carried out by the Director of Estates in 2024, to ensure that the funds held within the Asset Replacement Reserve are best targeted at the College estate. Having achieved the necessary planning and Listed Building Consent during 2024, and subject to the Trustees confirming sufficient funds are available from donors and cash reserves, the renovations of 43-47 Mecklenburgh Square are expected to commence early in 2025.

The College will continue to maintain and develop its commercial activities, as overseen by the Directors of Goodenough Trading Ltd, conscious of the risks of relying excessively upon ongoing strong market conditions for the support of the College's charitable operations.

The College will ensure that the College's activities in Scotland, delivered through its estate, The Burn, and under the aegis of the new Burn Bursar, are well-targeted, financially sustainable and in line with its charitable objectives of providing a welcoming academic retreat for Goodenough members and Scottish university students.

The Board of Trustees expects, in the coming year, to see the College further develop its impact, efficiency and opportunity; and to ensure that delivery of the College's objects to organise, encourage and assist international academic collaboration remain at the forefront of the College's successful endeavour.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees (who are also directors of the College for the purposes of company law) are responsible for preparing the Annual Report, incorporating the Strategic Report, and the Financial Statements in accordance with applicable law and regulations and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including income and expenditure of the charitable group for that period.

In preparing these financial statements the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and

- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The Trustees are responsible for keeping proper and adequate accounting records that disclose with reasonable accuracy at any time of the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Financial statements are published on the charity's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the charity's website is the responsibility of the Trustees. The Trustees' responsibility also extends to the ongoing integrity of the financial statements contained therein.

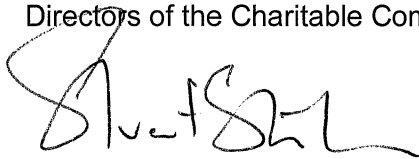
DISCLOSURE OF INFORMATION TO AUDITOR

In the case of each of the persons who are Directors (Trustees) of the charitable company at the date when this report was approved:

- So far as each of the Directors is aware, there is no relevant audit information (as defined in the Companies Act 2006) of which the charitable company's auditors are unaware; and
- Each of the Directors has taken all the steps that he/she ought to have taken as a director to make himself/herself aware of any relevant audit information (as defined) and to establish that the charitable company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of S418 of the Companies Act 2006.

The Trustees' Report and Strategic Report were approved by the Trustees in their capacity as Directors of the Charitable Company and signed on their behalf by:



Stuart Shilson LVO DL
President of the College (and Chair of the Board)

Date: 21 January 2025

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES OF GOODENOUGH COLLEGE

Opinion

We have audited the financial statements of Goodenough College (the 'charitable parent company') and its subsidiaries (the 'group') for the year ended 31 August 2024 which comprise the group statement of financial activities, group and charitable parent company balance sheets and statement of cash flows, the principal accounting policies and the notes to the financial statements. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- ◆ give a true and fair view of the state of the group's and of the charitable parent company's affairs as at 31 August 2024 and of the group's incoming resources and application of resources, including its income and expenditure for the year then ended;
- ◆ have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- ◆ have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

Other information (continued)

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the charitable parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report including the strategic report.

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

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

Responsibilities of trustees

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

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

Auditor's responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- ◆ the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- ◆ we obtained an understanding of the legal and regulatory frameworks that are applicable to the group and the charitable parent company and determined that the most significant frameworks which are directly relevant to specific assertions in the financial statements are those that relate to the reporting framework (Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011) and those that relate to data protection (General Data Protection Regulation); and
- ◆ identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the group's and the charitable parent company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- ◆ making enquiries of management as to their knowledge of actual, suspected and alleged fraud; and
- ◆ considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- ◆ performed analytical procedures to identify any unusual or unexpected relationships;
- ◆ tested journal entries to identify unusual transactions;
- ◆ assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- ◆ tested authorization controls on expenditure items, including staff expense claims, to check that all expenditure was approved in line with the group's and the parent charitable company's financial procedures;

Auditor's responsibilities for the audit of the financial statements (continued)

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- ◆ agreeing financial statement disclosures to underlying supporting documentation;
- ◆ reading the minutes of meetings of those charged with governance; and
- ◆ enquiring of management as to actual and potential litigation and claims.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the trustees and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and to the charity's trustees as a body, in accordance with Section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and Regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charitable company's members and trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Katharine Patel (Senior Statutory Auditor)
For and on behalf of Buzzacott LLP, Statutory Auditor
130 Wood Street
London
EC2V 6DL

Date: 28 January 2025

Buzzacott LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

Goodenough College

Consolidated statement of financial activities (incorporating a consolidated Income and Expenditure account)

for the year ended 31 August 2024

	Notes	Unrestricted Funds 2024 £'000	Restricted Funds 2024 £'000	Endowment Funds 2024 £'000	Total Funds 2024 £'000	Total Funds 2023 £'000
Income from:						
Donations and legacies	2	25	565	24	614	539
Charitable activities:						
College community accommodation	5	9,117	342	-	9,459	8,642
Trading activities:						
Commercial accommodation	4	5,195	-	-	5,195	5,023
Catering, Events and Venue Hire		1,373	-	-	1,373	1,238
Investments	3	1,352	96	6	1,454	1,228
Total		17,062	1,003	30	18,095	16,670
Expenditure on:						
Raising funds						
Investment management		106	5	2	113	93
Fundraising		148	-	-	148	103
Trading activities	12	3,934	-	-	3,934	3,544
Charitable activities:						
Attracting outstanding postgraduate students	6	1,037	308	-	1,345	1,234
Transforming College Members	6	8,025	682	10	8,717	8,194
Raising the College's profile	6	374	-	-	374	329
Sustaining the College	6	2,173	3	-	2,176	1,984
Total		15,797	998	12	16,807	15,481
Net income before other gains/(losses)		1,265	5	18	1,288	1,189
Net gains/(losses) on investments	11	965	50	24	1,039	(318)
Net income		2,230	55	42	2,327	871
Transfers between funds	16, 17	(26)	26	-	-	-
Net movement in funds		2,204	81	42	2,327	871
Reconciliation of funds:						
Total funds brought forward		138,618	12,289	271	151,178	150,307
Net movement in funds		2,204	81	42	2,327	871
Total funds carried forward		140,822	12,370	313	153,505	151,178

All results derive from continuing operations.

All gains and losses recognised in the period are included above. The notes on pages 28 to 52 form part of these Financial Statements.

Goodenough College

Balance Sheets

as at 31 August 2024

Company Registration No: 00246919


BALANCE SHEETS AS AT 31 AUGUST 2024

	Notes	31 August 2024 £'000	Group 31 August 2023 £'000	31 August 2024 £'000	Charity 31 August 2023 £'000
FIXED ASSETS					
Tangible assets					
Freehold land and buildings	10a	162,786	163,973	162,786	163,973
Heritage assets	10b	281	310	281	310
Fixtures, fittings plant & equipment	10c	957	1,071	957	1,071
		164,024	165,354	164,024	165,354
Investments	11b	25,210	19,396	25,210	19,396
Investment properties	11b	3,046	3,976	3,046	3,976
Investments in subsidiaries	12	-	-	250	250
		192,280	188,726	192,530	188,976
CURRENT ASSETS					
Stocks		6	3	6	3
Debtors	13	962	806	767	838
Cash at bank and in hand		4,509	5,953	3,821	4,735
		5,477	6,762	4,594	5,576
CURRENT LIABILITIES					
Amounts falling due within one year	14	(4,214)	(4,250)	(3,752)	(3,485)
		1,263	2,512	842	2,091
NET CURRENT ASSETS					
		193,543	191,238	193,372	191,067
TOTAL ASSETS LESS CURRENT LIABILITIES					
Creditors: amounts falling due after more than one year	15	(40,038)	(40,060)	(40,038)	(40,060)
		153,505	151,178	153,334	151,007
TOTAL NET ASSETS					
Restricted funds	16	12,370	12,289	12,370	12,289
Endowment Funds		313	271	313	271
Unrestricted funds					
Designated funds	17	131,724	130,332	131,724	130,332
General funds	17	9,098	8,286	8,927	8,115
		153,505	151,178	153,334	151,007
TOTAL FUNDS					

The notes on pages 28 to 52 form part of these Financial Statements.

The group statement of financial activities (SOFA) and balance sheet, consolidate the Financial Statements of the Charity and its wholly owned subsidiaries, all of which were made up to 31 August 2024 on a line by line basis. The net surplus of the charity for the year ended 31 August 2024 was £2,327k (2023: £871k).

These Financial Statements were approved and authorised for issue by the Trustees on 21 January 2025 and signed on their behalf by:



Stuart Shilson LVO DL
President of the College (and Chair of the Board)

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 AUGUST 2024

	Notes	2024 £'000	2023 £'000
Net cash provided by operating activities	(a)	3,504	4,858
Cash flows from financing activities			
Interest paid on loan		(1,244)	(1,241)
Loan costs		(8)	(8)
Net cash (used in) financing activities		(1,252)	(1,249)
Cash flows from investing activities:			
Dividends, interest and rents from investments		1,454	1,228
Purchase of property, plant and equipment		(952)	(1,211)
Proceeds from sale of investments		22,733	1,186
Purchase of investments		(25,825)	(3,459)
Net cash (used in) investing activities		(2,590)	(2,256)
Change in cash and cash equivalents in the reporting period		(338)	1,353
Cash and cash equivalents at 1 September		6,400	5,047
Cash and cash equivalents at 31 August	(b)	6,062	6,400

Analysis of changes in net debt	1 September 2023 £'000	Cash flows £'000	31 August 2024 £'000
Cash at bank	5,953	(1,444)	4,509
Cash held by investment managers	447	1,106	1,553
	<u>6,400</u>	<u>(338)</u>	<u>6,062</u>
Loans falling due after more than one year	(40,000)	-	(40,000)
Total	<u>(33,600)</u>	<u>(338)</u>	<u>(33,938)</u>

Goodenough College**Consolidated Statement of Cash Flows (continued)***for the year ended 31 August 2024*

	2024	2023
	£'000	£'000
(a) Reconciliation of net income to net cash provided by operating activities		
Net income for the reporting period	2,327	871
Adjustments for:		
Depreciation charges	2,667	2,631
(Gains) / losses on non-cash investments	(1,100)	311
Dividends, interest and rents from investment	(1,454)	(1,228)
Loss on disposal	29	23
Interest payable on loan	1,244	1,241
Loan costs	8	8
(Increase)/Decrease in stock	(3)	5
(Increase)/Decrease in debtors	(156)	354
(Decrease)/Increase in creditors	(58)	642
Net cash inflow from operating activities	<u>3,504</u>	<u>4,858</u>

(b) Analysis of Cash and Cash Equivalents

	1 September 2023 £'000	Cash flows £'000	31 August 2024 £'000
Cash at bank and in hand	5,953	(1,444)	4,509
Cash held by investment manager	447	1,106	1,553
Total cash and cash equivalents	<u>6,400</u>	<u>(338)</u>	<u>6,062</u>

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 AUGUST 2023

	Notes	Unrestricted Funds 2023 £'000	Restricted Funds 2023 £'000	Endowment Funds 2023 £'000	Total Funds 2023 £'000
Income from:					
Donations and legacies	2	23	235	281	539
Charitable activities:					
College community accommodation	5	8,294	348	-	8,642
Trading activities:					
Commercial accommodation	4	5,023	-	-	5,023
Catering, Events and Venue Hire		1,238	-	-	1,238
Investments	3	1,128	94	6	1,228
Total		15,706	677	287	16,670
Expenditure on:					
Raising funds					
Investment management		83	6	4	93
Fundraising		103	-	-	103
Trading activities	12	3,544	-	-	3,544
Charitable activities:					
Attracting outstanding postgraduate students	6	890	344	-	1,234
Transforming College Members	6	7,516	666	12	8,194
Raising the College's profile	6	329	-	-	329
Sustaining the College	6	1,984	-	-	1,984
Total		14,449	1,016	16	15,481
Net income / (expenditure) before other (losses)		1,257	(339)	271	1,189
Net (losses) on investments	11	(259)	(59)	-	(318)
Net income / (expenditure)		998	(398)	271	871
Transfers between funds	16, 17	(9)	9	-	-
Net movement in funds		989	(389)	271	871
Reconciliation of funds:					
Total funds brought forward		137,629	12,678	-	150,307
Net movement in funds		989	(389)	271	871
Total funds carried forward		138,618	12,289	271	151,178

1. ACCOUNTING POLICIES

(a) Basis of preparation

The Financial Statements have been prepared under the historical cost convention, as modified by the inclusion of investments and investment properties at fair value at balance sheet date.

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006 and the Charities Act 2011.

They also comply with the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006. The accounting policies have been applied consistently throughout the accounts.

The group statement of financial activities (SOFA) and balance sheet, consolidate the Financial Statements of the Charity and its wholly owned subsidiaries, all of which were made up to 31 August 2024 on a line by line basis. The net surplus of the charity for the year ended 31 August 2024 was £2,327k (2023: £871k).

Going Concern

The Trustees reviewed the College's surplus operating budget for the year 2024/25 and the subsequent long term forecast in July 2024 and were content that these plans were affordable and that the accounts should be prepared on a going concern basis.

There has been a high volume of applications for places in the College for the 2024/25 academic year, with occupancy levels achieving expectations. The Hotel reopened in September 2022 and subsequently outperformed budget by a significant margin and continues to generate a higher contribution than was historically achieved.

The College holds in excess of £26m in unrestricted funds not representing current operating assets, of which £2m is in investment property and £24m in liquid investments managed through our investment managers. In total these reserves are well in excess of the annual turnover and annual cash flow requirements of the College.

Given the strength of the balance sheet and the availability and liquidity of unrestricted investments the Trustees believe that, while uncertainty exists, this does not pose a material uncertainty that would cast doubt on the charity's ability to continue as a going concern. The Trustees, therefore, consider it appropriate for the accounts to be prepared on a going concern basis.

Further detail on the availability of unrestricted funds can be found on p12 of the Trustees' Report.

1. ACCOUNTING POLICIES (*continued*)

(b) Company status

The Charity is a company limited by guarantee. The Members of the Company are the Trustee Board named on page two, who are also the Directors of the Company for the purposes of company law. In the event of the Company being wound up, the liability in respect of the guarantee is limited to one pound per Member of the Company.

(c) Key assumptions and estimates

Key assumptions and estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The assumptions and estimates that are likely to cause any material impact to the accounts are set out below:

Valuation of Investment Properties – as disclosed in note 11, the fair values of the investment properties are reviewed at the balance sheet date to determine any changes in value. This is done by reviewing key property price indicators for the local area or an external valuation by RICS registered valuers.

Depreciation – Fixed Assets are depreciated on a straight line basis as set out in note 1i) Tangible Fixed Assets.

(d) Income

All income is recognised in the SOFA when the Charity has met conditions for receipt, receipt is probable and the amount can be quantified with sufficient reliability.

Investment income: Investment income is accounted for when receivable.

Legacies: Legacies are deemed receivable from the date of notification, provided that sufficient information has been received to enable the Group to calculate entitlement and receipt is probable.

Gifts in Kind: Donations in kind are recognised at their value to the Charity when they are received. No amounts are included for services donated by volunteers.

Government grants: Income from Government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred. In respect of the furlough grant; all conditions, with respect to the eligible costs being claimed, need to be met.

1. ACCOUNTING POLICIES (*continued*)

(e) Expenditure

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to that category. Investment Management costs represent the fees incurred on raising Investment Income. Fundraising costs represent expenditure in relation to fund-raising and publicity costs. Direct expenditure incurred on charitable activities is identified against one of the four strategic goals of the charity. Support costs represent expenditure incurred in general management, Trustee related costs and audit costs and are apportioned across the four strategic goals. See note 6 for further information.

(f) Fund accounting

The College maintains various types of funds as follows:

i) Restricted funds

The Burn Restricted funds include donations received which were allocated by the donor for the upkeep of The Burn, a Scottish study and holiday centre for students and graduates.

In addition other donations which are earmarked for particular purposes are treated as restricted funds.

ii) Endowment Funds

Endowment funds comprise the *Christopher G. Argyris Student Activity Fund* which is an expendable endowment fund providing support for community participation at the College, and particularly the performance of opera and Dean's Seminars. Total distributions from the Fund in any year are not to exceed 5% of the fund unless the value of the fund falls below £12,500, in which case the balance may be distributed and the fund closed.

iii) Unrestricted funds

Designated reserves are amounts which have been put aside at the discretion of the Trustees and comprise:

Tangible fixed asset reserve representing the value of all reserves used for operating tangible fixed assets (excluding those of The Burn, which are restricted) and only realisable by the disposal of these fixed assets.

Investment property reserve represents the value of all reserves held in investment properties and only realisable by the disposal of these fixed assets.

Asset Replacement Reserve (ARR) has been established to hold the current level of funds identified for the future replacement and refurbishment of the buildings, fixtures, fittings and equipment of London House, William Goodenough House and the Club in support of the Asset Replacement Plan currently covering a 30 year period to 2046.

43-47 Mecklenburgh Square Reserve was established by the Trustees to support the future development of 43-47 Mecklenburgh Square.

1. ACCOUNTING POLICIES (*continued*)

iii) Unrestricted funds (*continued*)

Other designated funds reserve represents other funds designated by the Trustees for particular purposes.

General unrestricted funds represent funds which are expendable at the discretion of the Trustees in the furtherance of the objects of the company. Such funds may be held in order to finance working capital or capital investment and include the College's reserve.

(g) Financial instruments

Financial assets and financial liabilities are recognised when the College becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are initially measured at transaction price (including transaction costs). Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value. Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due. Creditors and provisions are recognised where the College has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

Other financial instruments are initially recognised at fair value and any changes to their fair value are subsequently recognised in the SOFA under 'net gains / (losses) on financial instruments'.

(h) Taxation

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

The subsidiaries make qualifying donations of all taxable profit to Goodenough College. Income from Gift Aid tax reclaimed is recognised in relation to qualifying donations received.

The College is registered for Value Added Tax (VAT). Any irrecoverable VAT is charged to the Statement of Financial Activities.

Goodenough College

Notes to the Financial Statements (continued)

for the year ended 31 August 2024

1. ACCOUNTING POLICIES (continued)

(i) Tangible fixed assets

The College has elected to present the deemed cost of its freehold assets at the value held at 1 April 2014, as permitted under the FRS102 transitional arrangements. Where there is an indication of an asset being impaired the recoverable amount is identified and the impairment loss is recognised as expenditure in the Statement of Financial Activities.

Depreciation on fixed assets is charged so as to write down the value of properties and material components over their expected useful lives, on a straight line basis as follows:

	Life (years)
Freehold buildings	100
Roof work	15-50
Lifts	25-30
Bathrooms, heating, water, electrical and gas systems, and boiler equipment	10-25
Ventilation and fire detection systems and fire stopping works	10-15
Access and telephone system	10
Vehicles	5
Computer and other office equipment	4
Computer software	4
Furniture	8-20
Improvements to Freehold (including room refurbishment)	6-15
Other plant and equipment and other fixtures and fittings	4-15

The mixed use property is accounted for using the cost model as allowed under the Charities SORP (FRS 102) as the fair value of the investment component cannot be measured reliably, and it is rented out to a group entity.

(i) Heritage Assets

The College has elected to present the deemed cost of its Heritage Assets at the value held at 1 April 2014, as permitted under the FRS102 transitional arrangements. Heritage Assets are not depreciated. The College has reviewed its Heritage Assets and does not consider that any impairment at 31 August 2024 is necessary.

(j) Investments

Investments are valued at bid value as at the balance sheet date and the surplus or deficit arising from this revaluation is shown within 'net gains / (losses) on investments' on the face of the SOFA. Realised gains and losses represent the difference between the sale proceeds and the opening market value of an investment or cost if purchased during the year and are also shown within this line.

1. ACCOUNTING POLICIES *(continued)*

(k) Investment properties

Investment properties are held initially at cost and subsequently at fair value at the reporting date. Any Gains or Losses are recognised under 'Net gains/ (losses) on investments' on the Statement of Financial Activities. Investment properties are not depreciated.

(l) Stocks

Stocks are stated at the lower of cost and net realisable value and comprise consumable goods.

(m) Operating leases

Rental costs under operating leases are charged to the SOFA in equal amounts over the period of the lease.

(n) Borrowing costs

Interest and charges are expensed and charged to the SOFA when incurred

(o) Pension accounting policy

Goodenough College makes contributions to employees' defined contribution pension plans. Contributions are charged to the SOFA as they become payable. They are analysed across expenditure according to the activity of the scheme members.

(p) Cashflow statement

Cash and cash equivalents includes cash in hand, deposits with banks and cash held within the investment portfolio. Cash equivalents are defined as balances with a term of less than three months; any accounts with a term greater than three months are classified as short term deposits. Interest paid is classified as a cashflow from operating activities as they are included in the statement of financial activities, this classification is consistent with prior periods.

Goodenough College

Notes to the Financial Statements (continued)

for the year ended 31 August 2024

2 DONATIONS AND LEGACIES

	Unrestricted funds 2024 £'000	Restricted funds 2024 £'000	Endowment funds 2024 £'000	Total funds 2024 £'000	Total funds 2023 £'000
Donations	25	565	24	614	539
Consolidated donations income	25	565	24	614	539
Donations from subsidiaries (note 17)	2,634	-	-	2,634	2,717
Charity donations income	2,659	565	24	3,248	3,256

Of the total funds stated for 2023, £235k was restricted, £23k unrestricted and £281k was endowment income.

Of these donations £102k (2023: £2k) was received from Trustees.

3 INVESTMENT INCOME

	Unrestricted funds 2024 £'000	Restricted funds 2024 £'000	Endowment funds 2024 £'000	Total funds 2024 £'000	Total funds 2023 £'000
Income from UK listed investments	231	25	3	259	179
Income from overseas listed investments	200	13	3	216	148
Rent from property	826	57	-	883	804
Other interest - short-term deposits	95	1	-	96	97
	1,352	96	6	1,454	1,228

Of the total funds stated for 2023, £94k was restricted, £1,128k unrestricted and £6k arose on endowments.

4 TRADING INCOME

Trading income comprises income arising from the College's trading subsidiary (two trading subsidiaries in the year ended 31 August 2023) as detailed in note 12.

Goodenough College

Notes to the Financial Statements (*continued*)

for the year ended 31 August 2024

5 INCOME FROM COLLEGE CHARITABLE ACTIVITIES

	Unrestricted funds 2024	Restricted funds 2024	Endowment funds 2024	Total funds 2024	Total funds 2023
	£'000	£'000	£'000	£'000	£'000
College accommodation income	9,117	-	-	9,117	8,294
The Burn income	-	342	-	342	348
	<u>9,117</u>	<u>342</u>	<u>-</u>	<u>9,459</u>	<u>8,642</u>

Of the total funds stated for 2023, £348k was restricted and £8,294k was unrestricted. There was no endowment income in 2023.

6 EXPENDITURE FOR CHARITABLE PURPOSES

	Direct Costs 2024	Support Costs 2024	Total funds 2024	Total funds 2023
	£'000	£'000	£'000	£'000
Attracting outstanding postgraduate students	1,136	209	1,345	1,234
Transforming College Members	7,467	1,250	8,717	8,194
Raising the College's profile	316	58	374	329
Sustaining the College	<u>2,032</u>	<u>144</u>	<u>2,176</u>	<u>1,984</u>
	<u>10,951</u>	<u>1,661</u>	<u>12,612</u>	<u>11,741</u>

The College has paid £635k (2023: £590k) to College members as scholarships and bursaries, including hardship funds. This is included within *Attracting outstanding postgraduate students* above.

Goodenough College

Notes to the Financial Statements

For the year ended 31 August 2024

7 SUPPORT COSTS

	2024 £'000	2023 £'000
Finance	448	382
IT	670	622
HR	213	341
Governance	35	35
Other general overheads	512	468
	1,878	1,848

These support costs are split across the following areas:

Raising funds	217	207
Charitable activities	1,661	1,641
	1,878	1,848

GOVERNANCE COSTS

	2024 £'000	2023 £'000
Support costs		
Council and Board meeting costs	4	5
Fees payable to the auditors - College	31	30
	35	35

Included within direct costs are fees payable to the auditors relating to the subsidiary companies of £12k of which £8k was for audit services (2023: £15k, of which £8k was for audit services).

Fees payable to the Group's auditors:	2024 £'000	2023 £'000
<u>Statutory audit</u>		
Current auditors	39	36
Previous auditors	-	2
<u>Tax advisory services</u>		
Current auditors	4	12
Previous auditors	-	2
	43	52

Goodenough College

Notes to the Financial Statements (continued)

for the year ended 31 August 2024

8 NET INCOME

	2024	2023
	£'000	£'000
Net income for the year is stated after charging:		
Amounts payable to auditors (Group) (note 7)	43	52
Depreciation of tangible fixed assets	2,667	2,631
Operating lease charges	19	19

9 INFORMATION REGARDING STAFF AND TRUSTEES

	Headcount		Full Time Equivalent	
	2024 No.	2023 No.	2024 No.	2023 No.
Average number of employees (during the period):				
College	65	66	60	59
Hotel	11	10	11	10
The Burn	20	19	10	10
	<u>96</u>	<u>95</u>	<u>81</u>	<u>79</u>

	2024	2023
	£'000	£'000
Wages and salaries	3,453	3,189
Social security costs	375	346
Pensions	157	145
Other benefits	116	82
	<u>4,101</u>	<u>3,762</u>

9 INFORMATION REGARDING STAFF AND TRUSTEES *(continued)*

The number of staff paid over £60,000 during the reporting period (salary plus taxable benefits excluding pension contributions) was:

	2024	2023
	No.	No.
£60,001 - £70,000	1	3
£70,001 - £80,000	2	1
£80,001 - £90,000	2	2
£90,001 - £100,000	1	-
£110,001 - £120,000	-	1
£130,001 - £140,000	1	1
£160,001 - £170,000	-	1
£170,001 - £180,000	1	-

Trustees' remuneration

Members of the Board of Trustees (who are all directors within the meaning of the Companies Act 2006) receive no remuneration or taxable benefits for their services.

During the year six (2023: six) Trustees were reimbursed or had amounts paid on their behalf for sundry Board expenses incurred totalling £3,662 (2023: £3,358) relating to travel and subsistence. Trustees may stay in College accommodation in the course of their duties as Trustees.

During the year and up to the date of approval of the Annual Report and Financial Statements, there was a qualifying third-party indemnity in place for directors, as allowed by Section 234 of the Companies Act 2006.

Pension schemes

The Company operates stakeholder pension schemes administered by Legal and General. The employer's contributions are 10% of pensionable salary for senior staff and are matched to those of the qualifying employees to a maximum of 5% of pensionable salary for other staff and amounted to £156,799 (2023: £144,710). At 31 August 2024 outstanding payments due to the scheme were £Nil (2023: £23).

Key management personnel

Key management personnel of Goodenough College comprise the Trustees and those employees making up the Executive team, consisting of the College Director, the Director of Finance and Resources, the Director of Operations, the Director of Estates, the Director of Philanthropy and Alumni Relations, the Dean, the Registrar and the Bursar at The Burn.

9 INFORMATION REGARDING STAFF AND TRUSTEES *(continued)*

Key management personnel *(continued)*

The aggregate compensation (remuneration plus benefits and employer's National Insurance Contributions) paid or payable to 'key management personnel' during this reporting period was: £852,913 (2023: £852,688).

During the year, two members of key management personnel made payments of £14,636 for use of facilities of the College for private events. These payments were on the terms available to all Members, Alumni and staff.

Redundancy and termination payments

Total payments incurred during this year in relation to redundancy and termination pay were £4,572 (2023: £67,000) paid to one (2023: two) individual. The accounting policy is to recognise termination payment liabilities on communication of redundancy or termination and when quantifiable. Such payments are accounted for as staff costs.

10 TANGIBLE FIXED ASSETS

(a) Freehold properties

Consolidated and company

	College	The	Assets	Total
	£'000	Burn	under	£'000
		£'000	construction	
			£'000	
Land and buildings at deemed cost				
Brought forward deemed cost at 1 September 2023	159,009	11,109	11,467	181,585
Additions	377	-	404	781
Transfers	78	-	(78)	-
Disposals	(830)	-	-	(830)
Transfer from Investment properties	449	-	-	449
At 31 August 2024	159,083	11,109	11,793	181,985
Depreciation				
Brought forward at 1 September 2023	16,544	1,068	-	17,612
Disposals	(830)	-	-	(830)
Charge for the year	2,265	117	-	2,382
Transfer from investment properties	35	-	-	35
At 31 August 2024	18,014	1,185	-	19,199
Net book value at 31 August 2024	141,069	9,924	11,793	162,786
Net book value at 31 August 2023	142,465	10,041	11,467	163,973

10 TANGIBLE FIXED ASSETS *(continued)*

(a) Freehold properties *(continued)*

Freehold properties consisted of student accommodation, the hotel (The Goodenough Hotel, London) and The Burn. They were all the subject of independent valuations, for inclusion in the accounts at 31 March 2013, provided by Drivers Jonas Deloitte, Willis Ltd, Ecclesiastical, Bell Ingram and Alpha Browett Taylor.

Assets under construction consist mainly of the properties at 43-46 Mecklenburgh Square, previously held as investment properties. The lease on the properties expired on 26 November 2019 and the intention of the College is to convert them into additional student accommodation. Accordingly, they are no longer held as investments and were transferred to freehold properties at a value of £11m in the year ended 31 March 2020 and are treated as being at deemed cost. This is based on a valuation provided by Alpha Browett Taylor included in the accounts at 31 March 2018 and confirmed by them in June 2019. Further work on the project as well as other ongoing works at the College premises during the year amount to £404k. No depreciation is applied to these assets as they are not in operational use.

Also included in Freehold Properties are the College's Royal Albert Hall seats, held at historic cost of £350. The seats were purchased by the College in 1967 and are held on a 999 year lease from 1867

Excluding 43-46 Mecklenburgh Square, the historical cost net book value of the land and buildings if the revaluation had not taken place would be £29.3m (2023: £30.2m). The historical cost of 43-46 Mecklenburgh Square cannot be determined.

One of the College's properties is used by Goodenough Trading Ltd, trading as The Goodenough Hotel, London, a wholly owned subsidiary of Goodenough College. The purpose is to provide short-stay accommodation close to the college for alumni and others associated with the College as well as supporting college events. The hotel is also open to external guests. Due to the level of shared facilities and services with the College it is not possible to separate out the proportion of the site that relates to external guests so the entire property is treated as a functional fixed asset and held at depreciated cost of £15.6m (£15.9m in 2023).

During the year the decision was taken to transfer one of the investment properties into tangible fixed assets due to it being brought into use as an operating charitable asset. At 31 August 2024 the property was revalued from its opening market value down to its depreciated historic cost, and transferred from investment properties (note 11) to College tangible fixed assets above.

Goodenough College

Notes to the Financial Statements (continued)

for the year ended 31 August 2024

10 TANGIBLE FIXED ASSETS (continued)

(b) Heritage assets

Consolidated and company

	College £'000	The Burn £'000	Total £'000
Deemed cost at 1 September 2023	290	20	310
Disposals	(29)	-	(29)
At 31 August 2024	<u>261</u>	<u>20</u>	<u>281</u>

Heritage assets comprise books, paintings and furniture which are available for use and enjoyment of College members, staff and guests throughout the College and Burn.

The College Director leads on the preservation and management of Heritage assets. The College maintains an asset register which details the location, value and description of the assets and ensures that they are located in an appropriately secure and managed environment.

A valuation of the heritage assets was carried out in 2013 and is treated as deemed cost. The Trustees do not consider that any impairment at 31 August 2024 is necessary. The deemed cost at 1 April 2017 was £300k, and the only subsequent transaction was an addition of £10k in the year ended 31 March 2019.

(c) Fixtures, fittings, plant and equipment

Consolidated and company

	College £'000	The Burn £'000	Assets under construction £'000	Total £'000
Cost at 1 September 2023	3,668	87	-	3,755
Additions	164	-	7	171
Transfers	1	-	(1)	-
Disposals	(1,782)	-	-	(1,782)
At 31 August 2024	<u>2,051</u>	<u>87</u>	<u>6</u>	<u>2,144</u>
Depreciation at 1 September 2023	2,601	83	-	2,684
Charge for the year	284	1	-	285
Disposals	(1,782)	-	-	(1,782)
At 31 August 2024	<u>1,103</u>	<u>84</u>	<u>-</u>	<u>1,187</u>
Net book value at 31 August 2024	<u>948</u>	<u>3</u>	<u>6</u>	<u>957</u>
Net book value at 31 August 2023	<u>1,067</u>	<u>4</u>	<u>-</u>	<u>1,071</u>

11 INVESTMENTS HELD AS FIXED ASSETS

(a) Investment properties	College £'000	The Burn £'000	Total £'000
Land and buildings at valuation:			
Carried forward at 1 September 2023	3,098	878	3,976
Revaluation	(509)	(7)	(516)
Transfer to fixed assets (see note 10)	(414)	-	(414)
At 31 August 2024	<u>2,175</u>	<u>871</u>	<u>3,046</u>

The College investment properties were the subject of an independent market valuation for inclusion at 31 August 2023 by Alpha Browett Taylor, RICS registered valuer with the necessary knowledge and expertise to provide this valuation. In 2023/24 an internal exercise was carried out to assess if the value of similar properties in the local area had changed during the financial year. The College investment properties were revalued downwards by £509k as a result (2023: upwards by £30k). £319k of this devaluation was due to the revaluation of one property down to its depreciated historic cost prior to being transferred to fixed assets (see note 10).

The Burn investment properties were the subject of an independent market valuation for inclusion at 31 August 2023 by J & E Shepherd, RICS registered valuer with the necessary knowledge and expertise to provide this valuation. In 2023/24 an internal exercise was carried out to assess if the value of similar properties in the local area had changed during the financial year. The Burn investment properties were revalued downwards by £7k as a result (2023: upwards by £18k).

	Consolidated and Company	
	31 August 2024	31 August 2023
(b) Listed investments	£'000	£'000
Market Value at 1 September	18,949	17,035
Additions at cost	25,825	3,457
Proceeds from disposals	(22,733)	(1,186)
Realised (loss)	(25)	(81)
Unrealised gain/(loss)	1,641	(276)
Market value at 31 August	<u>23,657</u>	<u>18,949</u>

Goodenough College

Notes to the Financial Statements *(continued)*

for the year ended 31 August 2024

11 INVESTMENTS HELD AS FIXED ASSETS *(continued)*

(b) Listed investments *(continued)*

Listed investments comprise the following:

	Consolidated and Company	
	31 August	31 August
	2024	2023
	£'000	£'000
Investments listed on a recognised stock exchange - Equities	-	9,459
Investments listed on a recognised stock exchange - Bonds	4,808	2,203
Alternative Funds	-	7,287
COIF Charities Investment Fund account	18,849	-
Market value at 31 August	<u>23,657</u>	<u>18,949</u>
Investment assets in the United Kingdom	23,657	12,860
Investment assets outside the United Kingdom	-	6,089
Market value at 31 August	<u>23,657</u>	<u>18,949</u>
Cost at 31 August	<u>23,588</u>	<u>15,799</u>

At 31 August 2024 the College held the following investments which represented more than 5% of the portfolio value:

	£'000	% of portfolio
COIF Charities Investment Fund account	18,849	79.7%

Total investments

Listed investments (market value)	11b	23,657	18,949
Cash held in the portfolio		1,553	447
Investment properties (market value)	11a	3,046	3,976
Investments at 31 August		<u>28,256</u>	<u>23,372</u>

Net gains / (losses) on investments as shown on the Statement of Financial Activities comprise net gains on listed investments of £1,616k (2023: losses of £357k), net losses on cash held at investment managers due to foreign exchange movements of £61k (2023: £9k) and net losses arising on investment properties of £516k (2023: gains of £48k).

12 SUBSIDIARY UNDERTAKINGS

The College owns 100% of the issued capital of the following companies.

Subsidiary undertaking	Company Investment at Cost £
Goodenough Trading Limited	250,000
Goodenough Ventures Limited	2
	<hr/> <u>250,002</u>

The registered office of both subsidiaries is London House, Mecklenburgh Square, London, WC1N 2AB.

Summarised financial results of Goodenough Trading Limited (Company Registration 2684378) are set out below and are included in the consolidated SOFA. All activities relate to continuing operations. The following intercompany transactions are included within the subsidiary results.

The £7,346k (2023: £5,027k) total income includes £7k (2023: £3k) for sales to the parent company relating to accommodation. Commercial accommodation income of £5,118k (2023: £5,024k) has been included within the consolidated statement of financial activities in relation to the activities of this subsidiary. Total income further includes £772k (2023: £Nil) of sales to the parent company relating to catering and events. Catering Events and Venue Hire income of £1,373k has been included within the consolidated statement of financial activities in relation to the activities of this subsidiary.

The £4,712k (2023: £2,353k) 'Cost of Sales' includes £451k (2023: £241k) in charges to the subsidiary by the parent company for the use of parent company resources, £7k (2023: £3k) in costs of providing services to the parent company and £Nil (2023: £133k) in charges from Goodenough Ventures for the provision of services. Trading activity expenditure of £3,934k (2023: £2,217k) has been included within the consolidated statement of financial activities in relation to the activities of this subsidiary.

Goodenough College

Notes to the Financial Statements (continued)

for the year ended 31 August 2024

12 SUBSIDIARY UNDERTAKINGS (continued)

Goodenough Trading Limited	31 August 2024 £'000	31 August 2023 £'000
Hotel accommodation	3,960	3,936
Short Stay accommodation	1,165	1,091
Burn Commercial Trading	75	-
Events and Venue Hire	1,039	-
Feeding College Members	1,107	-
Turnover	<u>7,346</u>	<u>5,027</u>
Cost of Sales	<u>(4,712)</u>	<u>(2,353)</u>
	2,634	2,674
Qualifying distribution under deed of covenant	<u>(2,634)</u>	<u>(2,674)</u>
Profit/(loss)	<u>-</u>	<u>-</u>
Assets	1,291	1,226
Liabilities	<u>(870)</u>	<u>(805)</u>
Shareholders' funds	<u>421</u>	<u>421</u>

Goodenough Ventures Limited

Goodenough Ventures Limited (Company Registration 09342926) was an events and venue hire business which commenced trading in October 2015. The company has not traded since 31 August 2023 as all operations were transferred to Goodenough Trading Limited from 1 September 2023. The company was voluntarily dissolved in 19 November 2024. The following intercompany transactions were included within the subsidiary results for the prior year.

Goodenough Ventures Limited	31 August 2024 £'000	Year to 31 August 2023 £'000
Events and Venue Hire	-	807
Feeding College Members	-	1,047
Hotel Breakfasts	-	133
Turnover	-	<u>1,987</u>
Cost of sales	-	<u>(1,943)</u>
	-	44
Other income	-	-
Qualifying distribution under deed of covenant	-	<u>(44)</u>
Profit/(loss)	<u>-</u>	<u>-</u>
Assets	-	392
Liabilities	-	<u>(392)</u>
Shareholders' funds/(deficit)	<u>-</u>	<u>-</u>

Goodenough College

Notes to the Financial Statements (continued)

for the year ended 31 August 2024

13 DEBTORS

	Consolidated		Charity	
	31 August 2024 £'000	31 August 2023 £'000	31 August 2024 £'000	31 August 2023 £'000
Trade debtors	379	418	250	294
Amount due from subsidiary undertaking	-	-	-	204
Other debtors	95	25	95	25
Taxes recoverable	-	32	-	-
Prepayments and accrued income	488	331	422	315
	<u>962</u>	<u>806</u>	<u>767</u>	<u>838</u>

The amount due from the subsidiary undertaking to the Charity in 2022/23 represents the amount due from Goodenough Ventures Limited.

14 CREDITORS: amounts falling due within one year

	Consolidated		Charity	
	31 August 2024 £'000	31 August 2023 £'000	31 August 2024 £'000	31 August 2023 £'000
Trade creditors	1,722	1,169	1,280	741
Amounts due to subsidiary undertaking	-	-	407	79
Taxation and social security	134	225	109	133
Other creditors	1,317	1,221	977	1,024
Accruals	939	1,572	877	1,445
Deferred income	64	43	64	43
Other deferred discount	38	20	38	20
	<u>4,214</u>	<u>4,250</u>	<u>3,752</u>	<u>3,485</u>

The amount due to the subsidiary undertaking from the Charity represents the amount due to Goodenough Trading Ltd.

Deferred income consists of commercial rent received from tenants in advance. Prior year deferred income related in full to income recognised in the year ended 2024. A reconciliation is set out below:

14 CREDITORS: amounts falling due within one year *(continued)*

Movement in deferred income in year

	Consolidated		Charity	
	31 August 2024 £'000	31 August 2023 £'000	31 August 2024 £'000	31 August 2023 £'000
Balance brought forward	43	56	43	56
Released:	(43)	(56)	(43)	(56)
Added	64	43	64	43
Balance carried forward	64	43	64	43

15 CREDITORS: amounts falling due in greater than one year

	Consolidated and charity	
	31 August 2024 £'000	31 August 2023 £'000
Bank borrowing		
Falling due in more than 5 years	40,000	40,000
Other Deferred Discount		
Falling due between 1 and 2 years	20	20
Falling due between 2 and 5 years	18	40
Total	40,038	40,060

Bank borrowing

On 2 June 2017 the College secured a £40m non amortising 30 year loan with Rothesay Life at a fixed interest rate of 3.102%. This loan is repayable in full in June 2047. The Rothesay loan is secured against London House and William Goodenough House.

Financial instruments

At the balance sheet date the College held no complex financial instruments.

Other deferred discount

During 2023/24 the College entered into a new 4 year catering contract. The terms of the contract included the supplier refurbishing the College's catering outlets. The value of the works has been treated as a discount to the contract which will be applied equally to each remaining year of the contract, which will expire during 2026/27.

Goodenough College

Notes to the Financial Statements (continued)

for the year ended 31 August 2024

16 RESTRICTED FUNDS

Consolidated and Charity 2023/24	1 Sep'23	Transfer	Income	Gains / losses	Expenditure	31 Aug'24
	£'000	£'000	£'000	£'000	£'000	£'000
Burn Fund						
General fund	970	144	438	57	(670)	939
Specific donations	2	-	5	-	(2)	5
Investment property reserve	878	-	-	(7)	-	871
Tangible fixed asset reserve	10,065	(118)	-	-	-	9,947
Total Burn Fund	11,915	26	443	50	(672)	11,762
Other restricted funds						
Scholarships and Bursaries 43-47 Mecklenburgh Square	363	-	363	-	(308)	418
Specific donations	11	-	17	-	(18)	10
Total other restricted funds	374	-	560	-	(326)	608
Total restricted funds	12,289	26	1,003	50	(998)	12,370

Consolidated and Charity 2022/23	1 Sep'22	Transfer	Income	Gains / losses	Expenditure	31 Aug'23
	£'000	£'000	£'000	£'000	£'000	£'000
Burn Fund						
General fund	1,158	121	438	(77)	(670)	970
Specific donations	-	-	2	-	-	2
Investment property reserve	860	-	-	18	-	878
Tangible fixed asset reserve	10,177	(112)	-	-	-	10,065
Total Burn Fund	12,195	9	440	(59)	(670)	11,915
Other restricted funds						
Scholarships and Bursaries	472	-	236	-	(345)	363
Specific donations	11	-	1	-	(1)	11
Total other restricted funds	483	-	237	-	(346)	374
Total restricted funds	12,678	9	677	(59)	(1,016)	12,289

The Burn Fund represents the assets and liabilities of The Burn, including a tangible fixed assets reserve, an investment property reserve and a general restricted fund. A transfer of £121k has been made from the tangible fixed assets reserve to the general restricted fund representing the movement in the net book value of fixed assets in the year. A transfer of £26k has been made from the Charity's general funds to The Burn general restricted fund representing the element of profit from Goodenough Trading Limited activity that was generated at The Burn.

Goodenough College

Notes to the Financial Statements (continued)

for the year ended 31 August 2024

16 RESTRICTED FUNDS (continued)

Scholarships and Bursaries are donations specifically made for providing scholarships and bursaries to qualifying members. Only one specific fund (2023: One) held more than £50k at the 31 August 2024. This fund was for providing support to Scholars at Risk.

43-47 Mecklenburgh Square represents restricted donations raised to support the redevelopment of 43-47 Mecklenburgh Square into student accommodation.

Specific donations are those to support specific aspects of College activity and projects.

17 UNRESTRICTED FUNDS

	1 Sep'23	Transfer	Income	Gains/ (losses)	Expenditure	31 Aug'24
2023/24	£'000	£'000	£'000	£'000	£'000	£'000
Tangible fixed asset	155,289	(1,212)	-	-	-	154,077
Long term loan	(40,000)	-	-	-	-	(40,000)
Tangible fixed asset reserve	115,289	(1,212)	-	-	-	114,077
Investment property reserve	3,098	(414)	-	(509)	-	2,175
Asset Replacement reserve	8,448	1,449	161	723	(47)	10,734
43-47 Mecklenburgh Square Reserve	3,481	1,144	73	32	(4)	4,726
Other designated reserves	16	-	25	-	(29)	12
Total designated reserves	130,332	967	259	246	(80)	131,724
General funds of the Charitable Company	8,115	(993)	12,869	719	(11,783)	8,927
Total funds of the charitable company	138,447	(26)	13,128	965	(11,863)	140,651
General funds of the subsidiaries	171	-	3,934	-	(3,934)	171
Total consolidated unrestricted funds	138,618	(26)	17,062	965	(15,797)	140,822

Goodenough College

Notes to the Financial Statements *(continued)*

for the year ended 31 August 2024

17 UNRESTRICTED FUNDS *(continued)*

	1 Sep'22	Transfer	Income	Gains/ (losses)	Expenditure	31 Aug'23
2022/23	£'000	£'000	£'000	£'000	£'000	£'000
Tangible fixed asset	156,620	(1,331)	-	-	-	155,289
Long term loan	(40,000)	-	-	-	-	(40,000)
Tangible fixed asset reserve	116,620	(1,331)	-	-	-	115,289
Investment property reserve	3,068	-	-	30	-	3,098
Asset Replacement reserve	7,863	454	170	(2)	(37)	8,448
College Development Reserve 43-47 Mecklenburgh Square Reserve	668	(686)	22	(1)	(3)	-
	1040	2,414	34	(2)	(5)	3,481
Other designated reserves	-	-	23	-	(7)	16
Total designated reserves	129,259	851	249	25	(52)	130,332
General funds of the Charitable Company	8,199	(860)	11,913	(284)	(10,853)	8,115
Total funds of the charitable company	137,458	(9)	12,162	(259)	(10,905)	138,447
General funds of the subsidiaries	171	-	3,544	-	(3,544)	171
Total consolidated unrestricted funds	137,629	(9)	15,706	(259)	(14,449)	138,618

The designated reserves are further discussed in the financial review on page 12.

The transfer of £1,212k from the tangible fixed assets reserve represents the movement in the net book value of tangible fixed assets during the year.

The transfer of £1,449k to the Asset Replacement Reserve represents the budgeted cash surplus for the year excluding investment income.

The transfer of £1,144k to the 43-47 Mecklenburgh Square Reserve arises from the overperformance to the budgeted cash surplus from the Hotel, Catering and Events and main College businesses.

Goodenough College

Notes to the Financial Statements *(continued)*

for the year ended 31 August 2024

18 ANALYSIS OF ASSETS AND LIABILITIES BETWEEN FUNDS OF THE GROUP

2023/24	Restricted Funds – The Burn £'000	Restricted Funds - other £'000	Endowment Funds £'000	Designated reserves £'000	General Funds £'000	Group Total £'000
Tangible fixed assets	9,947	-	-	154,077	-	164,024
Investments	900	-	298	12,868	11,144	25,210
Investment properties	871	-	-	2,175	-	3,046
Amounts due between funds	(54)	-	-	-	54	-
Other current assets	46	-	-	-	922	968
Cash at bank and in hand	94	608	15	2,604	1,188	4,509
Current and long term liabilities	(42)	-	-	(40,000)	(4,210)	(44,252)
	11,762	608	313	131,724	9,098	153,505

2022/23	Restricted Funds – The Burn £'000	Restricted Funds - other £'000	Endowment Funds £;000	Designated reserves £'000	General Funds £'000	Group Total £'000
Tangible fixed assets	10,065	-	-	155,289	-	165,354
Investments	937	141	270	9,190	8,858	19,396
Investment properties	878	-	-	3,098	-	3,976
Amounts due between funds	(61)	-	-	-	61	-
Other current assets	73	-	-	-	515	588
Cash at bank and in hand	81	233	1	2,755	2,883	5,953
Current and long term liabilities	(58)	-	-	(40,000)	(4,031)	(44,089)
	11,915	374	271	130,332	8,286	151,178

Goodenough College

Notes to the Financial Statements *(continued)*

for the year ended 31 August 2024

19 LEASING COMMITMENTS

At 31 August 2024 the charitable company had the following amounts payable for equipment under non-cancellable operating leases.

	2024 £'000	2023 £'000
Operating leases which expire within one year	19	19
Operating leases which expire between one and five years	16	35
	<u>35</u>	<u>54</u>

These leases provide printers and photocopiers to support the College's operations.

20 CAPITAL COMMITMENTS

As at 31 August 2024 the College had no material capital commitments.

21 RELATED PARTY TRANSACTIONS

Included in redundancy and termination payments during 2022-23 were non-contractual payments totalling £40k to one of the key management personnel.

There have been no other related party transactions during the year other than those disclosed in notes 9, 12, 13 and 14.

GOODENOUGH COLLEGE

England & Wales - Charity number 312894

Accounts



Goodenough College
(A company limited by guarantee)

Annual Report and Financial Statements
for the year ended 31 August 2023

Company Registration No. 00246919
Registered Charity No. 312894 (England and Wales) and SC039173 (Scotland)

Goodenough College

Trustees' Annual Report and Strategic Report

for the year ended 31 August 2023

From the President of the College (and Chair of the Board)

I am delighted to introduce Goodenough College's Annual Report and Financial Statements for the year ending 31 August 2023. It was a period which saw a strong admissions field, high occupancy levels in our accommodation, an excellent take-up by College Members of our intellectual, social and cultural enrichment programme, and an exceptional financial performance by the College's hotel, short-stay and sabbatical accommodation, which has helped put us on a firm financial footing for the year ahead.

It was clear, at the start of the year under review, that we faced significant strategic risks from inflationary pressures on the economy, rising staff, food and energy costs, uncertainty about Member occupancy and concerns about the resilience of the market for the College's trading activities. Against this challenging background, it was pleasing to see a significant rise in the number of applicants for accommodation for academic year 2022-23, reflecting an increasing awareness of the College's success in delivering high-quality accommodation, an unrivalled enrichment programme and sustained welfare support for its postgraduate community.

It was a year of lively community activity. College Members engaged in UK-wide and overseas study trips, several successful retreats on our Scottish estate, The Burn, and a wide variety of cross-disciplinary talks and seminars facilitated by eminent public figures, opinion-formers and scholars. We were delighted to be able to offer a number of musical events, including opera and orchestral performances, following the establishment of a generous endowment by the Argyris family, in memory of their son Christopher, a former College Member.

In common with many other residential institutions, the College continued to field significant challenges throughout the year. The heated UK job market posed difficulties for the recruitment and retention of staff. Rapidly rising inflation and energy costs placed huge pressure on the College budget, leading to a necessary but uncomfortable decision to increase catering costs for College Members and make preparations for future rent rises. In mitigation, we expanded our scholarships and bursaries programmes, increased our emergency fund, and established a budget to ensure students with limited financial means could continue to participate across the Dean's programme. A new Director of Development and Alumni Relations was appointed in December 2022, who is reinvigorating the College's engagement with its philanthropic supporters, including establishing new scholarships and reconnecting with Alumni communities.

Looking ahead, our main objective will be to ensure that the College continues to attract high numbers of exceptional students from across the world, who will make the most of their time at the College to build friendships, contacts, knowledge and experiences which will serve them and their communities in their subsequent lives and career. Areas for particular focus will include continuing outreach to countries (especially in the Commonwealth) where our visibility remains low; repositioning and relaunching our events and venue hire business to increase funding for our charitable enterprise; and enhanced marketing of our Scottish estate, The Burn, to build its financial sustainability. Preparations will continue for the proposed renovation of five Georgian townhouses on the College's estate, which will enable the College to offer further lower-cost student accommodation to students with limited financial means.



Stuart Shilson LVO DL
President of the College (and Chair of the Board)

Contents	Page
Goodenough College Chairman's Personal Welcome	
Trustees' Annual Report and Strategic Report	
Company information	2
Structure, governance and management	3-5
Strategic Report	6
Objectives and activities	6-7
Achievements and performance	8-10
Financial review	10-16
Plans for future periods	16-17
Statement of Trustees' Responsibilities	18-19
Independent Auditor's Report	20-23
Financial Statements	
Consolidated statement of financial activities	24
Balance sheet	25
Consolidated cash flow statement	26-27
Comparative Consolidated Statement of financial activities	28
Notes to the financial statements	29-51

Goodenough College

Trustees' Annual Report and Strategic Report

for the year ended 31 August 2023

The Board of Trustees present their Report and audited Financial Statements for the year ended 31 August 2023 under the Charities Act 2011 and the Companies Act 2006.

COMPANY INFORMATION

PATRON

Queen Elizabeth II

TRUSTEE BOARD

Stuart Shilson LVO DL – President of the College (and Chair of the Board)
Dame Maura McGowan DBE – Vice President of the College (and Vice Chair of the Board)
Andrew Brown KC – Vice President of the College (and Vice Chair of the Board)
Alex Acland (Resigned 13 July 2023)
David Bulman (Appointed 1 September 2022)
Roger Chadwick OBE (Resigned 6 February 2023)
Corey Cook
Lindsay Dodsworth (Appointed 1 September 2022)
James Douglas
Guy Parsons (Appointed 26 July 2022)
Meredith Pierce Hunter (Resigned 31 March 2023)
Martin Schwab (Resigned 12 January 2024)
Danielle Weese (Appointed 1 September 2022)
Fiona Wilkinson (Appointed 18 February 2023)

Senior Staff

College Director
Director of Finance and Resources
(Company Secretary; Deputy to the Director)
Director of Operations
Director of Development and Alumni Relations
Dean
Registrar
Bursar, The Burn

The Hon Alice Walpole OBE
Richard Barker

Janine Binks (until 15th September 2023)
Andrew McGowan (from 5 December 2022)
The Rev Dr Alan McCormack
Caroline Persaud
David Turner OBE

Address and Registered Office

London House
Mecklenburgh Square
London
WC1N 2AB

Website: www.goodenough.ac.uk

Professional Advisers

Auditor:

Buzzacott LLP
130 Wood Street
London
EC2V 6DL

Legal Advisers:

Cripps LLP
Number 22
Mount Ephraim
Tunbridge Wells, Kent
TN4 8AS

Investment Managers:

Rathbone Brothers Plc
8 Finsbury Circus
London
EC2M 7AZ

Bankers:

Barclays Bank PLC
1 Churchill Place
Canary Wharf
London
E14 5HP

STRUCTURE, GOVERNANCE AND MANAGEMENT

The full name of the Charity is Goodenough College ('the College').

The College was formed as a company limited by guarantee without share capital on 28 March 1930, registered company number 00246919. It is registered with the Charity Commission, Charity number 312894 (England and Wales) and SC039173 (Scotland). The College's purposes are set out within its Articles of Association.

The governing document of the charity is the Articles of Association of Goodenough College Limited as adopted on 24 January 2023. The articles set out the following main features of the governance structure of the College:

- A Board of 8–15 Directors who are legally and financially responsible for the management of College affairs. These are the charity Trustees and the Directors of the company. The Board holds meetings on a regular basis with an expectation of four meetings being held over the course of a calendar year.

The Articles of Association require each Director to be appointed by the Board for terms not exceeding three years. A Director shall not remain in office after the ninth anniversary of the date of their first appointment (with the provision that any Director in office on 2 January 2023 shall remain in office until the end of their current term).

- The process for the appointment of Board Directors is set out within the College's Articles of Association. Appointments are normally made on the recommendation of the Nominations and Remuneration Committee at Board meetings.
- The Members of the Company (as defined in the Articles of Association) can appoint/remove any Director notwithstanding the provisions available to the Board. On 24 October 2023 the Members resolved to re-appoint Andrew Brown as a Director, for a period of up to twelve months from 12 January 2024. Andrew Brown was appointed to the Board on 13 October 2009.

In accordance with the revised Memorandum of Association, every Member is liable to contribute a sum of £1 in the event of the company being wound up. At 31 August 2023, there were 11 members (2022: 26 members); on 25 January 2024 there were 10 members.

The Trustees are satisfied that the revised governance processes enable the College to engage more effectively with its mission and objectives. The Trustees consider that they have paid due regard to the Charity Commission's guidance in respect of their duties and obligations as Trustees of Goodenough College and the Charity Governance Code for larger charities.

No Trustee has any financial interest in the Charity or any group companies.

Goodenough College

Trustees' Annual Report and Strategic Report

for the year ended 31 August 2023

Board of Trustees

The Board of Trustees holds ultimate responsibility for the governance and strategic direction of the College, ensuring that the Charity upholds its ethos and values and delivers its objectives.

The Board has a written schedule of matters reserved for decision by the whole Board and delegates certain responsibilities to Board Committees. The Trustee Board meets quarterly.

New Trustees undertake an induction programme to familiarise themselves with the College, its objectives and its structure, alongside their roles and responsibilities under legislation and College governance. The Board has terms of reference for its own operation, based upon recommendations set out within the Charity Governance Code.

Committees

Trustees, Fellows and advisors may serve on one or more Board Committees, as set out below:

- Academic Committee
- Audit and Risk Advisory Committee
- Burn Management Committee
- Equality, Diversity and Inclusion Committee
- Finance & Investment Committee
- Nominations & Remuneration Committee
- Subsidiary Company Boards

Details of the composition and the Terms of Reference of each Committee are held by the Governance Officer.

Management

Operational management of the College is delegated by the Trustees to the College Director, who is accountable to the Board of Trustees for the stewardship of the Charity. The College Director and the senior leadership team (the Executive Committee) attend formal Board and Committee meetings. The College sets the pay of its key staff through its Nominations and Remuneration Committee, supported by the College Director. The Committee makes reference to general inflation, comparative salaries and pay awards within the charity, Higher Education and hospitality sectors and historical increases in pay. The remuneration of the College Director is set by the Board.

The Board delegates the operation of the College through an approved scheme of delegation overseen by the Audit Committee. The scheme provides for the most significant financial and operational decisions to be carried out by the Board.

Group structure and relationships

The College had two wholly-owned subsidiary companies, both registered in England and Wales:

- *Goodenough Trading Limited (Formerly Goodenough Club Limited)* (Company No. 02684378) provides overnight accommodation. The subsidiary takes on responsibility for the trading of The Goodenough Hotel, London and the provision of 'Short Stay' accommodation in London House

Goodenough College

Trustees' Annual Report and Strategic Report

for the year ended 31 August 2023

and William Goodenough House. Its annual profits are donated to the College as qualifying distributions under deed of covenant;

- *Goodenough Ventures Limited* (Company No. 09342926) provides events, venue hire and catering and commercially-let accommodation at The Burn. Its annual profits are also donated to the College as qualifying distributions under deed of covenant.

The activities previously carried out by Goodenough Ventures Limited were transferred to Goodenough Trading Limited from 1 September 2023, following which Goodenough Ventures Limited has ceased trading.

The Burn estate in Angus, Scotland (a property donated to the College in 1947) is used by Members of the College for educational and recreational activities, as well as by many Scottish universities as a centre for reading parties, study groups and for educational events and seminars and. The Burn's assets are a restricted fund of the College.

Investment powers and policies

The Trustees have the authority conferred by the Articles of Association to invest the monies of the College not immediately required for its purposes in or upon such investments, securities or property as may be thought fit, subject nevertheless to such conditions (if any) and such consents (if any) as may for the time being be imposed or required by law.

The Trustees wish to pursue a policy that enhances income and capital growth over the longer term, and maintains the capital value, whilst providing some protection from inflation for particular designated funds, thereby enabling them to meet their current and future objectives in accordance with the purposes and plans of Goodenough College. Investment management is overseen by the College's Finance and Investment Committee.

Investment management is delegated to and managed by Rathbones. The Trustees require the managers to pay attention to the standard investment criteria, namely the suitability of the class of investment and the need for diversification insofar as is appropriate to the circumstances of Goodenough College. Any restrictions on the type of investments or markets in which the manager would invest on the client's behalf are set out in writing. The Trustees have normally agreed investment mandates matching the timing of the College's expected call on those funds and their attitude to risk. Stocks not quoted on a recognised stock exchange or otherwise actively traded, and sub investment grade or unrated bonds, may not be held within the portfolio, without prior approval of the Trustees.

Goodenough College

Trustees' Annual Report and Strategic Report

for the year ended 31 August 2023

STRATEGIC REPORT

The following sections comprise the strategic report required by the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013:

- Objectives and activities
- Achievements and performance
- Financial review
- Plans for future period.

OBJECTIVES AND ACTIVITIES

The history of the institution that is now Goodenough College began in 1930 when a group of individuals led by Frederick Craufurd Goodenough, Chairman of Barclays Bank, established a student residence in London for international postgraduate students. Goodenough's vision was the creation of a hall of residence for (male) students from Commonwealth countries, offering a collegiate community in the heart of London to promote friendships and enhance international understanding. The College has expanded greatly since that time and now consists of a six hundred-strong community of postgraduates, some with accompanying families, from across the world.

The College's charitable objects, as set out in its Articles of Association, are:

"To organise, encourage and assist the education in England of students ('Resident Members of the College') from any part of the world, giving preference to students from the Commonwealth (with priority for students from those nations less able from time to time to provide resources and facilities of their own)."

We will continue to build upon our strong foundations to achieve our current vision and mission:

Vision

A fellowship of global citizens with shared values of tolerance, respect, understanding, service and togetherness (reflecting the spirit of the UK and the principles of the Commonwealth).

Mission

To create a stimulating, inclusive and mutually supportive, residential community in the heart of London where outstanding postgraduate students exchange ideas, openly debate values and form lasting friendships.

The College presents its 2022/23 expenditure in the pursuit of four strategic goals:

- To attract outstanding postgraduate students from a wide geographic, academic and social base, giving preference to those from the Commonwealth;
- To transform College Members through the experience of living in a values-based community which inspires intellectual engagement and endeavour, encourages cross-cultural understanding and offers an exceptional social environment;

Goodenough College

Trustees' Annual Report and Strategic Report

for the year ended 31 August 2023

- To raise the College profile, internationally and within the UK, by developing key opportunities and pursuing strategic partnerships consistent with our values and ambitions; and
- To sustain the College as an enduring institution, underpinned by secure finances, a well-maintained estate and high-quality staff, with a commitment to minimising its environmental impact.

The College measures its performance through regular Key Performance Indicators (KPIs) that compare success in the reporting period with prior years. These KPIs cover areas including occupancy; diversity of membership; delivery of cultural, social, sporting and educational events; volume of Scholarships and Bursaries; and number of Alumni contacts. Further information is contained within the Financial Review and Achievements and Performance.

College Members attend over forty academic and professional institutions in London. The College works to maintain a balance between the broad faculties of medicine and natural sciences, law, business, political and social sciences, and the arts and humanities. The College attracts scholars from a wide range of international schemes including Chevening, Commonwealth, Monash, Windle and Marshall.

The College provides a wide public benefit. The Trustees are aware of and have regard to the Charity Commission's public benefit guidance when exercising any powers or duties to which the guidance is relevant. College Members return to their home nations or elsewhere with a broadened perspective on the world and a much-expanded knowledge of and affection for the culture and politics of the UK. This contribution to international tolerance and understanding serves an ever greater purpose in today's world of political and economic uncertainty.

The College frames its distinctive paradigm through the vectors of 'commensality' and 'conviviality'—common eating and common living. Members jointly engage in many intellectual, cultural, social, experiential and developmental activities. Talks, seminars and colloquia, where renowned individuals lecture and share knowledge and life experience, are a regular feature of the College calendar. A series of 'GoodSkills' weeks take place to refine the non-academic skills base of College Members. College Members live and work amongst a broad spread of social, national and economic backgrounds, developing understanding and empathy across a wide spectrum of experience within a rich peer group. An external programme enables College Members to grow their capacity for understanding of the UK – and networking across a range of external institutions in the Cities of London and Westminster and beyond. The College seeks to secure and provide an increasing level of Scholarships and Bursaries to support those who struggle to meet the costs of their accommodation at the College.

The Burn, our Scottish estate and academic retreat, both welcomes College Members, in study groups or privately, and actively supports Scottish universities, offering its facilities to national and international students and academic groups. As social and travel restrictions have eased in the wake of the pandemic, The Burn has provided a valuable opportunity for its guests to relax amongst their peers, undertake quiet or group study, build friendships and take pleasure in the natural world.

The College is opened to the public for concerts, operas, conferences and lectures. A large number of external organisations and individuals also use the College's facilities for their own events and activities.

ACHIEVEMENTS AND PERFORMANCE

College Member occupancy in 2022/23 remained high throughout the academic year and over the summer period. The College saw very strong commercial performance from its Hotel, Short Stay and Sabbatical room businesses. The Burn and the College events and venue hire business struggled to generate revenues sufficient to cover their increased costs resulting from high food and labour costs in particular.

The impact of the College's activities on Members is a growth in confidence through their experience at Goodenough, with broadened perspectives, strong cultural, social and professional networks and a positive image of the UK and the Commonwealth. Supported by this growth we expect our Alumni to be outstanding leaders in their fields, engaged global citizens and advocates of the College.

Postgraduate students continue to have an overwhelmingly positive experience at Goodenough College.

During 2022/23 £8.2m (2022: £7.6m) was spent against the goal of 'Transforming College Members', reflecting the operating costs of the College buildings (that so influence College life) alongside the influential Dean's programme.

The Dean's programme for the 2022/23 academic year delivered (including Member-led activities) 177 sporting fixtures or physical activity sessions; 125 cultural, music and arts-based events; 120 evening lecture 'Port Talks', transformative skills-based sessions (the 'GoodSkills' programmes) and academic seminar segments and study trips, all of them delivered in person, with a small number of blended events. In particular a series of celebratory events was organised to mark the Coronation of HM The King.

The Dean's Office carried out an extensive and tailored programme of activities to support individual Member wellbeing through the academic year which involved individual as well as group pastoral activity.

During 2022/23 the College maintained its accreditation against the National Code for Assured Accommodation, which demonstrates the College's commitment to the highest standards in delivering its accommodation and supporting its community. The College was again awarded the Global Student Living Index Best Specialist Accommodation Award in October 2023 and the new Global Student Living Platinum Certification for achieving the thresholds for seven metrics (Structural scores – Internet, Condition & Quality, Bedroom, Value for Money; Operational scores - Care & Support, Recycling & Environmental Facilities, Overall Management). Platinum Certification was only awarded to five operators and one university nationally.

The Burn has continued to fulfil its charitable objectives through the provision of an academic retreat and event venue to the Scottish HE sector and the wider academic marketplace. The Burn aims to add value by providing a unique and enriching student experience. The drive for long-term sustainability continues and this period has seen both footfall and income increase along with rising levels of interest from a range of new customers. The Burn has yet to realise the high activity levels enjoyed during the pre-COVID year but there are now positive signs of a rising market. The Burn's relationship with the Scottish university sector – The Burn's principal marketplace - remains strong. This association offers the greatest potential for future business success. In addition, The Burn is now fully engaged with supporting the Member programme within Goodenough College where it is seen as a key asset.

Goodenough College

Trustees' Annual Report and Strategic Report

for the year ended 31 August 2023

The College spent £0.6m on Scholarships and Bursaries in 2022/23, (2022: £0.6m). The College continues to review the allocation of Scholarships and Bursaries to ensure that College is best able to target the appropriate students and match allocated scholarship funds to appropriate need. The budget for Scholarships and Bursaries grew in 2022/23 in line with the September 2022 increase in the level of rents.

Scholarships, Bursaries and Mecklenburgh (hardship) funds are awarded by the College to individual current and potential College Members, predominantly as reductions in rent, on the basis of financial need. The College recognises the importance of being able to support Members with limited financial means thanks to the generosity of friends and Alumni.

During the period the College received 2,003 applications (2022/23: 1,598) for its 2023/24 academic year intake, 4.9 for each available place at the College (2022/23: 3.5). The proportion of applications from EU countries stayed steady at 11% (2022/23: 11%) and applications from Commonwealth countries decreased to 45% (2022/23: 49%). The College continued to invest in additional marketing and engagement actions to maintain and develop the number of suitable applicants to the College and the appropriate Commonwealth representation.

During the 2022/23 academic year Members came from 95 (2021/22: 80) countries (India 10%; UK 9%; Canada 9%; China 5%; Pakistan 5%), of which 52% (2021/22: 50%) were from the Commonwealth. These Members were studying at 38 (2021/22: 37) academic institutions (UCL 29%; LSE 23%; Kings 10%); with 64% (2021/22: 66%) undertaking Masters Courses; 29% (2021/22: 28%) PhD and other research programmes; and 7% (2021/22: 6%) other forms of postgraduate qualifications. Their academic subject matter continued to be as diverse as their backgrounds.

The College spent £0.3m (2022: £0.3m) in raising the College's profile. Member representational visits to institutions in London and throughout the UK were continued.

Members made four trips to The Burn for four-day long educational retreats, subsidised by the College. Other Burn trips were planned and recruited but cancelled due to industrial action on the rail network, making Scotland largely inaccessible to visiting groups from London.

Including the £1.2m 2022/23 interest costs of the College's debt (2022: £1.2m) and the costs of supporting the development and the strategic financial management of the College, £2.0m was spent on 'Sustaining the College' during the year (2022: £2.3m). Excluding loan interest, the College spent £0.8m on sustaining the College (2022: £1.1m).

The College applied funds of £1.2m (2022: £2.4m) in replacements and enhancements to the College estate and IT services, of which £0.3m related to the finalisation of works on the Hotel bedroom refurbishment, £0.2m on the ongoing development of 43-47 Mecklenburgh Square with the balance across the College estate.

Fundraising costs were £0.1m for the year (2022: £0.2m). Fundraising costs have not yet returned to pre pandemic levels due to reduced activity levels on events such as overseas travel and changes within the department following a review of the College's fundraising and external relations ambitions during the prior period, as part of which a new Executive appointment was created and the new Director of Development and Alumni Relations joined the College staff on 5 December 2022.

The College's wholly owned subsidiary companies traded successfully throughout 2022/23. During the year Goodenough Club Limited was renamed Goodenough Trading Limited. The Boards of Goodenough Trading Limited and Goodenough Ventures Limited were reinvigorated with the

Goodenough College

Trustees' Annual Report and Strategic Report

for the year ended 31 August 2023

appointment of two new independent Non-Executive Directors with skills and experience in the activities of the companies.

The activities of Goodenough Ventures Limited were transferred to Goodenough Trading Limited from 1 September 2023, with Goodenough Ventures Limited ceasing trading from that date. Goodenough Ventures Limited's activities in the delivery of Events, Venue Hire and Catering activities were particularly hit by the increased inflationary costs of food and labour. This saw the College's subsidy for providing catering activities increase. Despite an increase in revenue of 21%, the 28% increase in costs saw the company's profits before qualifying distribution fall.

Following the reopening of the Hotel on 1 September 2022 (after completion of an extensive bedroom refurbishment project in the prior year) Goodenough Trading Limited saw strong performance from both the Hotel and the Short Stay and Sabbatical businesses, the company's profit before qualifying distribution rebounded to £2.7m, with both businesses generating substantially increased revenues compared to the pre-pandemic period.

FINANCIAL REVIEW

The College generated group revenues of £16.7m in the year to 3 August 2023 (2022: £11.3m). Income from charitable activities (predominantly income generated from rents from Member accommodation) was £8.6m (2022: £8.2m); with increased occupancy and higher rents. Average Member occupancy in the 2022/23 academic year was 93.5% compared to the 91.4% achieved in the prior year and 92.6% in the pre pandemic year of 2018/19.

Consolidated income from trading activities for the year was £6.3m (2022: £1.8m) as the reopened Hotel generated £3.9m alone. Consolidated revenues from the Goodenough Trading Ltd were £5.0m (2022: £0.7m). Revenue in 2022/23 consisted of Hotel income of £3.9m (none in 2021/22) and Short Stay accommodation income of £1.1m (2022: £0.7m). Goodenough Trading Limited generated a profit of £2.7m for the year (2022: a profit of £42k). Goodenough Ventures Limited generated consolidated revenues of £1.2m (2022: £1.1m), with £0.7m generated from Events and Venue Hire (2022: £0.7m); and £0.5m from providing catering to College Members (2022: £0.4m). Goodenough Ventures Limited generated a profit of £44k for the year (2022: profit of £128k).

The Trustees and Directors remain confident of the potential for Goodenough Trading Limited to generate surpluses to be donated to the College in future years and continue to monitor performance of the company. It is the intention to wind-up Goodenough Ventures Limited in the current year, following the transfer of all activities to Goodenough Trading Limited on 1 September 2023.

On 5 July 2023 the Directors of Goodenough Trading Ltd approved a budget for the 2023/24 financial year showing a £2.5m surplus and a business plan showing increasing surpluses thereafter. Post year end trading conditions remain strong.

The Consolidated Statement of Financial Activities for the year shows a £1.2m net income before gains and losses on investment assets (2022: £2.0m loss). The College bore £1.2m in loan interest charges (2022: £1.2m) and depreciation of £2.6m (2022: £2.4m) demonstrating an EBITDA gain (excluding debt and asset impairment costs) of £5m (2022: £1.6m gain). The gain was due to the move towards normal operating conditions (except for the Hotel business) as set out above. On 25 July 2023 the Trustees approved a consolidated budget for the 2023/24 academic year showing an EBITDA surplus of £3.9m. The Trustees remain confident that the College will achieve a significant operating surplus in 2023/24.

INVESTMENT PERFORMANCE

The College holds investment portfolios with Rathbone Brothers Plc under four separate mandates. Where appropriate, composite benchmarks for the funds are developed by the Investment Manager in consultation with the Investment Committee, recognising agreed asset allocation ranges, along with separate long-term performance objectives. All long-term performance objectives are after fees.

The College main portfolio includes the College reserve and the Asset Replacement Reserve and is invested for the longer term with a long-term performance objective of CPI + 5% (net of fees). As at 31 August 2023 this fund held £9.6m under investment.

The Burn portfolio is invested on a similar horizon but, reflecting the annual requirement for income and draw down from that fund to support The Burn's operations; it has a long-term performance objective of CPI + 3.5% (net of fees). As at 31 August 2023 this fund held £0.9m under investment.

The total return on the College main fund over the period was a gain of 1.9%, and for The Burn portfolio, a loss of -3.8%; the composite benchmark performance measures for these funds were a gain of 6.1% and loss of 3.1% respectively. These funds have achieved a total return of 25.1% and 16.4% respectively over the last five years, against composite benchmarks of 35.2% and 19.9% respectively. Their long-term performance objectives were 57.8% and 46.9% respectively over the same period.

The College No.2 portfolio held funds anticipated to be drawn in the medium term from, the College Development Reserve along with General Funds, and has a long-term performance objective of CPI. The fund was established in 2016 and achieved a total return of -3.6% for the year.. As at 31 August 2023 this fund held £6.7m under investment and held only General Funds.

The College No.3 portfolio was established in 2017 and held funds anticipated to be required in the shorter term from the College Development Reserve Funds Reserve and General Funds. The fund is invested primarily for capital preservation and achieved a total return of 2.5% for the year. No balances were withdrawn from the fund during 2022/23. As at 31 August 2023 this fund held £2.2m under investment, £1.2m of which related to the fund for future development of 43-47 Mecklenburgh Square, and the balance relating to General Funds.

The performance of the investment portfolios and the investment manager is reviewed regularly by the College's Finance and Investment Committee and the Trustees continue to be satisfied with their management and the performance of the funds over the long term. All investments acquired during the year were in accordance with Trustees' powers. The value of the portfolio at 31 August 2023 is shown in note 11. During the year the College engaged the services of Yoke & Co. Ltd to provide advice to the College's investment management and investment strategy. The Finance and Investment Committee, working with its advisors, expect to have concluded a review of the management of the College's investment portfolio during 2023/24.

Working through the Finance and Investment Committee and with its investment managers the Trustees continue to review the investment performance and strategies of its funds under investment as the College's financial performance, reserve position and capital ambition develops.

Goodenough College

Trustees' Annual Report and Strategic Report

for the year ended 31 August 2023

Funds and reserves

The College's reserves are divided between unrestricted, restricted and endowment funds. Unrestricted funds are further divided into designated and general unrestricted funds.

Unrestricted funds total £138.6m (2022: £137.6m), which includes designated reserves of £130.3m (2022: £129.3m), general funds of the charity of £8.1m (2022: £8.2m) and general funds of the subsidiaries of £0.2m (2022: £0.2m). See Note 17 for further details.

The Trustees have designated the value of the College's non-investment fixed assets (net of funding from the long-term loan) as the Tangible Fixed Asset reserve. The value of this reserve is adjusted annually to reflect the net value of these assets and stands at £115.3m at the year-end (2022: £116.6m). The Trustees have designated the value of the College's investment properties (recognising the College's strategy to retain investment properties for the benefit of future beneficiaries) as the Investment Property Reserve at £3.1m (2022: £3.1m), reflecting the revaluation of the investment properties at 31 August 2022.

During 2016 the College established a long term forecast, which enabled the College to agree a revised framework for the management of its unrestricted funds and to quantify the level of liquid assets required to sustain the College as an enduring institution. The College has established a plan to ensure that sufficient levels of cash are available to secure a well maintained estate. This established the requirement for an Asset Replacement Reserve (ARR) to support the costs identified for the replacement and refurbishment of the buildings, fixtures, fittings and equipment of London House, William Goodenough House and the hotel over a 30-year period to 2046. The required value of this fund was agreed to be designated from the available funds accumulated by the College from annually generated operating surpluses and drawn down against relevant costs.

In light of the exceptional financial performance of the College and Hotel the Trustees designated the budgeted contribution from performance to the ARR. After debiting appropriate asset replacement expenditure and accounting for income, gains and losses, the value of the ARR stands at £8.4m on 31 August 2023 (2022: £7.9m). The Trustees review the value of this designated fund annually as it accumulates and is utilised for Asset Replacement. The ARR is represented by investment funds with investment mandates (as overseen by the Finance and Investment Committee) matching the investment objectives and horizons of this reserve.

During 2022/23 the Board approved the utilisation of the College Development Reserve to continue to support the refurbishment of the Hotel bedrooms, with the balance of the fund to be transferred to the fund for the development of 43-47 Mecklenburgh Square. At 31 August 2023 the College Development Reserve had been fully utilised (2022: £0.7m).

Trustees had previously designated funds totalling £1m for the planned future development of 43-47 Mecklenburgh Square. In light of the stronger than expected performance of the College and the Hotel, Trustees have further designated the overperformance against budget into this fund, alongside the balance of the CDR. Combined with net investment performance the fund at 31 August 2023 stood at £3.5m (2022: £1.0m). The College continues to develop its plans for the site under the guidance of its Steering Committee. The fund is held with the College's investment portfolio.

The Trustees have reviewed the College's reserves policy. The policy considers the nature of the income and expenditure streams, the need to match variable income with fixed commitments and the need to provide for known essential estate maintenance expenditure. To allow the College to be managed efficiently and to provide a buffer against interrupted services, the policy requires that

Goodenough College

Trustees' Annual Report and Strategic Report

for the year ended 31 August 2023

general reserves in the range from £6m - £9m should be maintained. This range is based on managing to sustain core College activity if there were a fall in Member income of 25% for three years (c£6m) and a loss of 50% of The Goodenough Hotel, London and the College Short Stay and Sabbatical business net operating surplus for two years (c£2m). In addition, a minimum of £1m is considered necessary to deal with major estate issues, such as a failure of heating, plumbing or electrical services in either House. The Trustees also continue to consider the value of the College's General Funds in light of the experience of the COVID-19 pandemic.

The Trustees have assessed the value of reserves and the operations of the College and do not consider that there remain material uncertainties related to these or other events or conditions that cast significant doubt on the College's ability to continue as a going concern. The College remains very financially stable with freely available funds on 31 August 2023 of £8.1m (2022: £8.2m, see note 17 for more details); other unrestricted designated reserve funds of £11.9m (2022: £9.6m) and unrestricted investment properties valued at £3.1m.

Restricted funds are represented by assets and investments that can only be used or spent for a particular purpose as stated by the donors. The total value at 31 August 2023 was £12.3m (2022: £12.7m). See Note 16 for further details.

Restricted funds include The Burn Fund of £11.9m (2022: £12.2m) and other restricted funds of £0.4m (2022: £0.5m). The Burn fund includes the operating land, building and assets of the site represented by a tangible fixed assets reserve of £10.0m (2022: £10.2m); investment properties reserve of £0.9m (2022: £0.9m) and a general restricted fund of £1.0m (2022: £1.2m). The general restricted fund is mainly represented by The Burn investment portfolio.

The other restricted funds have been donated to the College for a number of restricted purposes including restricted Scholarships and Bursaries funds of £0.4m (2022: £0.5m). The College continues to seek to increase the level of support to its important Scholarships and Bursaries activity provided through donations. Expenditure on Scholarships and Bursaries from restricted or designated donated funds was £0.4m in the year compared to £0.4m in the preceding year.

Endowment funds comprise the Christopher G. Argyris Student Activity Fund which is an expendable endowment fund providing support for community participation at the College, and particularly the performance of opera and Dean's Seminars. £281k was received in the year with a further £2k generated from investments (after charges) and £12k spent supporting college activities. The remaining balance of £271k is held within the College's long term investment portfolio except for the element drawn down for spend in the year.

Borrowings and bank facilities

On 2 June 2017, the College secured a £40m non-amortising 30-year loan with Rothesay Life at a fixed interest rate of 3.102%. The loan is secured against London House and William Goodenough House.

Principal risks and uncertainties

To optimise the College's management of risk, the College Board and staff are briefed on the nature of risk and accept responsibility for risks associated with their area of authority. Senior management provides appropriate support, assistance and commitment to ensure that both operational and strategic risk is managed on a daily basis to the best of the College's ability. This risk management process provides reasonable, but not absolute, assurance that the organisation is protected.

We define key strategic risks as those that, without effective and appropriate mitigation, would have a severe impact on our work, our reputation or our ability to achieve our ambitions. The College continually improves the process by which it reviews, registers and mitigates risks that may impact on College life and operations. These risks (including likelihood, impact and mitigation measures) are listed in a Strategic Risks Register, which is regularly reviewed by the College Board and senior management. The risk management process encourages the Trustees to challenge any assumptions senior management has made about risks and interrogate the context in which decisions are taken. This helps ensure that the most serious risks are being mitigated effectively and the impact of mitigation is assessed.

Revenue shortfall, primarily through a downturn in Member application numbers, has been identified as a fundamental financial risk for Goodenough College. Vigorous promotion of the College through public outreach, strategic partnership building and enhancing the College's digital presence is given high priority in order to mitigate this risk; together with market-sensitive pricing of accommodation and a robust admissions policy making maximum use of search engine optimisation, peer reviews, advertising and approaches to educational institutions and scholarship bodies (within London, the UK and internationally). Application numbers are reviewed on a regular basis and the admissions strategy adjusted on the basis of findings.

The maintenance of a diverse College community (including enabling access for students with limited financial resources) is recognised by the Trustees as a key area of risk. The College will continue to focus on targeting its outreach on less represented geographic areas and socio-economic groups. It continues to enhance its Scholarships and Bursaries schemes (including developing partnership schemes with other scholarship providers) to support less affluent students. The College maintains its focus on fundraising for Scholarships and Bursaries (including hardship funds allocated as The Mecklenburgh Fund). The College reviews its rent annually and any increases applied are based on sound market information and consultation with the College Member community.

A key strategic objective of the College is to deliver a transformative experience for College Members through community, cross-cultural understanding and an exceptional intellectual and social programme. The College's ability to provide such an experience faced unprecedented challenges during the Covid pandemic, and has informed the College's efforts to expand the ways in which the programme is delivered in future. The College implements a rigorous process of risk assessment for all activities, together with impact reviews and ROI assessments of enrichment activities.

The College has previously recognised that failing to secure sufficient funds to implement its Asset Replacement Plan represents a key risk to the College. The College considers that it has substantially mitigated that risk through development of a comprehensive Asset Replacement Plan, long term financial planning and the securing of £40m of 30-year non-amortising debt. The Finance and Investment sub-Committee of the College Board reviews the long-term financially sustainable performance of the College and provides further diligence on the application of available funds. The College has demonstrated to itself, through challenging scenarios and stress testing, that it will be able to meet its Asset Replacement Plan for at least until 2046.

During the year the Board had particular focus on the risk that the College is the target of a cyber attack. Working with specialist advisors, Maxica Ltd, the College has developed a revised IT Strategy and reviewed its approach to IT security. The revised strategy included a number of high level and detailed recommendations including the establishment of an IT Strategic Planning Executive Advisory Committee (ITSPG), the adoption of a 'cloud-preference' approach to systems, the development of IT working practices and seeking to adopt the 'Cyber Essentials' standard for

Goodenough College

Trustees' Annual Report and Strategic Report

for the year ended 31 August 2023

cyber security. The Board approved the revised strategy at its meeting in October 2022; implementation of the strategy is ongoing under the management of the ITSPG, overseen by the Audit Committee.

The level of the College's unrestricted freely available reserves, combined with its designated funds (see below), reassure the College as to its going concern.

The 30-year fixed-interest debt minimises the College's exposure to variations in debt financing costs. Further details can be found in Note 15.

The Board continues to oversee the College's business continuity and contingency arrangements, should the College suffer from a major disaster affecting the College estate, be impacted by terrorism or disease outbreak or pandemic. The Board is confident that the College's plans, controls and insurance arrangements, adequately mitigate these risks to a tolerable level. As the College's main base of operations is in central London, the College recognises that terrorist activity, both local to the College and worldwide, has the potential significantly to affect the College, through restricting physical access to the College; reducing future applications to the College; and directly on the welfare of College Members. The College exercises care in maintaining its access control and security arrangements, holds financial reserves, specific appropriate insurance cover, effective business continuity plans and robust welfare systems in order to mitigate that risk.

With accommodation at its heart, fire risk management forms a key consideration in the College's operation and development. The College regularly reviews its fire management policies and carries out annual fire risk assessments and complies with all statutory obligations and best practice.

To counter the risk of diminishing revenue generated by the College's wholly-owned hotel, *The Goodenough Hotel, London*, the College undertook an extensive refurbishment of the hotel's 65 bedrooms in 2021/22, following reopening on 1 September 2022 this asset (operated through its subsidiary company) has returned to substantial operating surplus.

With the majority of the College's income streams generated in-year from Member rents, hotel charges, letting of a lease to a commercial venture and other business income, the impact of these trading environments will affect the financial performance of the College. The College is confident that its planning, risk management and operational management activities sufficiently manage these risks and enable the College to put in place appropriate mitigation measures. The skillsets of the College staff and the Directors of the subsidiary companies are particularly focussed on the management of this risk.

The College takes safeguarding very seriously. The College is confident that it provides a safe and trusted environment and promotes an organisational culture that prioritises safeguarding. The College considers that it maintains adequate safeguarding policies, procedures and measures to protect people. These are reviewed regularly, and kept up to date in line with Government guidance and best practice. The College has reviewed its safeguarding governance and management arrangements within the last 12 months.

In response to the Corporate Criminal Offence of Failure to Prevent the Facilitation of Tax Evasion introduced by the Criminal Finances Act 2017, the College carried out a risk assessment and made a Top Level Commitment to a zero tolerance to the criminal facilitation of tax evasion at its Board meeting in March 2018. The College continues to apply due diligence; apply and communicate its procedures; and monitor and review its position.

Goodenough College

Trustees' Annual Report and Strategic Report

for the year ended 31 August 2023

Goodenough College continues to meet the requirements of the General Data Protection Regulations (GDPR) and the Privacy and Electronic Communications Regulations (PECR), building on its previous programme of work to achieve compliance. The Trustees remain content that the College is fully complying with the Regulations.

Fundraising standards

The College's fundraising activities are undertaken by its Development and Alumni Relations team. The College does not use third party fundraisers or commercial participators.

The College is a member of The Council for Advancement and Support of Education (CASE), a professional association serving educational institutions and the professionals who work on their behalf in alumni relations, communications, development, and allied areas. As part of its work, CASE sets standards and an ethical framework for the fundraising profession, which the College follows.

The College has established a Donations Advisory Committee that meets as necessary to review the acceptance of any large gifts.

Contacts who are judged to have an interest in Goodenough College are encouraged to donate. Those who have opted out of fundraising appeals are, of course, exempted from this programme of activity. There is a clear focus on enabling supporters to reengage and reconnect with the College, as well as making an informed decision on supporting the College financially. The College does not accept donations where we have reason to believe that the donor may be vulnerable, or where we judge accepting the donation would be ethically wrong or cause harm to the donor. To help inform our approach, we refer to the Fundraising Regulator's Code of Practice and the Chartered Institute of Fundraising's statement on vulnerable donors. We regularly review industry standards to ensure we are meeting requirements. No complaints have been received by CASE, the Charity Commission, the Fundraising Regulator or by the College about its fundraising activities in the year ended 31 August 2023.

PLANS FOR FUTURE PERIODS

The approved budget for 2023-24 reflects the College's ambitions and priorities for the year, including its increasing focus on scholarships for exceptional students with limited financial means and its commitment to a major renovation project to enhance student accommodation on the College estate.

The College remains confident of its capacity to attract high calibre students who will make a substantive contribution to the College community. Applications for admission for the 2023-24 academic year were the highest in a decade, with five applications for each available place. The College is at full occupancy and expects to remain at this level throughout the academic year, including over the summer period. Notwithstanding, the College will continue to develop and refine its marketing and admissions processes and procedures for the 2024-25 intake and thereafter - not least, in light of coming changes to UK visa regulations for dependants of international students, which is likely to reduce the number of applications from international students with accompanying family members.

Goodenough College

Trustees' Annual Report and Strategic Report

for the year ended 31 August 2023

Meanwhile, the College has committed to enhancing and diversifying its scholarship programme in future years. Working with alumni, partner bodies (such as the Chevening scholarships programme and London universities) and other stakeholders, the College is seeking to expand access to the College for those from lower income backgrounds and nations. Following the appointment of a new Director of Development & Alumni Relations in December 2022, the College has been working to develop a substantive philanthropic impulse among College alumni, partners and other stakeholders, thereby growing funding for scholarships and College activities. A very significant future focus will be a two-year capital fundraising campaign to enable the College to refurbish five Georgian townhouses at the north end of the College estate to provide cheaper student accommodation for members of limited means.

The Dean will continue to develop the College's renowned programme of events and activities, supported, inter alia, by the Argyris endowment, College Fellows and the goodwill of friends and stakeholders.

The College will continue to exert downward pressure, wherever possible, on current inflationary overhead costs through a programme of careful housekeeping and cost-effective expenditure. For example, since the conclusion of a three-year fixed-price energy contract in September 2023, the College has begun procuring its energy in an efficient, effective and sustainable manner through judicious pre-purchase mechanisms. This innovative energy acquisition programme will be formally assessed after its first year of operation.

The Director continues to develop the College's operations in consultation with the Board of Trustees. The College Director's 2022-23 staffing review has led to changes in a number of College staff posts, including the creation of a Director of Estates role, the termination of the Director of Operations role, the arrival of a new Director of Development & Alumni Relations and the unification of HR capabilities within a single HR Manager position.

Plans for the development of the College estate will include a substantive review of the College's Asset Replacement Plan, to commence in 2024 under the aegis of the new Director of Estates. The planned renovations for 43-47 Mecklenburgh Square will be further developed, with Listed Building Consent for the College's development plans to be sought in 2024. Subject to the availability of funds for the project, the College will start preparing the tendering of fully designed works.

The College will continue to maintain and develop its commercial activities, as overseen by the Directors of Goodenough Trading Ltd, conscious of the risks of relying excessively upon ongoing strong market conditions for continuing growth in the College's commercial operations. The College will continue to review its arrangements with its commercial advisors, including completing a review of its investment management arrangements.

The College will ensure that the College's activities in Scotland, delivered through its estate The Burn, remain well-targeted, financially sustainable and in line with its charitable objectives - in consultation with Scottish universities and the College Member community. With the impending retirement of the current Burn Bursar, the College will be seeking to recruit an appropriate replacement.

The Board of Trustees expects, in the coming year, to see the College further develop its impact, efficiency and opportunity; and to ensure that delivery of the College's objects to organise, encourage, and assist education - remain at the forefront of the College's successful endeavour.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees (who are also directors of the College for the purposes of company law) are responsible for preparing the Annual Report, incorporating the Strategic Report, and the Financial Statements in accordance with applicable law and regulations and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and the group and of the income and expenditure of the charitable group for that period.

In preparing these financial statements the Trustees are required to:

- Select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

Financial statements are published on the charity's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the charity's website is the responsibility of the trustees. The trustees' responsibility also extends to the ongoing integrity of the financial statements contained therein.

Goodenough College

Trustees' Annual Report and Strategic Report

for the year ended 31 August 2023

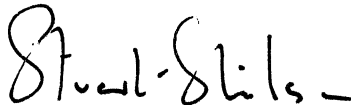
DISCLOSURE OF INFORMATION TO AUDITOR

In the case of each of the persons who are Directors (Trustees) of the charitable company at the date when this report was approved:

- So far as each of the Directors is aware, there is no relevant audit information (as defined in the Companies Act 2006) of which the charitable company's auditors are unaware; and
- Each of the Directors has taken all the steps that he/she ought to have taken as a director to make himself/herself aware of any relevant audit information (as defined) and to establish that the charitable company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of S418 of the Companies Act 2006.

The Trustees' Report and Strategic Report were approved by the Trustees in their capacity as Directors of the Charitable Company and signed on their behalf by:



Stuart Shilson LVO DL
President of the College (and Chair of the Board)

Date: 25/1/24

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES OF GOODENOUGH COLLEGE

Opinion

We have audited the financial statements of Goodenough College (the 'charitable parent company') and its subsidiaries (the 'group') for the year ended 31 August 2023 which comprise the group statement of financial activities, group and charitable parent company balance sheets and statement of cash flows, the principal accounting policies and the notes to the financial statements. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

Other information (continued)

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the charitable parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report including the strategic report.

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

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

Responsibilities of trustees

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

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

Auditor's responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- ◆ the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- ◆ we obtained an understanding of the legal and regulatory frameworks that are applicable to the group and the charitable parent company and determined that the most significant frameworks which are directly relevant to specific assertions in the financial statements are those that relate to the reporting framework (Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011) and those that relate to data protection (General Data Protection Regulation); and
- ◆ identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the group's and the charitable parent company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- ◆ making enquiries of management as to their knowledge of actual, suspected and alleged fraud; and
- ◆ considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- ◆ performed analytical procedures to identify any unusual or unexpected relationships;
- ◆ tested journal entries to identify unusual transactions;
- ◆ assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- ◆ tested authorization controls on expenditure items, including staff expense claims, to check that all expenditure was approved in line with the group's and the parent charitable company's financial procedures;

Auditor's responsibilities for the audit of the financial statements (continued)

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- ◆ agreeing financial statement disclosures to underlying supporting documentation;
- ◆ reading the minutes of meetings of those charged with governance; and
- ◆ enquiring of management as to actual and potential litigation and claims.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the trustees and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and to the charity's trustees as a body, in accordance with Section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and Regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Katharine Patel (Senior Statutory Auditor)
For and on behalf of Buzzacott LLP, Statutory Auditor
130 Wood Street
London
EC2V 6DL

Date: 01 February 2024

Buzzacott LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

Goodenough College

Consolidated statement of financial activities (incorporating a consolidated Income and Expenditure account)

for the year ended 31 August 2023

	Notes	Unrestricted Funds 2023 £'000	Restricted Funds 2023 £'000	Endowment Funds 2023 £'000	Total Funds 2023 £'000	Total Funds 2022 £'000
Income from:						
Donations and legacies	2	23	235	281	539	365
Charitable activities:						
College community accommodation	5	8,294	348	-	8,642	8,169
Trading activities:						
Commercial accommodation	4	5,023	-	-	5,023	733
Catering, Events and Venue Hire		1,238	-	-	1,238	1,058
Investments	3	1,128	94	6	1,228	1,005
Total		15,706	677	287	16,670	11,330
Expenditure on:						
Raising funds						
Investment management		83	6	4	93	104
Fundraising		103	-	-	103	179
Trading activities	17	3,544	-	-	3,544	1,621
Charitable activities:						
Attracting outstanding postgraduate students	6	890	344	-	1,234	1,248
Transforming College Members	6	7,516	666	12	8,194	7,582
Raising the College's profile	6	329	-	-	329	341
Sustaining the College	6	1,984	-	-	1,984	2,294
Total		14,449	1,016	16	15,481	13,369
Net income / (expenditure) before other (losses)		1,257	(339)	271	1,189	(2,039)
Net (losses) on investments	11	(259)	(59)	-	(318)	(1,347)
Net income / (expenditure)		998	(398)	271	871	(3,386)
Transfers between funds	16, 17	(9)	9	-	-	-
Net movement in funds		989	(389)	271	871	(3,386)
Reconciliation of funds:						
Total funds brought forward		137,629	12,678	-	150,307	153,693
Net movement in funds		989	(389)	271	871	(3,386)
Total funds carried forward		138,618	12,289	271	151,178	150,307

All results derive from continuing operations.

All gains and losses recognised in the period are included above. The notes on pages 29 to 51 form part of these Financial Statements.

Goodenough College

Balance Sheets

as at 31 August 2023

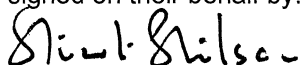
Company Registration No: 00246919

BALANCE SHEETS AS AT 31 AUGUST 2023

	Notes	31 August 2023 £'000	Group 31 August 2022 £'000	Charity 31 August 2023 £'000	31 August 2022 £'000
FIXED ASSETS					
Tangible assets					
Freehold land and buildings	10a	163,973	165,357	163,973	165,357
Heritage assets	10b	310	310	310	310
Fixtures, fittings, plant & equipment	10c	1,071	1,130	1,071	1,130
		<u>165,354</u>	<u>166,797</u>	<u>165,354</u>	<u>166,797</u>
Investments	11b	19,396	19,341	19,396	19,341
Investment properties	11b	3,976	3,928	3,976	3,928
Investments in subsidiaries	12	-	-	250	250
		<u>188,726</u>	<u>190,066</u>	<u>188,976</u>	<u>190,316</u>
CURRENT ASSETS					
Stocks		3	8	3	8
Debtors	13	806	1,160	838	1,079
Cash at bank and in hand		5,953	2,741	4,735	2,157
		<u>6,762</u>	<u>3,909</u>	<u>5,576</u>	<u>3,244</u>
CURRENT LIABILITIES					
Amounts falling due within one year	14	(4,250)	(3,668)	(3,485)	(3,424)
		<u>2,512</u>	<u>241</u>	<u>2,091</u>	<u>(180)</u>
NET CURRENT ASSETS/(LIABILITIES)					
		<u>191,238</u>	<u>190,307</u>	<u>191,067</u>	<u>190,136</u>
TOTAL ASSETS LESS CURRENT LIABILITIES					
Creditors: amounts falling due after more than one year	15	(40,060)	(40,000)	(40,060)	(40,000)
		<u>151,178</u>	<u>150,307</u>	<u>151,007</u>	<u>150,136</u>
TOTAL NET ASSETS					
Restricted funds	16	12,289	12,678	12,289	12,678
Endowment Funds		271	-	271	-
Unrestricted funds					
Designated funds	17	130,332	129,259	130,332	129,259
General funds	17	8,286	8,370	8,115	8,199
		<u>151,178</u>	<u>150,307</u>	<u>151,007</u>	<u>150,136</u>
TOTAL FUNDS					

The notes on pages 29 to 51 form part of these Financial Statements.

These Financial Statements were approved and authorised for issue by the Trustees on 25 January 2024 and signed on their behalf by:



Stuart Shilson LVO DL
President of the College (and Chair of the Board)

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 AUGUST 2023

	Notes	2023 £'000	2022 £'000
Cash flows from operating activities:			
Net cash provided by operating activities	(a)	4,858	1,726
Interest paid on loan		(1,241)	(1,241)
Loan costs		(8)	(8)
Net cash generated from operating activities		3,609	477
Cash flows from investing activities:			
Dividends, interest and rents from investments		1,228	1,005
Purchase of property, plant and equipment		(1,211)	(2,412)
Proceeds from sale of investments		1,186	2,498
Purchase of investments		(3,459)	(1,779)
Net cash (used in) investing activities		(2,256)	(688)
Change in cash and cash equivalents in the reporting period		1,353	(211)
Cash and cash equivalents at 1 September		5,047	5,258
Cash and cash equivalents at 31 August	(b)	6,400	5,047

Analysis of changes in net debt	1 September 2022 £'000	Cash flows £'000	31 August 2023 £'000
Cash at bank	2,741	3,212	5,953
Cash equivalents	2,306	(1,859)	447
	5,047	1,353	6,400
Loans falling due after more than one year	(40,000)	-	(40,000)
Total	(34,953)	1,353	(33,600)

Goodenough College**Consolidated Statement of Cash Flows (continued)***for the year ended 31 August 2023*

	2023	2022
	£'000	£'000
(a) Reconciliation of net income to net cash provided by operating activities		
Net income/(expenditure) for the reporting period	871	(3,386)
Adjustments for:		
Depreciation charges	2,631	2,425
Losses on investments	311	1,373
Dividends, interest and rents from investment	(1,228)	(1,005)
Impairment	-	296
Loss on disposal	23	21
Interest payable on loan	1,241	1,241
Loan costs	8	8
Decrease in stock	5	2
Decrease in debtors	354	153
Increase in creditors	642	598
Net cash inflow from operating activities	4,858	1,726

(b) Analysis of Cash and Cash Equivalents

	1 September	Cash	31 August
	2022	flows	2023
	£'000	£'000	£'000
Cash at bank and in hand	2,741	3,212	5,953
Cash held by investment manager	2,306	(1,859)	447
Total cash and cash equivalents	5,047	1,353	6,400

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED
31 AUGUST 2022**

	Notes	Unrestricted Funds Year to 2022 £'000	Restricted Funds Year to 2022 £'000	Total Funds Year to 2022 £'000
Income from:				
Donations and legacies	2	34	331	365
Charitable activities:				
College community accommodation	5	7,851	318	8,169
Trading activities:				
Commercial accommodation	4	733	-	733
Catering, Events and Venue Hire		1,058	-	1,058
Investments	3	898	107	1,005
Total		10,574	756	11,330
Expenditure on:				
Raising funds				
Investment management		97	7	104
Fundraising		179	-	179
Trading activities	11	1,621	-	1,621
Charitable activities:				
Attracting outstanding postgraduate students	6	841	407	1,248
Transforming College Members	6	7,180	402	7,582
Raising the College's profile	6	341	-	341
Sustaining the College	6	2,280	14	2,294
Total		12,539	830	13,369
Net (expenditure) before other gains / (losses)		(1,965)	(74)	(2,039)
Net (losses) / gains on investments	11	(1,353)	6	(1,347)
Net (expenditure)		(3,318)	(68)	(3,386)
Transfers between funds	16, 17	(4)	4	-
Net movement in funds		(3,322)	(64)	(3,386)
Reconciliation of funds:				
Total funds brought forward		140,951	12,742	153,693
Net movement in funds		(3,322)	(64)	(3,386)
Total funds carried forward		137,629	12,678	150,307

1. ACCOUNTING POLICIES

(a) Basis of preparation

The Financial Statements have been prepared under the historical cost convention, as modified by the inclusion of investments and investment properties at fair value at balance sheet date.

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006 and the Charities Act 2011.

They also comply with the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 and applicable accounting standards. The accounting policies have been applied consistently throughout the accounts.

Going Concern

The Trustees reviewed the College's surplus operating budget for the year 2023/24 and the subsequent long term forecast in July 2023 and were content that these plans were affordable and that the accounts should be prepared on a going concern basis.

There has been a high volume of applications for places in the College for the 2023/24 academic year, with occupancy levels achieving expectations. The Hotel reopened in September 2022 and subsequently outperformed budget by a significant margin and continues generate a higher contribution than was historically achieved. Current 2023/24 financial performance is ahead of budget.

The College holds in excess of £21m in unrestricted funds not representing current operating assets, of which £3m is in investment property and £18m in liquid investments managed through our investment managers. The invested portfolio includes in excess of £8m invested in short and medium term funds where capital preservation is the key investment strategy. In total these reserves are well in excess of the annual turnover and annual cash flow requirements of the College.

Given the strength of the balance sheet and the availability and liquidity of unrestricted investments the Trustees believe that, while uncertainty exists, this does not pose a material uncertainty that would cast doubt on the charity's ability to continue as a going concern. The Trustees, therefore, consider it appropriate for the accounts to be prepared on a going concern basis.

Further detail on the availability of unrestricted funds can be found on p12 of the Trustees' Report

(b) Company status

The Charity is a company limited by guarantee. The Members of the Company are the Trustee Board named on page two, who are also the Directors of the Company for the purposes of company law. In the event of the Company being wound up, the liability in respect of the guarantee is limited to one pound per Member of the Company.

1. ACCOUNTING POLICIES (*continued*)

(c) Key assumptions and estimates

Key assumptions and estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The assumptions and estimates that are likely to cause any material impact to the accounts are set out below:

Valuation of Investment Properties – as disclosed in note 11, the fair values of the investment properties are reviewed at the balance sheet date to determine any changes in value. This is done by reviewing key property price indicators for the local area or an external valuation by RICS registered valuers.

Depreciation – Fixed Assets are depreciated on a straight line basis as set out in note 1i) Tangible Fixed Assets.

(d) Income

All income is recognised in the SOFA when the Charity has met conditions for receipt, receipt is probable and the amount can be quantified with sufficient reliability.

Investment income: Investment income is accounted for when receivable.

Legacies: Legacies are deemed receivable from the date of notification, provided that sufficient information has been received to enable the Group to calculate entitlement and receipt is probable.

Gifts in Kind: Donations in kind are recognised at their value to the Charity when they are received. No amounts are included for services donated by volunteers.

Government grants: Income from Government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred. In respect of the furlough grant; all conditions, with respect to the eligible costs being claimed, need to be met.

(e) Expenditure

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to that category. Investment Management costs represent the fees incurred on raising Investment Income. Fundraising costs represent expenditure in relation to fund-raising and publicity costs. Direct expenditure incurred on charitable activities is identified against one of the four strategic goals of the charity. Support costs represent expenditure incurred in general management, Trustee related costs and audit costs and are apportioned across the four strategic goals. See note 6 for further information.

1. ACCOUNTING POLICIES (*continued*)

(f) Fund accounting

The College maintains various types of funds as follows:

i) Restricted funds

The Burn Restricted funds include donations received which were allocated by the donor for the upkeep of The Burn, a Scottish study and holiday centre for students and graduates.

In addition other donations which are earmarked for particular purposes are treated as restricted funds.

ii) Endowment Funds

Endowment funds comprise the *Christopher G. Argyris Student Activity Fund* which is an expendable endowment fund providing support community participation at the College, and particularly the performance of opera and Dean's Seminars. Total distributions from the Fund in any year are not to exceed 5% of the fund unless the value of the fund falls below £12,500, in which case the balance may be distributed and the fund closed.

iii) Unrestricted funds

Designated reserves are amounts which have been put aside at the discretion of the Trustees and comprise:

Tangible fixed asset reserve representing the value of all reserves used for operating tangible fixed assets (excluding those of The Burn, which are restricted) and only realisable by the disposal of these fixed assets.

Investment property reserve represents the value of all reserves held in investment properties and only realisable by the disposal of these fixed assets.

Asset Replacement Reserve (ARR) has been established to hold the current level of funds identified for the future replacement and refurbishment of the buildings, fixtures, fittings and equipment of London House, William Goodenough House and the Hotel in support of the Asset Replacement Plan currently covering a 30 year period to 2046.

College Development Reserve (CDR) was established to hold the funds in excess of those required to settle previous borrowing when the College's debt was restructured in June 2017. These funds have been designated by the trustees to fund the further development of Goodenough College above and beyond the refurbishment and replacement of existing assets as provided for in the Asset Replacement Reserve and to include investment in 'intangible' matters other than fixed assets. The final criteria for its use would be determined through the development of the College Strategy.

43-47 Mecklenburgh Square Reserve was established by the Trustees to support the future development of 43-47 Mecklenburgh Square.

Other designated funds reserve represents other funds designated by the Trustees for particular purposes.

General unrestricted funds represent funds which are expendable at the discretion of the Trustees in the furtherance of the objects of the company. Such funds may be held in order to finance working capital or capital investment and include the College's reserve.

1. ACCOUNTING POLICIES *(continued)*

(g) Financial instruments

Financial assets and financial liabilities are recognised when the College becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are initially measured at transaction price (including transaction costs). Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value. Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due. Creditors and provisions are recognised where the College has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

Other financial instruments are initially recognised at fair value and any changes to their fair value are subsequently recognised in the SOFA under 'net gains / (losses) on financial instruments'.

(h) Taxation

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

The subsidiaries make qualifying donations of all taxable profit to Goodenough College. Income from Gift Aid tax reclaimed is recognised in relation to qualifying donations received.

The College is registered for Value Added Tax (VAT). Any irrecoverable VAT is charged to the Statement of Financial Activities.

(i) Tangible fixed assets

The College has elected to present the deemed cost of its freehold assets at the value held at 1 April 2014, as permitted under the FRS102 transitional arrangements. Where there is an indication of an asset being impaired the recoverable amount is identified and the impairment loss is recognised as expenditure in the Statement of Financial Activities.

Depreciation on fixed assets is charged so as to write down the value of properties and material components over their expected useful lives, on a straight line basis as follows:

Goodenough College

Notes to the Financial Statements (continued)

for the year ended 31 August 2023

1. ACCOUNTING POLICIES (continued)

(i) Tangible fixed assets (continued)

	Life (years)
Freehold buildings	100
Roof work	15-50
Lifts	25-30
Bathrooms, heating, water, electrical and gas systems, and boiler equipment	10-25
Ventilation and fire detection systems and fire stopping works	10-15
Access and telephone system	10
Vehicles	5
Computer and other office equipment	4
Computer software	4
Furniture	8-20
Improvements to Freehold (including room refurbishment)	6-15
Other plant and equipment and other fixtures and fittings	4-15

The mixed use property is accounted for using the cost model as allowed under the Charities SORP (FRS 102) as the fair value of the investment component cannot be measured reliably, and it is rented out to a group entity.

(i) Heritage Assets

The College has elected to present the deemed cost of its Heritage Assets at the value held at 1 April 2014, as permitted under the FRS102 transitional arrangements. Heritage Assets are not depreciated. The College has reviewed its Heritage Assets and does not consider that any impairment at 31 August 2022 is necessary.

(j) Investments

Investments are valued at bid value as at the balance sheet date and the surplus or deficit arising from this revaluation is shown within 'net gains / (losses) on investments' on the face of the SOFA. Realised gains and losses represent the difference between the sale proceeds and the opening market value of an investment or cost if purchased during the year and are also shown within this line.

(k) Investment properties

Investment properties are held initially at cost and subsequently at fair value at the reporting date. Any Gains or Losses are recognised under 'Net gains/ (losses) on investments' on the Statement of Financial Activities. Investment properties are not depreciated.

(l) Stocks

Stocks are stated at the lower of cost and net realisable value and comprise consumable goods.

(m) Operating leases

Rental costs under operating leases are charged to the SOFA in equal amounts over the period of the lease.

(n) Borrowing costs

Interest and charges are expensed and charged to the SOFA when incurred.

Goodenough College

Notes to the Financial Statements (continued)

for the year ended 31 August 2023

1. ACCOUNTING POLICIES (continued)

(o) Pension accounting policy

Goodenough College makes contributions to employees' defined contribution pension plans. Contributions are charged to the SOFA as they become payable. They are analysed across expenditure according to the activity of the scheme members.

(p) Cashflow statement

Cash and cash equivalents includes cash in hand, deposits with banks and cash held within the investment portfolio. Interest paid is classified as a cashflow from operating activities as they are included in the statement of financial activities, this classification is consistent with prior periods.

2 DONATIONS AND LEGACIES

	Unrestricted funds 2023 £'000	Restricted funds 2023 £'000	Endowment funds 2023 £'000	Total funds 2023 £'000	Total funds 2022 £'000
Donations	23	235	281	539	365
Consolidated donations income	23	235	281	539	365
Donations from subsidiaries (note 17)	2,717	-	-	2,717	48
Charity donations income	2,740	235	281	3,256	413

Of the total funds stated for 2022, £331k was restricted and £34k unrestricted. There was no endowment income in 2022. Of these donations £2k (2022: £64k) was received from Trustees.

3 INVESTMENT INCOME

	Unrestricted funds 2023 £'000	Restricted funds 2023 £'000	Endowment funds 2023 £'000	Total funds 2023 £'000	Total funds 2022 £'000
Income from UK listed investments	145	31	3	179	190
Income from overseas listed investments	128	17	3	148	68
Rent from property	758	46	-	804	699
Other interest - short-term deposits	97	-	-	97	48
	1,128	94	6	1,228	1,005

Of the total funds stated for 2022, £107k was restricted and £898k unrestricted. There was no endowment income in 2022.

Goodenough College

Notes to the Financial Statements (continued)

for the year ended 31 August 2023

4 TRADING INCOME

Trading income comprises income arising from the College's two trading subsidiaries as detailed in note 12. Included within trading income is a total of £Nil (2022: £12k) arising from Coronavirus related business grants received by Goodenough Trading Limited (formerly Goodenough Club Limited) and Goodenough Ventures Limited.

5 INCOME FROM COLLEGE CHARITABLE ACTIVITIES

	Unrestricted funds 2023	Restricted funds 2023	Endowment funds 2023	Total funds 2023	Total funds 2022
	£'000	£'000	£'000	£'000	£'000
College accommodation income	8,294	-	-	8,294	7,851
The Burn income	-	348	-	348	318
	<u>8,294</u>	<u>348</u>	<u>-</u>	<u>8,642</u>	<u>8,169</u>

Included within income from College charitable activities for the prior period is £1.5k relating to the Coronavirus Job Retention Scheme and £2.1k relating to other coronavirus grant funding. There was no such funding in the current year.

Of the total funds stated for 2022, £318k was restricted and £7,851k was unrestricted. There was no endowment income in 2022.

6 EXPENDITURE FOR CHARITABLE PURPOSES

	Direct Costs 2023	Support Costs 2023	Total funds 2023	Total funds 2022
	£'000	£'000	£'000	£'000
Attracting outstanding postgraduate students	1,028	206	1,234	1,248
Transforming College Members	6,937	1,257	8,194	7,582
Raising the College's profile	274	55	329	341
Sustaining the College	<u>1,861</u>	<u>123</u>	<u>1,984</u>	<u>2,294</u>
	<u>10,100</u>	<u>1,641</u>	<u>11,741</u>	<u>11,465</u>

The College has paid £590k (2022: £597k) to College members as scholarships and bursaries, including hardship funds.

Goodenough College

Notes to the Financial Statements

For the year ended 31 August 2023

7 SUPPORT COSTS

	2023 £'000	2022 £'000
Finance	382	343
IT	622	559
HR	341	212
Governance	35	37
Other general overheads	468	523
	1,848	1,674

These support costs are split across the following areas:

Raising funds	207	182
Charitable activities	1,641	1,492
	1,848	1,674

GOVERNANCE COSTS

	Year to 2023 £'000	Year to 2022 £'000
Support costs		
Council and Board meeting costs	5	-
Fees payable to the auditors - College	30	34
Other Fees	-	3
	35	37

Included within direct costs are fees payable to the auditors relating to the subsidiary companies of £15k (2022: £25k).

	Year to 2023 £'000	Year to 2022 £'000
Fees payable to the Company's auditors:		
<u>Statutory audit</u>		
Current auditors	36	-
Previous auditors	2	48
<u>Tax advisory services</u>		
Current auditors	12	-
Previous auditors	2	19
	52	67

Goodenough College

Notes to the Financial Statements (continued)

for the year ended 31 August 2023

8 NET INCOME/(EXPENDITURE)

	Year to 2023 £'000	Year to 2022 £'000
Net income/(expenditure) for the year is stated after charging:		
Amounts payable to auditors (Group)(note 7)	52	67
Depreciation of tangible fixed assets	2,631	2,425
Operating lease charges	19	19

9 INFORMATION REGARDING STAFF AND TRUSTEES

	Headcount		Full Time Equivalent	
	2023 No.	2022 No.	2023 No.	2022 No.
Average number of employees (during the period):				
College	66	72	59	62
Hotel	10	3	10	3
The Burn	19	20	10	7
	<u>95</u>	<u>95</u>	<u>79</u>	<u>72</u>

	Year to 2023 £'000	Year to 2022 £'000
Wages and salaries	2,492	2,769
Social security costs	281	305
Pensions	119	136
Other benefits	59	71
	<u>2,951</u>	<u>3,281</u>

9 INFORMATION REGARDING STAFF AND TRUSTEES *(continued)*

The number of staff paid over £60,000 during the reporting period (salary plus taxable benefits excluding pension contributions) was:

	Year to 2023 No.	Year to 2022 No.
£60,001 - £70,000	3	4
£70,001 - £80,000	1	1
£80,001 - £90,000	2	1
£110,001 - £120,000	1	-
£120,001 - £130,000	-	1
£130,001 - £140,000	1	1
£160,001 - £170,000	1	1

Trustees' remuneration

Members of the Board of Trustees (who are all directors within the meaning of the Companies Act 2006) receive no remuneration or taxable benefits for their services.

During the year six (2022: two) Trustees were reimbursed or had amounts paid on their behalf for sundry Board expenses incurred totalling £3,358 (2022: £342) relating to travel and subsistence. Trustees may stay in College accommodation in the course of their duties as trustees.

During the year and up to the date of approval of the Annual Report and Financial Statements, there was a qualifying third-party indemnity in place for directors, as allowed by Section 234 of the Companies Act 2006.

Pension schemes

The Company operates stakeholder pension schemes administered by Legal and General. The employer's contributions are 10% of pensionable salary for senior staff and are matched to those of the qualifying employees to a maximum of 5% of pensionable salary for other staff and amounted to £119,323 (2022: £135,569). At 31 August 2023 outstanding payments due to the scheme were £23 (2022: £22,148).

Key management personnel

Key management personnel of Goodenough College comprise the Trustees and those employees making up the Executive team, consisting of the Director, the Director of Finance and Resources, the Director of Operations, the Director of Development and External Relations, the Dean, the Registrar and the Bursar to the Burn.

The aggregate compensation (remuneration plus benefits and employer's National Insurance Contributions) paid or payable to 'key management personnel' during this reporting period was: £852,688 (2022: £870,816).

Redundancy and termination payments

Total payments incurred during this year in relation to redundancy and termination pay were £67,000 (2022: £25,750) paid to two individuals. The accounting policy is to recognise termination payment liabilities on communication of redundancy or termination and when quantifiable. Such payments are accounted for as staff costs.

Goodenough College

Notes to the Financial Statements (continued)

for the year ended 31 August 2023

10 TANGIBLE FIXED ASSETS

(a) Freehold properties

Consolidated and company

Land and buildings at deemed cost	College £'000	The Burn £'000	Assets under construction £'000	Total £'000
Brought forward deemed cost at 1 September 2022	158,541	11,104	11,209	180,854
Additions	620	5	319	944
Transfers	56	-	(56)	-
Disposals	(208)	-	(5)	(213)
At 31 August 2023	159,009	11,109	11,467	181,585
Depreciation				
Brought forward at 1 September 2022	14,545	952	-	15,497
Disposals	(208)	-	-	(208)
Charge for the year	2,207	116	-	2,323
At 31 August 2023	16,544	1,068	-	17,612
Net book value at 31 August 2023	142,465	10,041	11,467	163,973
Net book value at 31 August 2022	143,996	10,152	11,209	165,357

Freehold properties consisted of student accommodation, the hotel (The Goodenough Hotel, London) and The Burn. They were all the subject of independent valuations, for inclusion in the accounts at 31 March 2013, provided by Drivers Jonas Deloitte, Willis Ltd, Ecclesiastical, Bell Ingram and Alpha Browett Taylor.

Assets under construction consist mainly of the properties at 43-46 Mecklenburgh Square, previously held as investment properties. The lease on the properties expired on 26 November 2019 and the intention of the College is to convert them into additional student accommodation. Accordingly they are no longer held as investments and were transferred to freehold properties at a value of £11m in the year ended 31 March 2020 and are treated as being at deemed cost. This is based on a valuation provided by Alpha Browett Taylor included in the accounts at 31 March 2018 and confirmed by them in June 2019. Further work on the project as well as other ongoing works at the college premises during the year amount to £319k. No depreciation is applied to these assets as they are not in operational use.

Also included in Freehold Properties are the College's Royal Albert Hall seats, held at historic cost of £350. The seats were purchased by the College in 1967 and are held on a 999 year lease from 1867

Excluding 43-46 Mecklenburgh Square, the historical cost net book value of the land and buildings if the revaluation had not taken place would be £30.2m (2022: £31.4m). The historical cost of 43-46 Mecklenburgh Square cannot be determined.

One of the College's properties is used by Goodenough Trading Ltd, trading as The Goodenough Hotel, London, a wholly owned subsidiary of Goodenough College. The purpose is to provide short-stay accommodation close to the college for alumni and others associated with the College as well as supporting college events. The hotel is also open to external guests. Due to the level of shared facilities and services with the College it is not possible to separate out the proportion of the site that relates to external guests so the entire property is treated as a functional fixed asset and held at depreciated cost of £15.9m (£16.1m in 2022).

Goodenough College

Notes to the Financial Statements (continued)

for the year ended 31 August 2023

10 TANGIBLE FIXED ASSETS (continued)

(b) Heritage assets

Consolidated and company

	College £'000	The Burn £'000	Total £'000
Deemed cost at 1 September 2022	290	20	310
Additions	-	-	-
At 31 August 2023	<u>290</u>	<u>20</u>	<u>310</u>

Heritage assets comprise paintings and furniture which are available for use and enjoyment of College members, staff and guests throughout the College and Burn.

The Director of Finance and Resources leads on the preservation and management of Heritage assets. The College maintains an asset register which details the location, value and description of the assets and ensures that they are located in an appropriately secure and managed environment.

A valuation of the heritage assets was carried out in 2013 and is treated as deemed cost. The Trustees do not consider that any impairment at 31 August 2022 is necessary. The deemed cost at 1 April 2017 was £300k, and the only subsequent transaction was an addition of £10k in the year ended 31 March 2019.

(c) Fixtures, fittings, plant and equipment

Consolidated and company

	College £'000	The Burn £'000	Assets under construction £'000	Total £'000
Cost at 1 September 2022	3,370	87	49	3,506
Additions	266	-	1	267
Transfers	32	-	(32)	-
Disposals	-	-	(18)	(18)
At 31 August 2023	<u>3,668</u>	<u>87</u>	<u>-</u>	<u>3,755</u>
Depreciation at 1 September 2022	2,294	82	-	2,376
Charge for the year	307	1	-	308
At 31 August 2023	<u>2,601</u>	<u>83</u>	<u>-</u>	<u>2,684</u>
Net book value at 31 August 2023	<u>1,067</u>	<u>4</u>	<u>-</u>	<u>1,071</u>
Net book value at 31 August 2022	<u>1,076</u>	<u>5</u>	<u>49</u>	<u>1,130</u>

11 INVESTMENTS HELD AS FIXED ASSETS

Goodenough College

Notes to the Financial Statements (continued)

for the year ended 31 August 2023

(a) Investment properties	College	The Burn	Total
Land and buildings at valuation:	£'000	£'000	£'000
Carried forward at 1 September 2022	3,068	860	3,928
Revaluation	30	18	48
At 31 August 2023	3,098	878	3,976

The College investment properties were the subject of an independent market valuation for inclusion at 31 August 2022 by Alpha Browett Taylor, RICS registered valuer with the necessary knowledge and expertise to provide this valuation. In 2022/23 an internal exercise was carried out to assess if the value of similar properties in the local area had changed during the financial year. The College investment properties were revalued upwards by £30k as a result (2022: downwards by £452k).

The Burn investment properties were the subject of an independent market valuation for inclusion at 31 August 2022 by J & E Shepherd, RICS registered valuer with the necessary knowledge and expertise to provide this valuation. In 2022/23 an internal exercise was carried out to assess if the value of similar properties in the local area had changed during the financial year. The Burn investment properties were revalued upwards by £18k as a result (2022: £50k).

	Consolidated and Company	
	31 August 2023	31 August 2022
(b) Listed investments	£'000	£'000
Market Value at 1 September	17,035	18,725
Additions at cost	3,457	1,779
Proceeds from disposals	(1,186)	(2,498)
Realised (loss)/gain	(81)	141
Unrealised (loss)	(276)	(1,112)
Market value at 31 August	18,949	17,035
Listed investments comprise the following:		
Investments listed on a recognised stock exchange - Equities	9,459	9,410
Investments listed on a recognised stock exchange - Bonds	2,203	625
Alternative Funds	7,287	7,000
Market value at 31 August	18,949	17,035
Investment assets in the United Kingdom	12,860	12,337
Investment assets outside the United Kingdom	6,089	4,698
Market value at 31 August	18,949	17,035
Cost at 31 August	15,799	13,751

Goodenough College

Notes to the Financial Statements (continued)

for the year ended 31 August 2023

11. INVESTMENTS HELD AS FIXED ASSETS (continued)

Total investments			
Listed investments (market value)	11b	18,949	17,035
Short term deposits in the portfolio		447	2,306
Investment properties (market value)	11a	3,976	3,928
Investments at 31 August		23,372	23,269

At 31 August 2023 the College held the following investments which represented more than 5% of the portfolio value:

	£'000	% of portfolio
CG Absolute Return Fund Class M Shares	2,438	12.9%
Link Fund Solutions Trojan S Income	4,136	21.8%
Treasury 0% T-Bill 18/12/2023	2,095	11.1%

12 SUBSIDIARY UNDERTAKINGS

The College owns 100% of the issued capital of the following companies.

Subsidiary undertaking	Company Investment at Cost £
Goodenough Trading Limited	250,000
Goodenough Ventures Limited	2
	<u>250,002</u>

The registered office of both subsidiaries is London House, Mecklenburgh Square, London, WC1N 2AB.

Summarised financial results of Goodenough Trading Limited (Company Registration 2684378) are set out below and are included in the consolidated SOFA. All activities relate to continuing operations. The following intercompany transactions are included within the subsidiary results.

The £5,027k (2022: £733k) total income includes £3k (2022: £nil) for sales to the parent company. Commercial accommodation income of £5,024k (2022: £733k) has been included within the consolidated statement of financial activities in relation to the activities of this subsidiary.

The £2,353k (2022: £691k) 'Cost of Sales' includes £241k (2022: £258k) in charges to the subsidiary by the parent company for the use of parent company resources, £3k (2022: £Nil) in costs of providing services to the parent company and £133k (2022: £1k) in charges from Goodenough Ventures for the provision of services. Trading activity expenditure of £2,217k (2022: £691k) has been included within the consolidated statement of financial activities in relation to the activities of this subsidiary.

Goodenough College

Notes to the Financial Statements *(continued)*

for the year ended 31 August 2023

12 SUBSIDIARY UNDERTAKINGS *(continued)*

/	Year to 31 August 2023 £'000	Year to 31 August 2022 £'000
Hotel accommodation	3,936	-
Short Stay accommodation	1,091	727
Turnover	5,027	727
Cost of Sales	(2,353)	(691)
	2,674	36
Other income	-	6
Qualifying distribution under deed of covenant	(2,674)	(42)
Profit/(loss)	-	-
Assets	1,226	556
Liabilities	(805)	(135)
Shareholders' funds	421	421

Goodenough Ventures Limited (Company Registration 09342926) is an events and venue hire business which commenced trading in October 2015.

Summarised financial results of Goodenough Ventures Limited are set out below and are included in the consolidated SOFA. All activities relate to continuing operations, although these operation were transferred to Goodenough Trading Limited from 1 September 2023. The following intercompany transactions are included within the subsidiary results.

The £1,987k (2022: £1,644k) total income includes £617k (2022: £584k) for sales to the parent company, and £133k (2022: £1k) for sales to other group entities. Catering Events and Venue Hire income of £1,238k (2022: £1,058k) has been included within the consolidated statement of financial activities in relation to the activities of this subsidiary.

The £1,943k (2022: £1,516k) 'Cost of Sales' includes £177k (2022: £163k) in charges to the subsidiary by the parent company for the use of parent company resources and £617k (2022: £585k) in costs of providing catering supplies for the parent company. The subsidiary was also charged £Nil (2022: £123) by the parent company in loan interest. Trading activity expenditure of £1,326k (2022: £930k) has been included within the consolidated statement of financial activities in relation to the activities of this subsidiary.

Goodenough College

Notes to the Financial Statements (continued)

for the year ended 31 August 2023

12 SUBSIDIARY UNDERTAKINGS (continued)

	Year to 31 August 2023 £'000	Year to 31 August 2022 £'000
Events and Venue Hire	807	720
Feeding College Members	1,047	916
Hotel Breakfasts	133	2
Turnover	1,987	1,638
Cost of sales	(1,943)	(1,516)
	44	122
Other income	-	6
Qualifying distribution under deed of covenant	(44)	(5)
Profit/(loss)	-	123
Assets	392	301
Liabilities	(392)	(301)
Shareholders' funds/(deficit)	-	-

13 DEBTORS

	Consolidated		Charity	
	31 August 2023 £'000	31 August 2022 £'000	31 August 2023 £'000	31 August 2022 £'000
Trade debtors	418	639	294	518
Amount due from subsidiary undertaking	-	-	204	126
Other debtors	25	172	25	172
Taxes recoverable	32	67	-	-
Prepayments and accrued Income	331	282	315	263
	806	1,160	838	1,079

The amount due from the subsidiary undertaking to the Charity represents the amount due from Goodenough Ventures Limited.

Goodenough College

Notes to the Financial Statements (continued)

for the year ended 31 August 2023

14 CREDITORS: amounts falling due within one year

	Consolidated		Charity	
	31 August 2023 £'000	31 August 2022 £'000	31 August 2023 £'000	31 August 2022 £'000
Trade creditors	1,169	1,296	741	1,097
Amounts due to subsidiary undertaking	-	-	79	58
Taxation and social security	225	83	133	90
Other creditors	1,221	929	1,024	893
Accruals	1,572	1,304	1,445	1,230
Deferred income	43	56	43	56
Other deferred discount	20	-	20	-
	<u>4,250</u>	<u>3,668</u>	<u>3,485</u>	<u>3,424</u>

The amount due to the subsidiary undertaking from the Charity represents the amount due to Goodenough Trading Ltd.

Deferred income consists entirely of commercial rent received from tenants in advance. Prior year deferred income related in full to income recognised in the year ended 2023. A reconciliation is set out below:

Movement in deferred income in year

	Consolidated		Charity	
	31 August 2023 £'000	31 August 2022 £'000	31 August 2023 £'000	31 August 2022 £'000
Balance brought forward	56	42	56	42
Released:	(56)	(42)	(56)	(42)
Added	<u>43</u>	<u>56</u>	<u>43</u>	<u>56</u>
Balance carried forward	<u>43</u>	<u>56</u>	<u>43</u>	<u>56</u>

Goodenough College

Notes to the Financial Statements (continued)

for the year ended 31 August 2023

15 CREDITORS: amounts falling due in greater than one year

	Consolidated and charity	
	31 August 2023 £'000	31 August 2022 £'000
Bank borrowing		
Falling due in more than 5 years	40,000	40,000
Other Deferred Discount		
Falling due between 1 and 2 years	20	-
Falling due between 2 and 5 years	40	-
Total	40,060	40,000

Bank borrowing

On 2 June 2017 the College secured a £40m non amortising 30 year loan with Rothesay Life at a fixed interest rate of 3.102%. This loan is repayable in full in June 2047. The Rothesay loan is secured against London House and William Goodenough House.

Financial instruments

At the balance sheet date the College held no complex financial instruments.

Other deferred discount

During 2022/23 the College entered into a new 5 year catering contract. The terms of the contract included the supplier refurbishing the College's catering outlets. The value of the works has been treated as a discount to the contract which will be applied equally to each remaining year of the contract, which will expire during 2027/28.

Goodenough College

Notes to the Financial Statements (continued)

for the year ended 31 August 2023

16 RESTRICTED FUNDS

	1 Sep'22	Transfer	Income	Gains / losses	Expenditure	31 Aug'23
	£'000	£'000	£'000	£'000	£'000	£'000
2022/23						
Burn Fund						
General fund	1,158	121	438	(77)	(670)	970
Specific donations	-	-	2	-	-	2
Investment property reserve	860	-	-	18	-	878
Tangible fixed asset reserve	10,177	(112)	-	-	-	10,065
Total Burn Fund	12,195	9	440	(59)	(670)	11,915
Other restricted funds						
Scholarships and Bursaries	472	-	236	-	(345)	363
Specific donations	11	-	1	-	(1)	11
Total other restricted funds	483	-	237	-	(346)	374
Total restricted funds	12,678	9	677	(59)	(1,016)	12,289
	1 Sep'21	Transfer	Income	Gains / losses	Expenditure	31 Aug'22
	£'000	£'000	£'000	£'000	£'000	£'000
2021/22						
Burn Fund						
General fund	1,042	121	421	(23)	(403)	1,158
Specific donations	-	-	5	-	(5)	-
Investment property reserve	810	-	-	50	-	860
Tangible fixed asset reserve	10,294	(117)	-	-	-	10,177
Total Burn Fund	12,146	4	426	27	(408)	12,195
Other restricted funds						
Scholarships and Bursaries	582	-	314	(21)	(403)	472
Specific donations	14	-	16	-	(19)	11
Total other restricted funds	596	-	330	(21)	(422)	483
Total restricted funds	12,742	4	756	6	(830)	12,678

The Burn Fund represents the assets and liabilities of The Burn, including a tangible fixed assets reserve, an investment property reserve and a general restricted fund. A transfer of £121k has been made from the tangible fixed assets reserve to the general restricted fund representing the movement in the net book value of fixed assets in the year. A transfer of £9k has been made from the Charity's general funds to The Burn general restricted fund representing the element of profit from Goodenough Ventures Limited activity that was generated at The Burn.

Scholarships and Bursaries are donations specifically made for providing scholarships and bursaries to qualifying members. Only one specific fund (2022: None) held more than £50k at the 31 August 2023. This fund was for providing support to Scholars at Risk.

Specific donations are those to support specific aspects of College activity and projects.

Goodenough College

Notes to the Financial Statements (continued)

for the year ended 31 August 2023

17 UNRESTRICTED FUNDS

	1 Sep'22	Transfer	Income	Gains/ (losses)	Expenditure	31 Aug'23
2022/23	£'000	£'000	£'000	£'000	£'000	£'000
Tangible fixed asset	156,620	(1,331)	-	-	-	155,289
Long term loan	(40,000)	-	-	-	-	(40,000)
Tangible fixed asset reserve	116,620	(1,331)	-	-	-	115,289
Investment property reserve	3,068	-	-	30	-	3,098
Asset Replacement reserve	7,863	454	170	(2)	(37)	8,448
College Development Reserve	668	(686)	22	(1)	(3)	-
43-47 Mecklenburgh Square Reserve	1040	2,414	34	(2)	(5)	3,481
Other designated reserves	-	-	23	-	(7)	16
Total designated reserves	129,259	851	249	25	(52)	130,332
General funds of the Charitable Company	8,199	(860)	11,913	(284)	(10,853)	8,115
Total funds of the charitable company	137,458	(9)	12,162	(259)	(10,905)	138,447
General funds of the subsidiaries	171	-	3,544	-	(3,544)	171
Total consolidated unrestricted funds	137,629	(9)	15,706	(259)	(14,449)	138,618
	1 Sep'21	Transfer	Income	Gains/ (losses)	Expenditure	31 Aug'22
2021/22	£'000	£'000	£'000	£'000	£'000	£'000
Tangible fixed asset	156,833	(213)	-	-	-	156,620
Long term loan	(40,000)	-	-	-	-	(40,000)
Tangible fixed asset reserve	116,833	(213)	-	-	-	116,620
Investment property reserve	3,520	-	-	(452)	-	3,068
Asset Replacement reserve	7,517	969	129	(717)	(35)	7,863
College Development Reserve	4,311	(3,640)	52	(38)	(17)	668
43-47 Mecklenburgh Square Reserve	250	811	4	(24)	(1)	1040
Other designated reserves	-	-	34	-	(34)	-
Total designated reserves	132,431	(2,073)	219	(1,231)	(87)	129,259
General funds of the Charitable Company	8,471	2,069	8,611	(122)	(10,830)	8,199
Total funds of the charitable company	140,902	(4)	8,830	(1,353)	(10,917)	137,458
General funds of the subsidiaries	49	-	1,744	-	(1,622)	171
Total consolidated unrestricted funds	140,951	(4)	10,574	(1,353)	(12,539)	137,629

Goodenough College

Notes to the Financial Statements (continued)

for the year ended 31 August 2023

17 UNRESTRICTED FUNDS (continued)

The designated reserves are further discussed in the financial review on page 12.

The transfer of £1,331k from the tangible fixed assets reserve represents the movement in the net book value of tangible fixed assets during the year.

The transfer of £454k to the Asset Replacement Reserve represents the budgeted cash surplus for the year excluding investment income.

The transfer of £3.6m from the College Development Reserve was approved by the Board in support of the refurbishment of the Hotel bedrooms and continuing support of the project to develop 43-47 Mecklenburgh Square.

The Board further designated an additional £2.4m (including the £129k balance on the College Development Reserve) to the 43-47 Mecklenburgh Square Reserve from the overperformance to the budgeted cash surplus arising predominantly on the Hotel business.

18 ANALYSIS OF ASSETS AND LIABILITIES BETWEEN FUNDS OF THE CHARITY

2022/23	Restricted Funds – The Burn £'000	Restricted Funds - other £'000	Endowment Funds £'000	Designated reserves £'000	General Funds £'000	Charity Total £'000
Tangible fixed assets	10,065	-	-	155,289	-	165,354
Investments	937	141	270	9,190	8,858	19,396
Investment properties	878	-	-	3,098	-	3,976
Investments in subsidiaries	-	-	-	-	250	250
Amounts due to subsidiaries	(61)	-	-	-	186	125
Other current assets	73	-	-	-	343	416
Cash at bank and in hand	81	233	1	2,755	1,665	4,735
Current and long term liabilities	(58)	-	-	(40,000)	(3,187)	(43,245)
	11,915	374	271	130,332	8,115	151,007

Goodenough College

Notes to the Financial Statements (continued)

for the year ended 31 August 2023

18 ANALYSIS OF ASSETS AND LIABILITIES BETWEEN FUNDS OF THE CHARITY (continued)

2021/22	Restricted Funds – The Burn £'000	Restricted Funds - other £'000	Endowment Funds £;000	Designated reserves £'000	General Funds £'000	Charity Total £'000
Tangible fixed assets	10,177	-	-	156,620	-	166,797
Investments	1,111	200	-	9,571	8,459	19,341
Investment properties	860	-	-	3,068	-	3,928
Investments in subsidiaries	-	-	-	-	250	250
Amounts due to subsidiaries	-	-	-	-	68	68
Other current assets	71	-	-	-	883	954
Cash at bank and in hand	68	283	-	-	1,806	2,157
Current and long term liabilities	(92)	-	-	(40,000)	(3,267)	(43,359)
	12,195	483	-	129,259	8,199	150,136

19 LEASING COMMITMENTS

At 31 August 2023 the charitable company had the following amounts payable for equipment under non-cancellable operating leases.

	2023 £'000	2022 £'000
Amounts payable within one year	19	19
Amounts payable between two and five years	35	54
	<u>54</u>	<u>73</u>

These leases provide printers and photocopiers to support the College's operations.

20 CAPITAL COMMITMENTS

As at 31 August 2023 the College had no material capital commitments.

21 RELATED PARTY TRANSACTIONS

Alice Walpole was appointed Director of Goodenough College in April 2021, and as part of this role served as a director of Goodenough Trading Limited (formerly Goodenough Club Limited) and Goodenough Ventures Limited between April 2021 and August 2022. In September 2021 a private event was hosted at the College and charged to the Director at a total cost of £16,839. This cost was reduced by the agreed discount of 10% of the room hire element (only) that applies to staff, college members and alumni, bringing the total cost including VAT to £16,299.

Included in redundancy and termination payments are non-contractual payments totalling £40k to one of the key management personnel who left the College shortly after the year end, specifically the Director of Operations, Janine Binks. During 2021/22 £23k was included within redundancy and termination payments regarding non-contractual payments to one of the key management personnel who left the College during the year, specifically the Director of Development and External relations, Hannah Du Gray.

There have been no other related party transactions during the year other than those disclosed with group entities in notes 12, 13 and 14.

GOODENOUGH COLLEGE

England & Wales - Charity number 312894

Accounts



Goodenough College
(A company limited by guarantee)

Annual Report and Financial Statements
for the year ended 31 August 2022

Company Registration No. 00246919
Registered Charity No. 312894 (England and Wales) and SC039173 (Scotland)

Goodenough College
Trustees' Annual Report and Strategic Report
for the year ended 31 August 2022

Goodenough College Chairman's Personal Welcome

It's a pleasure to introduce our Annual Report and Financial Statements for the year ended 31st August 2022, a period during which we saw a welcome steady consolidation of the College's social and financial recovery following the ravages of the Covid pandemic.

The Trustees set a cautious budget for the reporting period, mindful of possible continuing reduced revenue to the College, with Member occupancy for 2022-23 uncertain and our hotel closed (first during the pandemic, then for refurbishment). I am delighted to report that, in the event, the College maintained high occupancy throughout both the academic year and the ensuing summer season; our short-stay and external events operations both secured a good level of business; the College management worked hard to rationalise expenditure; and the result has been an operating surplus significantly higher than expected.

This is not to say that the College did not continue to field unprecedented challenges. The surge in the Omicron variant at the end of 2022 saw cases of Covid infection rise rapidly among Members: support for all those isolating, including individual delivery of three daily meals, placed a huge burden on the College administration, itself depleted by the virus. A second rapid uptick in Covid infection in June 2022 threatened to derail end-of-year celebrations for our Members but was fortunately of brief duration. Meanwhile, an overheated job market has made recruitment and retention of staff a major challenge, and the College found itself carrying a number of vacancies over the reporting period. Inflation in the UK economy made it increasingly difficult to hold down rents and catering costs for our Members; a small (but growing) number faced financial difficulties which required recourse to our emergency fund.

A key theme for the College leadership during the reporting period has been how to attract to our community the very best international scholars coming to study in London. We have taken steps to raise the College's visibility with scholarship-awarding bodies in the UK and overseas, and with British diplomatic missions overseas and the London-based international diplomatic community. Meanwhile, in tune with wider cultural shifts in the UK and elsewhere, the College has been reviewing its strategy for embedding equality, diversity and inclusion across our community. Not least, promoting access to the College for exceptional students of limited financial means through an enhancement of our scholarships programme, a judicious expansion of our emergency fund, and facilitated access to accommodation for Chevening and Commonwealth scholars from lower-income backgrounds and countries.

The College has worked hard to deliver an exceptional enrichment programme, with a wealth of intellectual, cultural and social content. There were expanded opportunities during this reporting period for our College Members to engage in study trips and cross-disciplinary collaborations at seminars with scholars from respected academic institutions across the UK. We are proud, too, of the mental health and welfare services that the College continued to provide to Members, drawing on the skills of professional providers and trained College staff.

Extensive use was made of The Burn, our Scottish academic retreat, during the reporting period. It proved a valuable amenity for College Members wishing to relax, try new intellectual and physical pursuits and enjoy communal activities. The Burn's business operation (primarily the provision of academic retreats for Scottish university study groups) continued to be adversely affected by the constraints facing the Scottish academic sector. Terrible storms during the winter of 2021-22 devastated much of The Burn's woodland estate and restitution has been slow and costly.

Goodenough College
Trustees' Annual Report and Strategic Report
for the year ended 31 August 2022

The College took advantage of the enforced closure of 'The Goodenough' hotel to undertake a much-needed refurbishment of its bedrooms. The renovations precipitated myriad further tasks, from roof-lining repairs to repainting ceilings with fire retardant. We are proud that the project was concluded on time, on budget, and has led to our best-ever levels of revenue on the hotel reopening.

Looking ahead, we will continue to focus on maintaining full occupancy of our accommodation, selecting as our Members those who will most benefit from, and contribute to, our collegiate community. A new College IT Strategy and Strategic Plan, the result of a substantive review of our IT capabilities during the reporting period, will be implemented over coming months. We will pursue our plans to renovate 43-47 Mecklenburgh Square as further accommodation for Members.



Stuart Shilson LVO DL
Chair of the Board

24 January 2023

Goodenough College
Trustees' Annual Report and Strategic Report
for the year ended 31 August 2022

Contents	Page
Goodenough College Chairman's Personal Welcome	
Trustees' Annual Report and Strategic Report	
• Company information	2
• Structure, governance and management	3-5
• Strategic Report	6
• Objectives and activities	6-8
• Achievements and performance	8-10
• Financial review	10-16
• Plans for future periods	16-17
• Statement of Trustees' Responsibilities	17-18
Independent Auditor's Report	19-22
Financial Statements	
• Consolidated statement of financial activities	23
• Balance sheet	24
• Consolidated cash flow statement	25-26
• Charity statement of financial activities	27
• Statement of financial activities for the 17 months ended 31 August 2021	28
• Notes to the financial statements	29-50

Goodenough College
Trustees' Annual Report and Strategic Report
for the year ended 31 August 2022

The Board of Trustees present their Report and audited Financial Statements for the year ended 31 August 2022 under the Charities Act 2011 and the Companies Act 2006.

COMPANY INFORMATION

PATRON

Queen Elizabeth II

TRUSTEE BOARD

Stuart Shilson LVO – Chairman
Dame Maura McGowan DBE - Vice Chair
Alex Acland
Andrew Brown KC
David Bulman (Appointed 1 September 2022)
Roger Chadwick OBE
Corey Cook
Grahame Davies (Resigned 26 July 2022)
Lindsay Dodsworth (Appointed 1 September 2022)
James Douglas
Guy Parsons (Appointed 26 July 2022)
Meredith Pierce Hunter
Martin Schwab
Danielle Weese (Appointed 1 September 2022)

Senior Staff

College Director
Director of Finance and Resources
(Company Secretary; Deputy to the Director)
Director of Operations
Director of Development and Alumni Relations
Director of Development and External Relations
Dean
Registrar
Bursar, The Burn

The Hon Alice Walpole OBE
Richard Barker

Janine Binks
Andrew McGowan (from 5 December 2022)
Hannah Du Gray (until 24 June 2022)
The Rev Dr Alan McCormack
Caroline Persaud
David Turner OBE

Address and Registered Office

London House
Mecklenburgh Square
London
WC1N 2AB

Website: www.goodenough.ac.uk

Professional Advisers

Auditor:

BDO LLP
55 Baker Street
London
W1U 7EU

Legal Advisers:

Cripps LLP
Number 22
Mount Ephraim
Tunbridge Wells, Kent
TN4 8AS

Investment Managers:

Rathbone Brothers Plc
8 Finsbury Circus
London
EC2M 7AZ

Bankers:

Barclays Bank PLC
1 Churchill Place
Canary Wharf
London
E14 5HP

Goodenough College
Trustees' Annual Report and Strategic Report
for the year ended 31 August 2022

STRUCTURE, GOVERNANCE AND MANAGEMENT

The full name of the Charity is Goodenough College ('the College').

The College was formed as a company limited by guarantee without share capital on 28 March 1930, registered company number 00246919. It is registered with the Charity Commission, Charity number 312894 (England and Wales) and SC039173 (Scotland). The College's purposes are set out within its Articles of Association.

On 25th January 2022, the Board of Trustees resolved to implement the recommendations of a 2021 governance review of the College, which had recommended streamlining the College's governance structure. The Board noted that a meeting of the College's Advisory Council on 16th November 2021 had expressed support for the dissolution of the Advisory Council and the retention of the Board of Trustees as the College's single governing body. The Board would act as Members of the Company under the Companies Acts and continue to act as Directors and Trustees of the Charity.

Accordingly, on 24th January 2023, the Company Members met in General Meeting and resolved to adopt a revised set of Articles of Association for the Company, the governing document of the Charity, replacing those last amended on 15th October 2019. The revised articles set out the following main features of the governance structure of the College:

- A Board of 8–15 Directors who are legally and financially responsible for the management of College affairs. These are the charity Trustees and the Directors of the company. The Board holds meetings on a regular basis with an expectation of four meetings being held over the course of a calendar year.
- The Articles of Association require each Director to be appointed for terms not exceeding three years.
- A Director shall not normally remain in office after the ninth anniversary of the date of their first appointment (with the provision that any director in office on 24th January 2023 shall remain in office until the end of their current term).

In accordance with the revised Memorandum of Association, every Member is liable to contribute a sum of £1 in the event of the company being wound up. At 31 August 2022, there were 26 members (2021: 30 members); on 24th January 2023 there were 13 members.

The Trustees are satisfied that the revised governance processes enable the College to engage more effectively with its mission and objectives. The Trustees consider that they have paid due regard to the Charity Commission's guidance in respect of their duties and obligations as Trustees of Goodenough College.

The Board will continue to review the College's governance arrangements during 2022/23 in further consideration of the Charity Governance Code for larger charities.

Goodenough College
Trustees' Annual Report and Strategic Report
for the year ended 31 August 2022

Appointment of Directors

The process for the appointment of Board Directors is set out within the College's Articles of Association. Appointments are made on the recommendation of the Nominations and Remuneration Committee at Board meetings.

No Trustee has any financial interest in the Charity or any group companies.

During the year and up to the date of approval of the Annual Report and Financial Statements, there was a qualifying third party indemnity in place for directors, as allowed by Section 234 of the Companies Act 2006.

Board of Trustees

The Board of Trustees holds ultimate responsibility for the governance and strategic direction of the College, ensuring that the Charity upholds its ethos and values and delivers its objectives.

The Board has a written schedule of matters reserved for decision by the whole Board and delegates certain responsibilities to Board Committees. The Trustee Board meets quarterly.

New Trustees undertake an induction programme to familiarise them with the College, its objectives and its structure, alongside their roles and responsibilities under legislation and College governance. The Board has adopted revised terms of reference for its own operation, based upon recommendations set out within the Charity Governance Code.

Committees

Trustees, Fellows and advisors may serve on one or more Board Committees, as set out below:

- Academic Committee
- Audit & Risk Advisory Committee
- Burn Management Committee
- Donations Advisory Committee
- Equality, Diversity and Inclusion Committee
- Finance & Investment Committee
- Nominations & Remuneration Committee
- Subsidiary Company Boards

The Board reviewed and updated the terms of reference of each of its Committees during 2022. Details of the composition of each Committee are held by the Governance Officer.

Management

Operational management of the College is delegated by the Trustees to the College Director, who is accountable to the Board of Trustees for the stewardship of the Charity. The College Director and the senior leadership team (the Executive Committee) attend formal Board and Committee meetings. The College sets the pay of its key staff through its Nominations and Remuneration Committee, supported by the College Director. The Committee makes reference to general inflation, comparative salaries and pay awards within the charity, Higher Education and hospitality sectors and historical increases in pay. The remuneration of the College Director is set by the Board.

Goodenough College
Trustees' Annual Report and Strategic Report
for the year ended 31 August 2022

Group structure and relationships

The College has two wholly-owned subsidiary companies, both registered in England and Wales:

- *Goodenough Club Limited* (Company No. 02684378) provides overnight accommodation. The subsidiary takes on responsibility for the trading of The Goodenough on Mecklenburgh Square and the provision of 'Short Stay' accommodation in London House and William Goodenough House. Its annual profits are donated to the College as qualifying distributions under deed of covenant; and
- *Goodenough Ventures Limited* (Company No. 09342926) provides events, venue hire and catering and commercially-let accommodation at The Burn. Its annual profits are also donated to the College as qualifying distributions under deed of covenant.

At its meeting on 26th July 2022, the Board of Goodenough College resolved to transfer the activities currently carried out by Goodenough Ventures Limited to Goodenough Club Limited from 1st September 2023, subject to the relevant approvals of the Company Boards.

The Burn estate in Angus, Scotland (a property donated to the College in 1947) is used by Members of the College for educational and recreational activities, as well as by many Scottish universities as a centre for reading parties, study groups and for educational events and seminars and. The Burn's assets are a restricted fund of the College.

Investment powers and policies

The Trustees have the authority conferred by the articles of association to invest the monies of the College not immediately required for its purposes in or upon such investments, securities or property as may be thought fit, subject nevertheless to such conditions (if any) and such consents (if any) as may for the time being be imposed or required by law.

The Trustees wish to pursue a policy that provides revenue for its current purposes and enhances income and capital growth over the longer term, thereby enabling them to meet their current and future objectives in accordance with the purposes of Goodenough College. Investment management is overseen by the College's Finance and Investment Committee.

Investment management is delegated to and managed by Rathbones. The Trustees require the managers to pay attention to the standard investment criteria, namely the suitability of the class of investment and the need for diversification insofar as is appropriate to the circumstances of Goodenough College. Any restrictions on the type of investments or markets in which the manager would invest on the client's behalf are set out in writing. The Trustees have normally agreed investment mandates matching the timing of the College's expected call on those funds and their attitude to risk. Stocks not quoted on a recognised stock exchange or otherwise actively traded, and sub investment grade or unrated bonds, may not be held within the portfolio, without prior approval of the Trustees.

Goodenough College
Trustees' Annual Report and Strategic Report
for the year ended 31 August 2022

STRATEGIC REPORT

The following sections comprise the strategic report required by the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013:

- Objectives and activities
- Achievements and performance
- Financial Review
- Plans for future period.

OBJECTIVES AND ACTIVITIES

The history of the institution that is now Goodenough College began in 1930 when Frederick Craufurd Goodenough, Chairman of Barclays Bank, established a student residence in London for international postgraduate students. Goodenough's vision was the creation of a hall of residence for (male) students from Commonwealth countries, offering a collegiate community in the heart of London to promote friendships and enhance international understanding. The College has expanded greatly since that time and now consists of a six hundred-strong community of postgraduates, some with accompanying families, from across the world.

The College's charitable objects, as set out in its Memorandum and Articles of Association, are:

"To organise, encourage and assist the education in England of students ('Resident Members of the College') from any part of the world, giving preference to students from the Commonwealth (with priority for students from those nations less able from time to time to provide resources and facilities of their own).

We will continue to build upon our strong foundations to achieve our current vision and mission:

Vision

A fellowship of global citizens with shared values of tolerance, respect, understanding, service and togetherness (reflecting the spirit of the UK and the principles of the Commonwealth).

Mission

To create a stimulating, inclusive and mutually supportive, residential community in the heart of London where outstanding postgraduate students exchange ideas, openly debate values and form lasting friendships.

Our key objectives, as outlined in the College's 2020–2025 Strategic Plan, are to:

- Enhance the Resident Member's experience to deliver our Mission and maximise the charitable benefit we deliver;
- Recruit (especially Commonwealth) Members who will benefit most from what we offer and best contribute to the life of the College;
- Build a stronger fellowship of Alumni and others closely associated with the College.

Goodenough College

Trustees' Annual Report and Strategic Report

for the year ended 31 August 2022

These three key objectives are underpinned by a series of enabling objectives focusing on, *inter alia*, governance, the College estate, financial management, communication and delivery, which will help the College to achieve its ambitions.

The College presents its 2021/22 expenditure in the pursuit of our strategic goals:

- To attract outstanding postgraduate students from a wide geographic, academic and social base, giving preference to those from the Commonwealth;
- To transform College Members through the experience of living in a values-based community which inspires intellectual engagement and endeavour, encourages cross-cultural understanding and offers an exceptional social environment;
- To raise the College profile, internationally and within the UK, by developing key opportunities and pursuing strategic partnerships consistent with our values and ambitions; and
- To sustain the College as an enduring institution, underpinned by secure finances, a well-maintained estate and high-quality staff, with a commitment to minimising its environmental impact.

The College measures its performance through regular Key Performance Indicators (KPIs) that compare success in the reporting period with prior years. These KPIs cover areas including occupancy; diversity of membership; delivery of cultural, social, sporting and educational events; volume of Scholarships and Bursaries; and number of Alumni contacts. Further information is contained within the Financial Review and Achievements and Performance.

College members attend over forty academic and professional institutions in London. The College works to maintain a balance between the broad faculties of medicine and natural sciences, law, business, political and social sciences, and the arts and humanities. The College attracts scholars from a wide range of international schemes including Chevening, Commonwealth, Monash, Windle and Marshall.

The College provides a wide public benefit. The Trustees are aware of and have regard to the Charity Commission's public benefit guidance when exercising any powers or duties to which the guidance is relevant. College Members return to their home nations or elsewhere with a broadened perspective on the world and a much-expanded knowledge of and affection for the culture and politics of the UK. This contribution to international tolerance and understanding serves an ever greater purpose in today's world of political and economic uncertainty.

The College frames its distinctive paradigm through the vectors of 'commensality' and 'conviviality'—common eating and common living. Members jointly engage in many intellectual, cultural, social, experiential and developmental activities. Talks, seminars and colloquia, where renowned individuals lecture and share knowledge and life experience, are a regular feature of the College calendar. A series of 'GoodSkills' weeks take place to refine the non-academic skills base of College Members. College Members live and work amongst a broad spread of social, national and economic backgrounds, developing understanding and empathy across a wide spectrum of experience within a rich peer group. An external programme enables College Members to grow their capacity for understanding of the UK – and networking across a range of external institutions in the Cities of London and Westminster and beyond. The College seeks to secure and provide an increasing level of Scholarships and Bursaries to support those who struggle to meet the costs of their accommodation at the College.

Goodenough College

Trustees' Annual Report and Strategic Report

for the year ended 31 August 2022

The Burn, our Scottish estate and academic retreat, both welcomes College Members, in study groups or privately, and actively supports Scottish universities, offering its facilities to national and international students and academic groups. As social and travel restrictions have eased in the wake of the pandemic, The Burn has provided a valuable opportunity for its guests to relax amongst their peers, undertake quiet or group study, build friendships and take pleasure in the natural world.

The College is opened to the public for concerts, operas, conferences and lectures. A large number of external organisations and individuals also use the College's facilities for their own events and activities.

ACHIEVEMENTS AND PERFORMANCE

After reduced Member occupancy in 2020/21 the College saw occupancy return to normal levels during the 2021 Michaelmas term and higher than pre-pandemic levels over the summer period. The project to refurbish the Hotel bedrooms achieved practical completion on 28th July 2022 and the Hotel reopened on 1st September 2022. The Burn continued to see reduced activity with Scottish University and commercial activities not returning to pre pandemic levels. Excluding the Hotel and The Burn, the College's operating income and surplus returned to pre pandemic levels. The College continues to review its Strategic Plan in light of changing priorities as a result of the impact of the COVID 19 pandemic.

The impact of the College's activities on Members is a growth in confidence through their experience at Goodenough, with broadened perspectives, strong cultural, social and professional networks and a positive image of the UK and the Commonwealth. Supported by this growth we expect our Alumni to be outstanding leaders in their fields, engaged global citizens and advocates of the College

Postgraduate students continue to have an overwhelmingly positive experience at Goodenough College.

During 2021/22 £7.6m (17 Months to 2021: £10.5m) was spent against the goal of 'Transforming College Members', reflecting the operating costs of the College buildings (that so influence College life) alongside the influential Dean's programme. The reduction on the prior period is predominantly due to the extended 17 month prior year period in 2020/21.

The Dean's programme for the 2021/22 academic year delivered (including Member-led activities) 33 sporting fixtures; 161 cultural, music and arts-based events; 120 evening lecture 'Port Talks', transformative skills-based sessions (the 'GoodSkills' programmes) and academic seminar segments and study trips, all of them delivered in person, with a small number of blended events.

A very full Dean's programme was run through the traditionally quiet summer months of June, July and August in response to the greater than usual level of Member occupancy in College during these months. This resulted in many more programme outputs.

The Dean's Office carried out an extensive and tailored programme of activities to support individual Member wellbeing through the academic year. Particular guidance and support was provided during the period of national mourning attendant upon the death of Her late Majesty The Queen.

During 2021/22 the College maintained its accreditation against the National Code for Assured Accommodation, which demonstrates the College's commitment to the highest standards in delivering its accommodation and supporting its community. The College was again awarded the Global Student Living Index Best Specialist Accommodation Award in October 2022. Previously

Goodenough College

Trustees' Annual Report and Strategic Report

for the year ended 31 August 2022

awarded by the National Student Housing Survey, the College has been the winner of this award every year since 2012.

Throughout the period The Burn has continued to support the Higher Education (HE) sector by offering a unique academic retreat venue to enrich and enhance the student experience. This period has seen a transition away from the restrictive practices of the COVID pandemic and the return to the more familiar academic rhythms. As a restricted fund within the Goodenough College portfolio, The Burn has continued to drive towards the goal of long-term sustainability by increasing its operating income. Full recovery from the COVID-19 pandemic is expected to take longer than anticipated but the bonds with Scottish universities remain strong. The Burn now plays a more prominent role in support of Goodenough College and The Burn 'experience' is considered to be a key highlight within the member programme.

The £1.2m costs of 'Attracting outstanding postgraduate students' (17 Months to 2021: £1.5m) reflect the costs of our vital student registry function alongside our Scholarship and Bursary schemes and marketing activity. The College spent £597k on Scholarships and Bursaries in 2021/22, (£739k in the 17 months to 2021).

Scholarships, Bursaries and Mecklenburgh (hardship) funds are awarded by the College to individual current and potential College Members, predominantly as reductions in rent, on the basis of financial need, the College saw additional demand for such funding during 2021/22 and responded accordingly. The College recognises the importance of being able to support Members with limited financial means thanks to the generosity of friends and Alumni.

During the period the College received 1,598 applications (2021/22: 1,238) for its 2022/23 academic year intake, three and a half applications for each available place at the College (2021/22: 3). The proportion of applications from EU countries stayed steady at 11% (2020/21: 11%) and applications from Commonwealth countries increased to 49% (2021/22: 47%). The College continued to invest in additional marketing and engagement actions to maintain and develop the number of suitable applicants to the College and the appropriate Commonwealth representation.

During the 2021/22 academic year Members came from 95 (2020/21: 80) countries (India 10%; UK 9%; Canada 9%; China 5%; Pakistan 5%), of which 51.6% (2020/21: 50%) were from the Commonwealth. These Members were studying at 38 (2020/21: 37) academic institutions (UCL 29%; LSE 23%; Kings 10%); with 66% (2021/22: 66%) undertaking Masters Courses; 29% (2020/21: 28%) PhD and other research programmes; and 5% (2021/22: 6%) other forms of postgraduate qualifications. Their academic subject matter continued to be as diverse as their backgrounds.

The College spent £0.3m (17 Months to 2021: £0.5m) in raising the College's profile. Member representational visits to institutions in London and throughout the UK were resumed. Members made six trips to The Burn for 4 day long educational retreats, subsidised by the College.

Including the £1.2m 2021/22 interest costs of the College's debt (17 Months to 2021: £1.8m) and the costs of supporting the development and the strategic financial management of the College, £2.3m was spent on 'Sustaining the College' during the year (17 Months to 2021: £3.2m). Excluding loan interest, the College spent £1.1m on sustaining the College (17 Months to 2021: £1.4m).

The College applied funds of £2.4m (17 Months to 2021: £1.6m) in replacements and enhancements to the College estate and IT services, the majority of which related to the refurbishment of the Hotel bedrooms.

Goodenough College

Trustees' Annual Report and Strategic Report

for the year ended 31 August 2022

Fundraising costs were £179k for the year (17 Months to 2021: £317k). Fundraising costs have not yet returned to pre pandemic levels due to reduced activity levels on events such as overseas travel. Following a review of the College's fundraising and external relations ambitions during the period, a new Executive appointment was created and the new Director of Development and Alumni Relations joined the College staff on 5 December 2022.

The College's commercial activities (operated through its subsidiary companies) were severely impacted by the closure of services and the downturn in the market during the pandemic. Both subsidiary companies returned to profit in 2021/22, despite the closure of the Hotel throughout the year, making a combined surplus of £162k before the payment of taxable profits to the College. The companies generated combined losses of £659k in the prior period. The provision of £0.1m of net debt arrangements by the College to Goodenough Ventures Limited at 31 August 2021 was repaid during the year. The College continues to consider its investment in these companies to be beneficial to the future of the College. During the year the College reviewed its governance arrangements for its subsidiary companies and the directors of the subsidiaries regularly reviewed their confidence over their going concern. In the interest of operational efficiency the Trustees have made the decision to combine all of the College's trading activities within one subsidiary from 1 September 2023.

FINANCIAL REVIEW

The College generated group revenues of £11.3m in the year to 31st August 2022 (17 months to 2021: £10.6m). Income from charitable activities (predominantly income generated from rents from Member accommodation) was £8.2m (17 months to 2021: £7.4m); with increased occupancy and higher rents countering the shorter accounting period. Average Member occupancy in the 2021/22 academic year was 91.4% compared to the 62.5% achieved in the prior year and 92.6% in the pre pandemic year of 2018/19.

Consolidated income from trading activities (predominantly short stays, catering and event and venue hire) for the year was £1.8m (17 Months to 2021: £0.8m) as despite the closure of the Hotel, commercial events, catering and short stay business picked up as pandemic restrictions were lifted. Consolidated revenues from the Goodenough Club Ltd were £0.7m (17 Months to 2021: £0.3m). Revenue in 2021/22 consisted of Short Stay accommodation income of £0.7m (17 Months to 2021: £0.3m). Goodenough Club Limited generated a profit of £42k for the year (17 months to 2021: a loss of £536k). Goodenough Ventures Limited generated consolidated revenues of £1.1m (17 Months to 2021: £0.5m), with £0.7m generated from Events and Venue Hire (2021: £0.2m); and £0.4m from providing catering to College Members (2021: £0.3m). Goodenough Ventures Limited generated a profit of £128k for the year (17 months to 2021: a loss of £123k)

The Trustees and Directors remain confident of the potential for the subsidiary companies to generate surpluses to be donated to the College in future years (subject to the planned cessation of activities through Goodenough Ventures Limited) and continue to monitor performance of the companies.

On 25 August 2022 the Directors of Goodenough Ventures Limited approved a budget for the 2022/23 financial year showing an £89k profit and a business plan showing substantial surpluses thereafter. On 21 October 2021 the Trustees of Goodenough College approved a temporary loan facility to Goodenough Ventures Limited to cover losses or shortfalls of cash that arise between 1 April 2020 and 31st August 2023 up to a maximum of £500,000. The loan was agreed on the condition that it would be repaid by 31 January 2025 and superseded the previous facility. An amount of £123k was drawn down at 31 August 2021 but repaid prior to 31 August 2022.

Goodenough College

Trustees' Annual Report and Strategic Report

for the year ended 31 August 2022

On 25 August 2022 the Directors of Goodenough Club Ltd approved a budget for the 2022/23 financial year showing a £1.0m surplus and a business plan showing increasing surpluses thereafter. Whilst a temporary loan facility had been agreed with College in October 2021, this was not utilised and is not expected to be going forwards, now that the Hotel has reopened.

The Consolidated Statement of Financial Activities for the year shows a £2.0m loss before gains and losses on investment assets and financial instruments (17 Months to 2021: £7.1m loss). The College bore £1.2m in loan interest charges (17 Months to 2021: £1.7m) and depreciation of £2.4m (17 Months to 2021: £3.4m) demonstrating an EBITDA gain (excluding debt and asset impairment costs) of £1.6m (17 Months to 2021: £2.0m loss). The gain was due to the move towards normal operating conditions (except for the Hotel business) as set out above. On 26 July 2022 the Trustees approved a consolidated budget for the 2022/23 academic year showing an EBITDA surplus of £2.2m. The Trustees remain confident that the College will achieve a significant operating surplus in 2022/23.

The College holds investment portfolios with Rathbone Brothers Plc under four separate mandates. Where appropriate, composite benchmarks for the funds are developed by the Investment Manager in consultation with the Investment Committee, recognising agreed asset allocation ranges, along with separate long-term performance objectives. All long-term performance objectives are after fees.

The College main portfolio includes the College reserve and the Asset Replacement Reserve and is invested for the longer term with a long-term performance objective of CPI + 5% (net of fees). As at 31 August 2022 this fund held £9.2m under investment.

The Burn portfolio is invested on a similar horizon but, reflecting the annual requirement for income and draw down from that fund to support The Burn's operations; it has a long-term performance objective of CPI + 3.5% (net of fees). As at 31 August 2022 this fund held £1.1m under investment.

The total return on the College main fund over the period was a loss of -8.3%, and for The Burn portfolio, a gain of 0.8%; the composite benchmark performance measures for these funds were a gain of 0.6% and loss of -2.0% respectively. These funds have achieved a total return of 27.0% and 24.4% respectively over the last five years, against composite benchmarks of 33.4% and 21.6% respectively. Their long-term performance objectives were 51.4% and 40.9% respectively over the same period.

The College No.2 portfolio held funds anticipated to be drawn in the medium term from, the College Development Reserve along with General Funds, and has a long-term performance objective of CPI. The fund was established in 2016 and achieved a total return of 0.9% for the year. As at 31 August 2022 this fund held £7.0m under investment.

The College No.3 portfolio was established in 2017 and holds funds anticipated to be required in the shorter term from the College Development Reserve Funds Reserve and General Funds. The fund is invested primarily for capital preservation and achieved a total return of 0.0% for the year. During 2021/22 £1.6m was withdrawn from this fund to provide cash to support the project to refurbish the Hotel bedrooms. As at 31 August 2022 this fund held £2.1m under investment.

The performance of the investment portfolios and the investment manager is reviewed regularly by the College's Finance and Investment Committee and the Trustees continue to be satisfied with their management and the performance of the funds over the long term. All investments acquired during the year were in accordance with Trustees' powers. The value of the portfolio at 31 August 2022 is shown in note 11.

Goodenough College

Trustees' Annual Report and Strategic Report

for the year ended 31 August 2022

Working through the Finance and Investment Committee and with its investment managers the Trustees continue to review the investment performance and strategies of its funds under investment as the College's financial performance, reserve position and capital ambition develops.

Funds and reserves

The College's reserves are divided between unrestricted and restricted funds. Unrestricted funds are further divided into designated and other unrestricted funds.

Unrestricted funds total £137.6m (2021: £141.0m), which includes designated reserves of £129.3m (2021: £132.4m), general funds of the charity of £8.2m (2021: £8.5m) and general funds of the subsidiaries of £0.2m (2021: £0.1m). See Note 17 for further details.

The Trustees have designated the value of the College's non-investment fixed assets (net of funding from the long-term loan) as the Tangible Fixed Asset reserve. The value of this reserve is adjusted annually to reflect the net value of these assets and stands at £116.6m at the year-end (2021: £116.8m). The Trustees have designated the value of the College's investment properties (recognising the College's strategy to retain investment properties for the benefit of future beneficiaries) as the Investment Property Reserve at £3.1m (2021: £3.5m), reflecting the revaluation of the investment properties at the balance sheet date.

During 2016 the College established a long term forecast, which enabled the College to agree a revised framework for the management of its unrestricted funds and to quantify the level of liquid assets required to sustain the College as an enduring institution. The College has established a plan to ensure that sufficient levels of cash are available to secure a well maintained estate. This established the requirement for an Asset Replacement Reserve (ARR) to support the costs identified for the replacement and refurbishment of the buildings, fixtures, fittings and equipment of London House, William Goodenough House and the hotel over a 30-year period to 2046. The required value of this fund was agreed to be designated from the available funds accumulated by the College from annually generated operating surpluses and drawn down against relevant costs.

In light of the continuing impact of the COVID-19 pandemic on the College and Hotel financial performance the Trustees designated an additional sum of £1.0m into the ARR, representing the shortfall in anticipated ARR contribution compared to that which would have been generated by the College and Hotel under normal operations over the year. After debiting appropriate asset replacement expenditure and accounting for income, gains and losses, the value of the ARR stands at £7.9m on 31 August 2022 (2021: £7.5m). The Trustees review the value of this designated fund annually as it accumulates and is utilised for Asset Replacement. The ARR is represented by investment funds with investment mandates (as overseen by the Investment Committee) matching the investment objectives and horizons of this reserve.

Following the completion of the debt restructuring exercise in June 2017, the Trustees designated £11.9m of funds secured in excess of that required to settle the previous long term loan and swap arrangements, as a designated fund referred to as the College Development Reserve (CDR). The Trustees originally aimed to apply these additional funds, secured at a 3.102% interest rate, to take opportunities to further develop the College's activities and its estate over future years. The CDR is represented by investment funds with an investment mandate (as overseen by the Finance and Investment Committee) matching the investment objectives and horizons of this reserve. This fund bore the interest cost of this excess borrowing.

Goodenough College

Trustees' Annual Report and Strategic Report

for the year ended 31 August 2022

During 2021/22 the Board approved the reduction of funds held within the College Development Reserve by £3.6m in support of the refurbishment of the Hotel bedrooms, shortfalls in College surpluses to maintain the value of the College's General Funds (its freely available reserve) and to maintain the previously planned contribution to the Asset Replacement Reserve. The value of the CDR stands at £0.7m on 31 August 2022 (2021: £4.3m). The Board further designated an additional £0.8m to the 43-47 Mecklenburgh Square Reserve from General Funds.

The Trustees have reviewed the College's reserves policy. The policy considers the nature of the income and expenditure streams, the need to match variable income with fixed commitments and the need to provide for known essential estate maintenance expenditure. To allow the College to be managed efficiently and to provide a buffer against interrupted services, the policy requires that general reserves in the range from £5 million - £8 million should be maintained. This range is based on managing to sustain core College activity if there were a fall in Member income of 25% for three years (c£5 million) and a loss of 50% of Goodenough on Mecklenburgh Square net revenue for two years (c£2 million). In addition, a minimum of £1 million is considered necessary to deal with major estate issues, such as a failure of heating, plumbing or electrical services in either House.

The College will further consider the funds now available to deliver the planned refurbishment of 43-47 Mecklenburgh Square in addition to the £883k of designated funds held in support of this project. The College continues to develop its plans for the site under the guidance of its Steering Committee.

The Trustees continue to consider the value of the College's General Funds in light of the experience of the COVID-19 pandemic. The College's freely available funds, stand at £8.2m on 31 August 2022 (2021: £8.5m, see note 17 for more details).

The Trustees have assessed the value of reserves and the operations of the College and do not consider that there remain material uncertainties related to these or other events or conditions that cast significant doubt on the College's ability to continue as a going concern. The College remains very financially stable with freely available funds of £8.2m; other unrestricted designated reserve funds of £9.4m and unrestricted investment properties valued at £3.1m.

Restricted funds are represented by assets and investments that can only be used or spent for a particular purpose as stated by the donors. The total value at 31 August 2022 was £12.7m (2021: £12.7m). See Note 16 for further details.

Restricted funds include The Burn Fund of £12.2m (2021: £12.1m) and other restricted funds of £0.5m (2021: £0.6m). The Burn fund includes the operating land, building and assets of the site represented by a tangible fixed assets reserve of £10.2m (2021: £10.3m); investment properties reserve of £0.9m (2021: £0.8m) and a general restricted fund of £1.2m (2021: £1.0m). The general restricted fund is represented by The Burn investment portfolio.

The other restricted funds have been donated to the College for a number of restricted purposes including restricted Scholarships and Bursaries funds of £472k (2021: £582k). The College has adopted a policy to increase the level of support to its important Scholarships and Bursaries activity provided through donations. Expenditure on Scholarships and Bursaries from restricted or designated donated funds was £437k in the year compared to £490k in the preceding 17 months.

Goodenough College

Trustees' Annual Report and Strategic Report

for the year ended 31 August 2022

Borrowings and bank facilities

On 2 June 2017, the College secured a £40m non-amortising 30-year loan with Rothesay Life at a fixed interest rate of 3.102%. The loan is secured against London House and William Goodenough House.

Principal risks and uncertainties

To optimise the College's management of risk, the College Board and staff are briefed on the nature of risk and accept responsibility for risks associated with their area of authority. Senior management provides appropriate support, assistance and commitment to ensure that both operational and strategic risk is managed on a daily basis to the best of the College's ability. This risk management process provides reasonable, but not absolute, assurance that the organisation is protected.

We define key strategic and operational risks as those that, without effective and appropriate mitigation, would have a severe impact on our work, our reputation or our ability to achieve our ambitions. The College continually improves the process by which it reviews, registers and mitigates risks that may impact on College life and operations. These risks (including likelihood, impact and mitigation measures) are listed in a Strategic Risks Register, which is regularly reviewed by the College Board and senior management. The risk management process encourages the Trustees to challenge any assumptions senior management has made about risks and interrogate the context in which decisions are taken. This helps ensure that the most serious risks are being mitigated effectively.

Revenue shortfall, primarily through a downturn in Member application numbers, has been identified as a fundamental financial risk for Goodenough College. Vigorous promotion of the College through public outreach, strategic partnership building and enhancing the College's digital presence is given high priority in order to mitigate this risk; together with market-sensitive pricing of accommodation and a robust admissions policy making maximum use of search engine optimisation, peer reviews, advertising and approaches to educational institutions and scholarship bodies (within London, the UK and internationally). Application numbers are reviewed on a regular basis and the admissions strategy adjusted on the basis of findings.

The maintenance of a diverse College community (including enabling access for students with limited financial resources) is recognised by the Trustees as a key area of risk. The College will continue to focus on targeting its outreach on less represented geographic areas and socio-economic groups. It continues to enhance its Scholarships and Bursaries schemes (including developing partnership schemes with other scholarship providers) to support less affluent students. The College maintains its focus on fundraising for Scholarships and Bursaries (including hardship funds allocated as The Mecklenburgh Fund). The College reviews its rent annually and any increases applied are based on sound market information and consultation with the College Member community.

A key strategic objective of the College is to deliver a transformative experience for College Members through community, cross-cultural understanding and an exceptional intellectual and social programme. The College's ability to provide such an experience faced unprecedented challenges during the Covid pandemic, and has informed the College's efforts to expand the ways in which the programme is delivered in future. The College implements a rigorous process of risk assessment for all activities, together with impact reviews and ROI assessments of enrichment activities.

The College has previously recognised that failing to secure sufficient funds to implement its Asset Replacement Plan represents a key risk to the College. The College considers that it has

Goodenough College

Trustees' Annual Report and Strategic Report

for the year ended 31 August 2022

substantially mitigated that risk through development of a comprehensive Asset Replacement Plan, long term financial planning and the securing of £40m of 30-year non-amortising debt. The Finance and Investment sub-Committee of the College Board reviews the long-term financially sustainable performance of the College and provides further diligence on the application of available funds. The College has demonstrated to itself, through challenging scenarios and stress testing, that it will be able to meet its Asset Replacement Plan for at least until 2046.

The level of the College's unrestricted freely available reserves, combined with its designated funds (see below), reassure the College as to its going concern.

The 30-year fixed-interest debt minimises the College's exposure to variations in debt financing costs. Further details can be found in Note 15.

As the College's main base of operations is in central London, the College recognises that terrorist activity, both local to the College and worldwide, has the potential significantly to affect the College, through restricting physical access to the College; reducing future applications to the College; and directly on the welfare of College Members. The College exercises care in maintaining its access control and security arrangements, holds financial reserves, specific appropriate insurance cover, effective business continuity plans and robust welfare systems in order to mitigate that risk.

With accommodation at its heart, fire risk management forms a key consideration in the College's operation and development. The College regularly reviews its fire management policies and carries out annual fire risk assessments and complies with all statutory obligations and best practice.

To counter the risk of diminishing revenue generated by the College's wholly-owned hotel, *The Goodenough on Mecklenburgh Square*, the College undertook an extensive refurbishment of the hotel's 65 bedrooms in 2021/22, following reopening on 1st September 2022 this asset (operated through its subsidiary company) has returned to substantial operating surplus.

With the majority of the College's income streams generated in-year from Member rents, hotel charges, letting of a lease to a commercial venture and other business income, the impact of these trading environments will affect the financial performance of the College. The College is confident that its planning, risk management and operational management activities sufficiently manage these risks and enable the College to put in place appropriate mitigation measures.

The College takes safeguarding very seriously. The College is confident that it provides a safe and trusted environment and promotes an organisational culture that prioritises safeguarding. The College considers that it maintains adequate safeguarding policies, procedures and measures to protect people. These are reviewed regularly, and kept up to date in line with Government guidance and best practice. The College has reviewed its safeguarding governance and management arrangements within the last 12 months.

In response to the Corporate Criminal Offence of Failure to Prevent the Facilitation of Tax Evasion introduced by the Criminal Finances Act 2017, the College carried out a risk assessment and made a Top Level Commitment to a zero tolerance to the criminal facilitation of tax evasion at its Board meeting in March 2018. The College continues to apply due diligence; apply and communicate its procedures; and monitor and review its position.

Goodenough College continues to meet the requirements of the General Data Protection Regulations (GDPR) and the Privacy and Electronic Communications Regulations (PECR), building on its previous programme of work to achieve compliance. The Trustees remain content that the College is fully complying with the Regulations.

Goodenough College
Trustees' Annual Report and Strategic Report
for the year ended 31 August 2022

Fundraising standards

The College's fundraising activities are undertaken by its Development and Alumni Relations team. The College does not use third party fundraisers or commercial participators.

The College is a member of The Council for Advancement and Support of Education (CASE), a professional association serving educational institutions and the professionals who work on their behalf in alumni relations, communications, development, marketing and allied areas. As part of its work, CASE sets standards and an ethical framework for the fundraising profession, which the College follows.

The College has established a Donations Advisory Committee that meets as necessary to review the acceptance of any large gifts. During the reporting period, the Donations Advisory Committee revised and updated the College's Gift Acceptance Policy.

During 2021-22, the College's fundraising programme was supplemented by a 'Safe Haven' appeal in February 2022 to raise funds in support of offering College accommodation to Ukrainian academics.

Contacts who are judged to have an interest in Goodenough College are encouraged to make a donation. Those who have opted out of fundraising appeals are, of course, exempted from this programme of activity. There is a clear focus on enabling supporters to reengage and reconnect with the College, as well as making an informed decision on supporting the College financially. The College does not accept donations where we have reason to believe that the donor may be vulnerable, or where we judge accepting the donation would be ethically wrong or cause harm to the donor. To help inform our approach, we refer to the Fundraising Regulator's Code of Practice and the Chartered Institute of Fundraising's statement on vulnerable donors. We regularly review industry standards to ensure we are meeting requirements. No complaints have been received by CASE, the Charity Commission, the Fundraising Regulator or by the College about its fundraising activities in either the year ended 31 August 2022 or the 17 months ended 31 August 2021.

PLANS FOR FUTURE PERIODS

As the College moves forward into the 2022-23 academic year, the business and academic environments in which it functions remain less predictable than they were before the global pandemic, whose impact on our operations remains considerable. Nonetheless, plans for the future of the College, including the Strategic Plan, the Asset Replacement Plan, a staffing review, implementation of the recent Governance Review and the College investment plans, remain on track. The College has returned to full occupancy; the hotel has reopened, the external events and short-stay operations are securing ample business; and the intellectual, social and cultural enrichment programme for Members is the most ambitious ever delivered by the College.

The long-term impact of the COVID-19 crisis on the College has primarily been in the financial domain, as detailed in the Financial Review section of this report, with College reserves significantly depleted; a continuing lack of income from the hotel during the reporting period; and the College's Scottish estate, The Burn, still feeling the effects of pandemic restrictions on the Scottish academic sector.

Turning to the future, we will develop the College's estate, including exploiting the opportunity to expand our Member accommodation offer presented by the return of Houses 43-46 Mecklenburgh Square to College control. We are currently looking at how we might secure philanthropic

Goodenough College

Trustees' Annual Report and Strategic Report

for the year ended 31 August 2022

investment from our Alumni and friends to help fund the redevelopment of these properties. We will continue to seek to identify sufficient funds to ensure that the College's Asset Replacement Reserve is sufficient to maintain the College's assets in perpetuity. The Burn management team is exploring innovative ways of attracting a new clientele to our Scottish estate through more effective and ambitious marketing.

As the effects of the pandemic slowly diminish, keeping our community safe and well remains our priority. We will continue to focus on mental health awareness for both Members and staff, and on staff professional and individual development.

We will continue to look for cost-effective ways to raise the College's public profile, building on valuable new partnerships now being established with scholarship bodies, academic charities, educational institutions and diplomatic missions, among others, to ensure we continue to attract and secure the most talented international postgraduate students.

Through our Alumni engagement and fundraising strategies, we are looking at ways in which we can build connection with Alumni, using channels such as digital communications, events and volunteering. On the back of this engagement and reconnection, we aim to increase voluntary income to enable as many postgraduate students as possible, irrespective of background, to have a chance to join the College community. Voluntary income will also support the provision of our emergency financial assistance fund (The Mecklenburgh Fund) and College capital projects.

Following completion of the Board's review of the College's governance arrangements, in line with the Charity Governance Code, College senior management are working to implement its recommendations, with a view to embedding best governance practice for the sustainable long-term management of the College. The College will also embed equality, diversity and inclusion initiatives across our operations to ensure we deliver fully on our diversity commitments.

The College remains extremely grateful to its Trustees, Fellows, Alumni and other stakeholders who continue to offer their time, expertise and financial support to enhance our College community.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees (who are also directors of the College for the purposes of company law) are responsible for preparing the Annual Report, incorporating the Strategic Report, and the Financial Statements in accordance with applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and charity and of the incoming resources and application of resources, including the income and expenditure, of the group and charity for that period. In preparing these financial statements the Trustees are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and accounting estimates that are reasonable and prudent;
- State whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and

Goodenough College

Trustees' Annual Report and Strategic Report

for the year ended 31 August 2022

- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity and group will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and which disclose with reasonable accuracy at any time the financial position of the charitable company and group and to enable them to ensure that the accounts comply with the Companies Act 2006.

They are also responsible for safeguarding the assets of the charitable company and group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Financial statements are published on the charity's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the charity's website is the responsibility of the trustees. The trustees' responsibility also extends to the ongoing integrity of the financial statements contained therein.

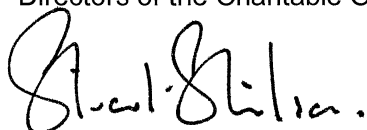
DISCLOSURE OF INFORMATION TO AUDITOR

In the case of each of the persons who are directors of the company at the date when this report was approved:

- So far as each of the directors is aware, there is no relevant audit information (as defined in the Companies Act 2006) of which the company's auditors are unaware; and
- Each of the directors has taken all the steps that he/she ought to have taken as a director to make himself/herself aware of any relevant audit information (as defined) and to establish that the company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of S418 of the Companies Act 2006.

The Trustees' Report and Strategic Report were approved by the Trustees in their capacity as Directors of the Charitable Company and signed on their behalf by:



Stuart Shilson
Chairman

24 January 2023

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES OF GOODENOUGH COLLEGE

Opinion

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's and of the Parent Charitable Company's affairs as at 31 August 2022 and of the Group's incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006, as amended in 2010.

We have audited the financial statements of Goodenough College ("the Parent Charitable Company") and its subsidiaries ("the Group") for the year ended 31 August 2022 which comprise the consolidated statement of financial activities (incorporating an income and expenditure account), the Group and Charity balance sheet, the consolidated cash flow statement, the charity statement of financial activities and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remain independent of the Group and Parent Charitable Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions related to going concern

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

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

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

Goodenough College

Independent Report of the Auditor *(continued)*

for the year ended 31 August 2022

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Annual Report and financial statements, other than the financial statements and our auditor's report thereon. The other information comprises Trustees' Annual Report and Strategic Report and the Goodenough College Chairman's Personal Welcome. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Report, which includes the Directors' Report and the Strategic report prepared for the purposes of Company Law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and the Directors' Report, which are included in the Trustees' Report, have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Group and the Parent Charitable Company and its environment obtained in the course of the audit, we have not identified material misstatement in the Strategic report or the Trustees' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and the Charities and Trustee Investment (Scotland) Act 2005 requires us to report to you if, in our opinion;

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

Responsibilities of Trustees

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- enquiry with Those Charged with Governance and management regarding known or suspected instances of non-compliance with laws and regulation and fraud, including actual or potential litigation and claims;
- reviewing minutes of meetings of Those Charged with Governance and correspondence with regulators;
- assessing the design and operating effectiveness of controls and procedures relevant to the preparation of the financial statements and the detection and prevention of irregularities and fraud;
- reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- challenging the assumptions and judgements made by management for key estimates, in particular the assumptions used to value investment properties;

Goodenough College

Independent Report of the Auditor *(continued)*

for the year ended 31 August 2022

- identifying and testing the appropriateness of journal entries and other adjustments, with particular focus on large and unusual journals, for example unusual account combinations; and
- incorporating unpredictability into our testing approach through amending the nature and extent of audit procedures.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

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

Use of our report

This report is made solely to the Charitable Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the Charitable Company's trustees, as a body, in accordance with the Charities and Trustee Investment (Scotland) Act 2005. Our audit work has been undertaken so that we might state to the Charitable Company's members and trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Charitable Company, the Charitable Company's members as a body and the Charitable Company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:

Jill Halford

73D8B18FE9AC4C9...

Jill Halford (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
London, UK

Date: 30 January 2023

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Goodenough College

Consolidated statement of financial activities (incorporating a consolidated Income and Expenditure account)

for the year ended 31 August 2022

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 AUGUST 2022

	Notes	Unrestricted Funds Year to 2022 £'000	Restricted Funds Year to 2022 £'000	Total Funds Year to 2022 £'000	Total Funds 17 months 2021 £'000
Income from:					
Donations and legacies	2	34	331	365	663
Charitable activities:					
College community accommodation	5	7,851	318	8,169	7,434
Trading activities:					
Commercial accommodation	4	733	-	733	281
Catering, Events and Venue Hire		1,058	-	1,058	536
Investments	3	898	107	1,005	1,456
Other income		-	-	-	257
Total		10,574	756	11,330	10,627
Expenditure on:					
Raising funds					
Investment management		97	7	104	177
Fundraising		179	-	179	317
Trading activities	11	1,621	-	1,621	1,476
Charitable activities:					
Attracting outstanding postgraduate students	6	841	407	1,248	1,527
Transforming College Members	6	7,180	402	7,582	10,506
Raising the College's profile	6	341	-	341	487
Sustaining the College	6	2,280	14	2,294	3,221
Total		12,539	830	13,369	17,711
Net (loss) before other gains / (losses)		(1,965)	(74)	(2,039)	(7,084)
Net (losses) / gains on investments	11	(1,353)	6	(1,347)	5,841
Net (expenditure)		(3,318)	(68)	(3,386)	(1,243)
Transfers between funds	16, 17	(4)	4	-	-
Net movement in funds		(3,322)	(64)	(3,386)	(1,243)
Reconciliation of funds:					
Total funds brought forward		140,951	12,742	153,693	154,936
Net movement in funds		(3,322)	(64)	(3,386)	(1,243)
Total funds carried forward		137,629	12,678	150,307	153,693
Reconciliation of funds for year ended 2021					
Total funds brought forward		142,631	12,305	154,936	157,075
Net movement in funds		(1,680)	437	(1,243)	(2,139)
Total funds carried forward		140,951	12,742	153,693	154,936

All results derive from continuing operations. All gains and losses recognised in the period are included above. The notes on pages 29 to 50 form part of these Financial Statements.

Goodenough College

Balance Sheets

as at 31 August 2022

Company Registration No: 00246919

BALANCE SHEETS AS AT 31 AUGUST 2022

	Notes	31 August 2022 £'000	Group 31 August 2021 £'000	Charity 31 August 2022 £'000	Charity 31 August 2021 £'000
FIXED ASSETS					
Tangible assets					
Freehold land and buildings	10a	165,357	165,495	165,357	165,495
Heritage assets	10b	310	310	310	310
Fixtures, fittings plant & equipment	10c	1,130	1,322	1,130	1,322
		<u>166,797</u>	<u>167,127</u>	<u>166,797</u>	<u>167,127</u>
Investments	11b	19,341	21,782	19,341	21,782
Investment properties	11b	3,928	4,330	3,928	4,330
Investments in subsidiaries	12	-	-	250	250
		<u>190,066</u>	<u>193,239</u>	<u>190,316</u>	<u>193,489</u>
CURRENT ASSETS					
Stocks		8	10	8	10
Debtors	13	1,160	1,313	1,079	1,531
Cash at bank and in hand		2,741	2,201	2,157	1,945
		<u>3,909</u>	<u>3,524</u>	<u>3,244</u>	<u>3,486</u>
CURRENT LIABILITIES					
Amounts falling due within one year	14	(3,668)	(3,070)	(3,424)	(3,331)
		<u>241</u>	<u>454</u>	<u>(180)</u>	<u>155</u>
NET CURRENT ASSETS/(LIABILITIES)					
		<u>190,307</u>	<u>193,693</u>	<u>190,136</u>	<u>193,644</u>
TOTAL ASSETS LESS CURRENT LIABILITIES					
Creditors: amounts falling due after more than one year	15	(40,000)	(40,000)	(40,000)	(40,000)
		<u>150,307</u>	<u>153,693</u>	<u>150,136</u>	<u>153,644</u>
TOTAL NET ASSETS					
Restricted funds	16	12,678	12,742	12,678	12,742
Designated funds	17	129,259	132,431	129,259	132,431
General funds	17	8,370	8,520	8,199	8,471
		<u>150,307</u>	<u>153,693</u>	<u>150,136</u>	<u>153,644</u>
TOTAL FUNDS					

The notes on pages 29 to 50 form part of these Financial Statements.

These Financial Statements were approved and authorised for issue by the Trustees on 24 January 2023 and signed on their behalf by:



Stuart Shilson
Chairman

Goodenough College
Consolidated Statement of Cash Flows
for the year ended 31 August 2022

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 AUGUST 2022

	Notes	Year to 2022	17 Months 2021
		£'000	£'000
Cash flows from operating activities:			
Net cash provided by operating activities	(a)	1,726	(3,954)
Interest paid on loan		(1,241)	(1,241)
Loan costs		(8)	(18)
Net cash generated from / (used in) operating activities		477	(5,213)
Cash flows from investing activities:			
Dividends, interest and rents from investments		1,005	1,456
Purchase of property, plant and equipment		(2,412)	(1,583)
Proceeds from sale of investments		2,498	12,858
Purchase of investments		(1,779)	(6,192)
Net cash (used in) / generated from investing activities		(688)	6,539
Change in cash and cash equivalents in the reporting period		(211)	1,326
Cash and cash equivalents at the beginning of the reporting period		5,258	3,932
Cash and cash equivalents at the end of the reporting period	(b)	5,047	5,258

Analysis of changes in net debt	31 August 2021 £'000	Cash flows £'000	31 August 2022 £'000
Cash	2,201	540	2,741
Cash equivalents	3,057	(751)	2,306
	5,258	(211)	5,047
Loans falling due after more than one year	(40,000)	-	(40,000)
Total	(34,742)	(211)	(34,953)

Goodenough College

Consolidated Statement of Cash Flows (continued)

for the year ended 31 August 2022

	Year to 2022 £'000	17 Months 2021 £'000
(a) Reconciliation of net income to net cash (outflow) / inflow from operating activities		
Net (expenditure) for the reporting period	(3,386)	(1,243)
Adjustments for:		
Depreciation charges	2,425	3,372
Losses / (gains) on investments	1,373	(5,841)
Dividends, interest and rents from investment	(1,005)	(1,456)
Impairment	296	-
Loss on disposal	21	-
Interest payable on loan	1,241	1,761
Loan costs	8	18
Decrease in stock	2	2
Decrease / (Increase) in debtors	153	(871)
Increase in creditors	598	304
Net cash inflow / (outflow) from operating activities	1,726	(3,954)

(b) Analysis of Cash and Cash Equivalents	31 August 2021 £'000	Cash flows £'000	31 August 2022 £'000
Cash in hand	2,201	540	2,741
Cash held by investment manager	3,057	(751)	2,306
Total Cash and cash equivalents	5,258	(211)	5,047

Goodenough College
Charity only statement of financial activities
for the year ended 31 August 2022

CHARITY ONLY STATEMENT OF FINANCIAL ACTIVITIES

	Notes	Unrestricted Funds Year to 2022 £'000	Restricted Funds Year to 2022 £'000	Total Funds Year to 2022 £'000	Total Funds 17 Months 2021 £'000
Income from:					
Donations and legacies		82	331	413	663
Charitable activities:					
College community accommodation	5	7,851	318	8,169	7,434
Investments	3	898	107	1,005	1,456
Other income		-	-	-	257
Total		8,831	756	9,587	9,810
Expenditure on:					
Raising funds					
Investment management		97	7	104	177
Fundraising		179	-	179	317
Charitable activities:					
Attracting outstanding postgraduate students	6	841	407	1,248	1,527
Transforming College Members	6	7,180	402	7,582	10,506
Raising the College's profile	6	341	-	341	487
Sustaining the College	6	2,280	14	2,294	3,221
Total		10,918	830	11,748	16,235
Net (losses before other gains / (losses))		(2,087)	(74)	(2,161)	(6,425)
Net (losses) / gains on investments	11	(1,353)	6	(1,347)	5,841
Net (losses)		(3,440)	(68)	(3,508)	(584)
Transfers between funds		(4)	4	-	-
Net movement in funds		(3,444)	(64)	(3,508)	(584)
Reconciliation of funds:					
Total funds brought forward		140,902	12,742	153,644	154,228
Net movement in funds		(3,444)	(64)	(3,508)	(584)
Total funds carried forward		137,458	12,678	150,136	153,644

Goodenough College**Consolidated Statement of Financial Activities for the 17 months ended 31 August****2021****CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES FOR THE 17 MONTHS ENDED 31 August 2021**

	Unrestricted Funds	Restricted Funds	Total Funds
	£'000	£'000	2021 £'000
Income from:			
Donations and legacies	113	550	663
Charitable activities:			
College community accommodation	7,296	138	7,434
Trading activities:			
Commercial accommodation	281	-	281
Catering, Events and Venue Hire	536	-	536
Investments	1,318	138	1,456
Other income	257	-	257
Total	9,801	826	10,627
Expenditure on:			
Raising funds			
Investment management	164	13	177
Fundraising	317	-	317
Trading activities	1,476	-	1,476
Charitable activities:			
Attracting outstanding postgraduate students	1,294	233	1,527
Transforming College Members	10,007	499	10,506
Raising the College's profile	487	-	487
Sustaining the College	2,944	277	3,221
Total	16,689	1,022	17,711
Net (loss) before other gains / (losses)	(6888)	(196)	(7,084)
Net gains on investments	5,223	618	5,841
Net (expenditure) / income	(1,665)	422	(1,243)
Transfers between funds	(15)	15	-
Net movement in funds	(1,680)	437	(1,243)
Reconciliation of funds:			
Total funds brought forward	142,631	12,305	154,936
Net movement in funds	(1,680)	437	(1,243)
Total funds carried forward	140,951	12,742	153,693

Goodenough College

Notes to the Financial Statements

For the year ended 31 August 2022

1. ACCOUNTING POLICIES

(a) Basis of preparation

The Financial Statements have been prepared under the historical cost convention, as modified by the inclusion of investments and investment properties at fair value at balance sheet date.

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006 and the Charities Act 2011.

They also comply with the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 and applicable accounting standards. The accounting policies have been applied consistently throughout the accounts.

Going Concern

The Trustees reviewed the College's budget for the year 2022/23 and the subsequent long term forecast in July 2022 and were content that these plans were affordable and that the accounts should be prepared on a going concern basis.

However, given the impact of the COVID-19 outbreak and its financial effect, the Executive team and Trustees continue to review financial plans for the next 12 months to ensure that the College can continue its business-critical activities and remain a going concern.

The continuing closure of the Hotel has had a significant effect on the College's financial situation despite the return towards normality of all other areas of income. In July 2022 the Board of Trustees approved a cautious budget showing the College achieving a significant consolidated operating surplus in 2022/23 following the opening of the Hotel.

There has been a high volume of applications for places in the College for the 2022/23 academic year, with occupancy levels achieving expectations. The Hotel has reopened in September 2022 and has outperformed budget by a significant margin. Business performance is being carefully monitored against budget and financial stability reviewed as matters progress. Current 2022/23 financial performance is ahead of budget.

The College holds in excess of £21m in unrestricted funds not representing current operating assets, of which £3m is in investment property and £18m in liquid investments managed through our investment managers. The invested portfolio includes in excess of £9m invested in short and medium term funds where capital preservation is the key investment strategy. In total these reserves are well in excess of the annual turnover and annual cash flow requirements of the College.

Given the strength of the balance sheet and the availability and liquidity of unrestricted investments the Trustees believe that, while uncertainty exists, this does not pose a material uncertainty that would cast doubt on the charity's ability to continue as a going concern. The Trustees, therefore, consider it appropriate for the accounts to be prepared on a going concern basis.

Further detail on the availability of unrestricted funds can be found on p12 of the Trustees' Report

Goodenough College

Notes to the Financial Statements *(continued)*

for the year ended 31 August 2022

1. ACCOUNTING POLICIES *(continued)*

(a) Basis of preparation *(continued)*

The group statement of financial activities (SOFA) and balance sheet, consolidate the Financial Statements of the Charity and its wholly owned subsidiaries, all of which were made up to 31 August 2022 on a line by line basis.

(b) Company status

The Charity is a company limited by guarantee. The Members of the Company are the Trustee Board named on page two, who are also the Directors of the Company for the purposes of company law. In the event of the Company being wound up, the liability in respect of the guarantee is limited to one pound per Member of the Company.

(c) Key assumptions and estimates

Key assumptions and estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The assumptions and estimates that are likely to cause any material impact to the accounts are set out below:

Valuation of Investment Properties – as disclosed in note 11, the fair values of the investment properties are reviewed at the balance sheet date to determine any changes in value. This is done by reviewing key property price indicators for the local area or an external valuation by RICS registered valuers.

Depreciation – Fixed Assets are depreciated on a straight line basis as set out in note 1i) Tangible Fixed Assets.

(d) Income

All income is recognised in the SOFA when the Charity has met conditions for receipt, receipt is probable and the amount can be quantified with sufficient reliability.

Investment income: Investment income is accounted for when receivable.

Legacies: Legacies are deemed receivable from the date of notification, provided that sufficient information has been received to enable the Group to calculate entitlement and receipt is probable.

Gifts in Kind: Donations in kind are recognised at their value to the Charity when they are received. No amounts are included for services donated by volunteers.

Government grants: Income from Government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred. In respect of the furlough grant; all conditions, with respect to the eligible costs being claimed, need to be met.

Goodenough College

Notes to the Financial Statements (*continued*)

for the year ended 31 August 2022

1. ACCOUNTING POLICIES (*continued*)

(e) Expenditure

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to that category. Investment Management costs represent the fees incurred on raising Investment Income. Fundraising costs represent expenditure in relation to fund-raising and publicity costs. Direct expenditure incurred on charitable activities is identified against one of the four strategic goals of the charity. Support costs represent expenditure incurred in general management, Trustee related costs and audit costs and are apportioned across the four strategic goals. See note 6 for further information.

(f) Fund accounting

The College maintains various types of funds as follows:

i) Restricted funds

The Burn Restricted funds include donations received which were allocated by the donor for the upkeep of The Burn, a Scottish study and holiday centre for students and graduates.

In addition other donations which are earmarked for particular purposes are treated as restricted funds.

ii) Unrestricted funds

Designated reserves are amounts which have been put aside at the discretion of the Trustees and comprise:

Tangible fixed asset reserve representing the value of all reserves used for operating tangible fixed assets (excluding those of The Burn, which are restricted) and only realisable by the disposal of these fixed assets.

Investment property reserve represents the value of all reserves held in investment properties and only realisable by the disposal of these fixed assets.

Asset Replacement Reserve (ARR) has been established to hold the current level of funds identified for the future replacement and refurbishment of the buildings, fixtures, fittings and equipment of London House, William Goodenough House and the Club in support of the Asset Replacement Plan currently covering a 30 year period to 2046.

College Development Reserve (CDR) was established to hold the funds in excess of those required to settle previous borrowing when the College's debt was restructured in June 2017. These funds have been designated by the trustees to fund the further development of Goodenough College above and beyond the refurbishment and replacement of existing assets as provided for in the Asset Replacement Reserve and to include investment in 'intangible' matters other than fixed assets. The final criteria for its use would be determined through the development of the College Strategy.

43-47 Mecklenburgh Square Reserve was established by the trustees to support the future development of 43-47 Mecklenburgh Square.

Other designated funds reserve represents other funds designated by the trustees for particular purposes.

General unrestricted funds represent funds which are expendable at the discretion of the Trustees in the furtherance of the objects of the company. Such funds may be held in order to finance working capital or capital investment and include the College's reserve.

Goodenough College

Notes to the Financial Statements *(continued)*

for the year ended 31 August 2022

1. ACCOUNTING POLICIES *(continued)*

(g) Financial instruments

Financial assets and financial liabilities are recognised when the College becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are initially measured at transaction price (including transaction costs). Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value. Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due. Creditors and provisions are recognised where the College has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

Other financial instruments are initially recognised at fair value and any changes to their fair value are subsequently recognised in the SOFA under 'net gains / (losses) on financial instruments'.

(h) Taxation

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

The subsidiaries make qualifying donations of all taxable profit to Goodenough College. Income from Gift Aid tax reclaimed is recognised in relation to qualifying donations received.

The College is registered for Value Added Tax (VAT). Any irrecoverable VAT is charged to the Statement of Financial Activities.

(i) Tangible fixed assets

The College has elected to present the deemed cost of its freehold assets at the value held at 1 April 2014, as permitted under the FRS102 transitional arrangements. Where there is an indication of an asset being impaired the recoverable amount is identified and the impairment loss is recognised as expenditure in the Statement of Financial Activities.

Depreciation on fixed assets is charged so as to write down the value of properties and material components over their expected useful lives, on a straight line basis as follows:

	Life (years)
Freehold buildings	100
Roof work	15-50
Lifts	25-30
Bathrooms, heating, water, electrical and gas systems, and boiler equipment	10-25
Ventilation and fire detection systems and fire stopping works	10-15
Access and telephone system	10
Vehicles	5
Computer and other office equipment	4
Computer software	4
Furniture	8-20
Improvements to Freehold (including room refurbishment)	6-15
Other plant and equipment and other fixtures and fittings	4-15

Goodenough College

Notes to the Financial Statements *(continued)*

for the year ended 31 August 2022

1. ACCOUNTING POLICIES *(continued)*

(i) Tangible fixed assets *(continued)*

The mixed use property is accounted for using the cost model as allowed under the Charities SORP (FRS 102) as the fair value of the investment component cannot be measured reliably, and it is rented out to a group entity.

(j) Heritage Assets

The College has elected to present the deemed cost of its Heritage Assets at the value held at 1 April 2014, as permitted under the FRS102 transitional arrangements. Heritage Assets are not depreciated. The College has reviewed its Heritage Assets and does not consider that any impairment at 31 August 2022 is necessary.

(k) Investments

Investments are valued at bid value as at the balance sheet date and the surplus or deficit arising from this revaluation is shown within 'net gains / (losses) on investments' on the face of the SOFA. Realised gains and losses represent the difference between the sale proceeds and the opening market value of an investment or cost if purchased during the year and are also shown within this line.

(l) Investment properties

Investment properties are held initially at cost and subsequently at fair value at the reporting date. Any Gains or Losses are recognised under 'Net gains/ (losses) on investments' on the Statement of Financial Activities. Investment properties are not depreciated.

(m) Stocks

Stocks are stated at the lower of cost and net realisable value and comprise consumable goods.

(n) Operating leases

Rental costs under operating leases are charged to the SOFA in equal amounts over the period of the lease.

(o) Borrowing costs

Interest and charges are expensed and charged to the SOFA when incurred.

(p) Pension accounting policy

Goodenough College makes contributions to employees' defined contribution pension plans. Contributions are charged to the SOFA as they become payable. They are analysed across expenditure according to the activity of the scheme members.

(q) Cashflow statement

Cash and cash equivalents includes cash in hand, deposits with banks and cash held within the investment portfolio. Interest paid is classified as a cashflow from operating activities as they are included in the statement of financial activities, this classification is consistent with prior periods.

Goodenough College

Notes to the Financial Statements (continued)

for the year ended 31 August 2022

2 DONATIONS AND LEGACIES

	Unrestricted funds year to 2022 £'000	Restricted funds year to 2022 £'000	Total funds year to 2022 £'000	Total funds 17 months to 2021 £'000
Donations	34	331	365	663
Consolidated donations income	34	331	365	663
Donations from subsidiaries	48	-	48	-
Charity donations income	82	331	413	663

Of the total funds stated for 2021, £550k was restricted and £113k unrestricted.
Of these donations £64k (2021 : £70k) was received from Trustees.

3 INVESTMENT INCOME

	Unrestricted funds year to 2022 £'000	Restricted funds year to 2022 £'000	Total funds year to 2022 £'000	Total funds 17 months to 2021 £'000
Income from UK listed investments	148	42	190	275
Income from overseas listed investments	57	11	68	110
Rent from property	645	54	699	857
Other interest - short-term deposits	48	-	48	214
	<u>898</u>	<u>107</u>	<u>1,005</u>	<u>1,456</u>

Of the total funds stated for 2021, £138k was restricted and £1,318k unrestricted.

4 TRADING INCOME

Trading income comprises income arising from the College's two trading subsidiaries as detailed in note 12. Included within trading income is a total of £12k (17 months to 31 August 2021: £41k) arising from Coronavirus related business grants received by Goodenough Club Limited and Goodenough Ventures Limited.

Goodenough College

Notes to the Financial Statements (continued)

for the year ended 31 August 2022

5 INCOME FROM COLLEGE CHARITABLE ACTIVITIES

	Unrestricted funds year to 2022	Restricted funds year to 2022	Total funds year to 2022	Total funds 17 months 2021
	£'000	£'000	£'000	£'000
College accommodation income	7,851	-	7,851	7,296
The Burn income	-	318	318	138
	<u>7,851</u>	<u>318</u>	<u>8,169</u>	<u>7,434</u>

Included within incoming resources from college charitable activities for the period is £1.5k relating to the Coronavirus Job Retention Scheme and £2.1k relating to other coronavirus grant funding. Of the total funds stated for 2021, £138k was restricted and £7,296k was unrestricted.

6 EXPENDITURE FOR CHARITABLE PURPOSES

	Direct Costs year to 2022	Support Costs year to 2022	Total year to 2022	Total 17 months to 2021
	£'000	£'000	£'000	£'000
Attracting outstanding postgraduate students	1,062	186	1,248	1,527
Transforming College Members	6,483	1,099	7,582	10,506
Raising the College's profile	290	51	341	487
Sustaining the College	<u>2,138</u>	<u>156</u>	<u>2,294</u>	<u>3,221</u>
	<u>9,973</u>	<u>1,492</u>	<u>11,465</u>	<u>15,741</u>

The College has paid £597k (2021: £760k) to College members as scholarships and bursaries, including hardship funds.

Goodenough College
Notes to the Financial Statements
For the year ended 31 August 2022

7 SUPPORT COSTS

	Year to 2022 £'000	17 months to 2021 £'000
Finance	343	553
IT	559	820
HR	212	331
Governance	37	35
Other general overheads	523	619
	1,674	2,358

These support costs are split across the following areas:

Raising funds	182	105
Charitable activities	1,492	2,253
	1,674	2,358

GOVERNANCE COSTS

	Year to 2022 £'000	17 months to 2021 £'000
Support costs		
Council and Board meeting costs	-	-
Fees payable to the auditors - College	34	35
Other Fees	3	-
	37	35

Included within direct costs are fees payable to the auditors relating to the subsidiary companies of £25k (17 months to 31 August 2021: £29k).

	Year to 2022	17 months to 2021
Fees payable to the Company's auditors:		
Statutory audit	48	40
Tax advisory services	19	22
Other advisory services	-	2
	67	64

Goodenough College

Notes to the Financial Statements (continued)

for the year ended 31 August 2022

8 NET OUTGOING RESOURCES

	Year to 2022 £'000	17 months to 2021 £'000
Net outgoing resources for the year are stated after charging:		
Amounts payable to auditors (Group)(note 7)	67	64
Depreciation of tangible fixed assets	2,425	3,372
Operating lease charges	19	38

9 INFORMATION REGARDING STAFF AND TRUSTEES

	Headcount		Full Time Equivalent	
	2022 No.	2021 No.	2022 No.	2021 No.
Average number of employees (during the period):				
College	72	71	62	62
Hotel	3	6	3	6
The Burn	20	23	7	11
	<u>95</u>	<u>100</u>	<u>72</u>	<u>79</u>

	Year to 2022 £'000	17 Months to 2021 £'000
Wages and salaries	2,769	4,199
Social security costs	305	431
Pensions	136	202
Other benefits	71	95
	<u>3,281</u>	<u>4,927</u>

Goodenough College

Notes to the Financial Statements

For the year ended 31 August 2022

9 INFORMATION REGARDING STAFF AND TRUSTEES (continued)

The number of staff paid over £60,000 during the reporting period (salary plus taxable benefits excluding pension contributions) was:

	Year to 2022 No.	Year to 2021 No.	17 months to 2021 No.
£60,001 - £70,000	4	3	6
£70,001 - £80,000	1	1	3
£80,001 - £90,000	1	1	2
£90,001 - £100,000	-	-	1
£100,001 - £110,000	-	2	1
£110,001 - £120,000	-	-	1
£120,001 - £130,000	1	1	1
£130,001 - £140,000	1	-	-
£140,001 - £150,000	-	-	1
£160,001 - £170,000	1	-	-
£170,001 - £180,000	-	-	2

The 17 month prior period means that staff are included in bandings for that period in excess of where they would be in a comparable 12 month financial period.

The figures for the prior period that related to the 12 months to 31 August 2021 have therefore been provided for comparative purposes, as they were in the financial statements to 31 August 2021.

Trustees' remuneration

Members of the Board of Trustees (who are all directors within the meaning of the Companies Act 2006) receive no remuneration or taxable benefits for their services.

During the year two (2021: three) Trustees were reimbursed or had amounts paid on their behalf for sundry Board expenses incurred totalling £342 (2021: £321) relating to travel and sundry Board expenses).

Pension schemes

The Company operates stakeholder pension schemes administered by Legal and General. The employer's contributions are 10% of pensionable salary for senior staff and are matched to those of the qualifying employees to a maximum of 5% of pensionable salary for other staff and amounted to £135,569 (17 Months to 2021: £201,837). At 31 August 2022 outstanding payments due to the scheme were £22,148 (2021: £21,170).

Key management personnel

Key management personnel of Goodenough College comprise the Trustees and those employees making up the Executive team, consisting of the Director, the Director of Finance and Resources, the Director of Operations, the Director of Development and External Relations, the Dean, the Registrar and the Bursar to the Burn.

The aggregate compensation (remuneration plus benefits and employer's National Insurance Contributions) paid or payable to 'key management personnel' during this reporting period was: £870,816 (17 Months to 2021: £1,160,175).

Redundancy and termination payments

Total payments made during this year in relation to redundancy and termination pay were £25,750 (2021: £37,878). The accounting policy is to recognise termination payment liabilities on communication of redundancy or termination and when quantifiable. Such payments are accounted for as staff costs.

Goodenough College

Notes to the Financial Statements *(continued)*

for the year ended 31 August 2022

10 TANGIBLE FIXED ASSETS

(a) Freehold properties

Consolidated and company

Land and buildings at deemed cost	College £'000	The Burn £'000	Assets under construction £'000	Total £'000
Brought forward deemed cost at 1 September 2021	156,142	11,104	11,655	178,901
Additions	1,900	-	349	2,249
Transfers	499	-	(499)	-
Impairment	-	-	(296)	(296)
At 31 August 2022	158,541	11,104	11,209	180,854
Depreciation				
Brought forward at 1 September 2021	12,569	837	-	13,406
Charge for the year	1,976	115	-	2,091
At 31 August 2022	14,545	952	-	15,497
Net book value at 31 August 2022	143,996	10,152	11,209	165,357
Net book value at 31 August 2021	143,573	10,267	11,655	165,495

Freehold properties consisted of student accommodation, the hotel (The Goodenough on Mecklenburgh Square) and The Burn. They were all the subject of independent valuations, for inclusion in the accounts at 31 March 2013, provided by Drivers Jonas Deloitte, Willis Ltd, Ecclesiastical, Bell Ingram and Alpha Browett Taylor.

Assets under construction consist mainly of the properties at 43-46 Mecklenburgh Square, previously held as investment properties. The lease on the properties expired on 26 November 2019 and the intention of the College is to convert them into additional student accommodation. Accordingly they are no longer held as investments and were transferred to freehold properties at a value of £11m in the year ended 31 March 2020 and are treated as being at deemed cost. This is based on a valuation provided by Alpha Browett Taylor included in the accounts at 31 March 2018 and confirmed by them in June 2019. Further work on the project as well as other ongoing works at the college premises during the year amount to £349k.. No depreciation is applied to these assets as they are not in operational use.

Also included in Freehold Properties are the College's Royal Albert Hall seats, held at historic cost of £350. The seats were purchased by the College in 1967 and are held on a 999 year lease from 1867

Goodenough College

Notes to the Financial Statements *(continued)*

for the year ended 31 August 2022

10 TANGIBLE FIXED ASSETS *(continued)*

Excluding 43-46 Mecklenburgh Square, the historical cost net book value of the land and buildings if the revaluation had not taken place would be £31.4m (2021: £30.2m). The historical cost of 43-46 Mecklenburgh Square cannot be determined.

One of the College's properties is used by Goodenough Club Ltd, trading as The Goodenough on Mecklenburgh Square, a wholly owned subsidiary of Goodenough College. It is a mixed use property, in that it provides overnight accommodation for businesses and private individuals but also for those involved in College activities, including College Alumni, providing College Alumni the opportunity to be a part of the College community even after they are no longer full time residents.

At 31 August 2022 the net book value of the mixed use property is £16.1m, with accumulated depreciation of £1.7m and an in-year depreciation charge of £331k.

(b) Heritage assets

Consolidated and company

	College £'000	The Burn £'000	Total £'000
Deemed cost at 1 September 2021	290	20	310
Additions	-	-	-
At 31 August 2022	<u>290</u>	<u>20</u>	<u>310</u>

Heritage assets comprise paintings and furniture which are available for use and enjoyment of College members, staff and guests throughout the College and Burn.

The Director of Finance and Resources leads on the preservation and management of Heritage assets. The College maintains an asset register which details the location, value and description of the assets and ensures that they are located in an appropriately secure and managed environment.

A valuation of the heritage assets was carried out in 2013 and is treated as deemed cost. The Trustees do not consider that any impairment at 31 August 2022 is necessary. The deemed cost at 1 April 2017 was £300k, and the only subsequent transaction was an addition of £10k in the year ended 31 March 2019.

Goodenough College

Notes to the Financial Statements (continued)

for the year ended 31 August 2022

10 TANGIBLE FIXED ASSETS (continued)

(c) Fixtures, fittings, plant and equipment

Consolidated and company

	College £'000	The Burn £'000	Assets under construction £'000	Total £'000
Cost at 1 September 2021	3,251	87	39	3,377
Additions	-	-	163	163
Transfers	153	-	(153)	-
Disposals	(34)	-	-	(34)
At 31 August 2022	<u>3,370</u>	<u>87</u>	<u>49</u>	<u>3,506</u>
Depreciation at 1 September 2021	1,975	80	-	2,055
Charge for year	332	2	-	334
Disposals	(13)	-	-	(13)
At 31 August 2022	<u>2,294</u>	<u>82</u>	<u>-</u>	<u>2,376</u>
Net book value at 31 August 2022	<u>1,076</u>	<u>5</u>	<u>49</u>	<u>1,130</u>
Net book value at 31 August 2021	<u>1,276</u>	<u>7</u>	<u>39</u>	<u>1,322</u>

11 INVESTMENTS HELD AS FIXED ASSETS

	College £'000	The Burn £'000	Total £'000
(a) Investment properties			
Land and buildings at valuation:			
Carried forward at 1 April 2020	3,520	810	4,330
Revaluation	(452)	50	(402)
At 31 August 2021	<u>3,068</u>	<u>860</u>	<u>3,928</u>

The College investment properties were the subject of an independent market valuation for inclusion at 31 August 2022 by Alpha Browett Taylor, RICS registered valuer with the necessary knowledge and expertise to provide this valuation. In 2021/22 the College investment properties were revalued downwards by £452k as a result (2021: upwards by £357k).

The Burn investment properties were the subject of an independent market valuation for inclusion at 31 August by J & E Shepherd, RICS registered valuer with the necessary knowledge and expertise to provide this valuation. The properties were revalued upwards by £50k (2021: £110k).

Goodenough College

Notes to the Financial Statements (continued)

for the year ended 31 August 2022

11 INVESTMENTS HELD AS FIXED ASSETS (continued)

		Consolidated and Company	
		31 August 2022	31 August 2021
(b) Listed investments	Notes	£'000	£'000
Market Value at 1 September		18,725	19,970
Additions at cost		1,779	6,192
Proceeds from disposals		(2,498)	(12,802)
Realised gain		141	136
Unrealised (loss) / gain		(1,112)	5,229
Market value at 31 August		17,035	18,725
Listed investments comprise the following:			
Investments listed on a recognised stock exchange - Equities		9,410	10,293
Investments listed on a recognised stock exchange - Bonds		625	1,429
Alternative Funds		7,000	7,003
Market value at 31 August		17,035	18,725
Investment assets in the United Kingdom		12,337	13,564
Investment assets outside the United Kingdom		4,698	5,161
Market value at 31 August		17,035	18,725
Cost at 31 August		13,751	14,199
Total investments			
Listed investments (market value)	11b	17,035	18,725
Short term deposits in the portfolio		2,306	3,057
Investment properties (market value)	11a	3,928	4,330
Investments at 31 August		23,269	26,112

Goodenough College

Notes to the Financial Statements (continued)

for the year ended 31 August 2022

12 SUBSIDIARY UNDERTAKINGS

The College owns 100% of the issued capital of the following companies.

Subsidiary undertaking	Company Investment at Cost £
Goodenough Club Limited	250,000
Goodenough Ventures Limited	2
	<u>250,002</u>

The registered office of both subsidiaries is London House, Mecklenburgh Square, London, WC1N 2AB.

Summarised financial results of Goodenough Club Limited (Company Registration 2684378) are set out below and are included in the consolidated SOFA. All activities relate to continuing operations. The following intercompany transactions are included within the subsidiary results.

The £733k (2021: £281k) total income includes £Nil (2021: £89) for sales to the parent company. Commercial accommodation income of £733k (2021: £281k) has been included within the consolidated statement of financial activities in relation to the activities of this subsidiary.

The £691k (2021: £817k) 'Cost of Sales' includes £258k (2021: £174k) in charges to the subsidiary by the parent company for the use of parent company resources, £Nil (2021: £89) in costs of providing services to the parent company and £1k (2021: £10k) in charges from Goodenough Ventures for the provision of services. Trading activity expenditure of £691k (2021: £807k) has been included within the consolidated statement of financial activities in relation to the activities of this subsidiary.

	Year to 31 August 2022	17 months to 31 August 2021
	£'000	£'000
Turnover	727	240
Cost of sales	<u>(691)</u>	<u>(817)</u>
	36	(577)
Other income	6	41
Qualifying distribution under deed of covenant	<u>(42)</u>	<u>-</u>
Profit/(loss)	<u>-</u>	<u>(536)</u>
Assets	556	516
Liabilities	<u>(135)</u>	<u>(95)</u>
Shareholders' funds	<u>421</u>	<u>421</u>

Goodenough College

Notes to the Financial Statements (continued)

for the year ended 31 August 2022

12 SUBSIDIARY UNDERTAKINGS (continued)

Goodenough Ventures Limited (Company Registration 09342926) is an events and venue hire business which commenced trading in October 2015.

Summarised financial results of Goodenough Ventures Limited are set out below and are included in the consolidated SOFA. All activities relate to continuing operations, although it is the intention that following the 31 August 2023 these activities will be transferred to Goodenough Club Limited. The following intercompany transactions are included within the subsidiary results.

The £1,644k (2021: £1,179k) total income includes £584k (2021: £633k) for sales to the parent company, and £1k (2021: £10k) for sales to other group entities. Catering Events and Venue Hire income of £1,058k (2021: £536k) has been included within the consolidated statement of financial activities in relation to the activities of this subsidiary.

The £1,516k (2021: £1,302k) 'Cost of Sales' includes £163k (2021: £104k) in charges to the subsidiary by the parent company for the use of parent company resources and £585k (2021: £633k) in costs of providing catering supplies for the parent company. The subsidiary was also charged £123 (2021: £Nil) by the parent company in loan interest. Trading activity expenditure of £930k (2021: £669k) has been included within the consolidated statement of financial activities in relation to the activities of this subsidiary.

The net liabilities of the subsidiary at 31 August 2021 were covered by an interest bearing loan (0.1%) from the parent charity, which was repaid in August 2022.

	Year to 31 August 2022 £'000	17 months to 31 August 2021 £'000
Turnover	1,638	1,179
Cost of sales	<u>(1,516)</u>	<u>(1,302)</u>
	122	(123)
Other income	6	-
Qualifying distribution under deed of covenant	<u>(5)</u>	-
Profit/(loss)	<u>123</u>	<u>(123)</u>
Assets	301	405
Liabilities	<u>(301)</u>	<u>(528)</u>
Shareholders' funds/(deficit)	<u>-</u>	<u>(123)</u>

Goodenough College

Notes to the Financial Statements (continued)

for the year ended 31 August 2022

13 DEBTORS

	Consolidated		Company	
	31 August 2022	31 August 2021	31 August 2022	31 August 2021
	£'000	£'000	£'000	£'000
Trade debtors	639	519	518	436
Amount due from subsidiary undertaking	-	-	126	359
Other debtors	172	15	172	15
Taxes recoverable	67	224	-	181
Prepayments and accrued Income	282	555	263	540
	<u>1,160</u>	<u>1,313</u>	<u>1,079</u>	<u>1,531</u>

The amount due from the subsidiary undertaking to the Charity represents the amount due from Goodenough Ventures Limited. Included within the prior year balance is an amount due after more than one year of £123k.

14 CREDITORS: amounts falling due within one year

	Consolidated		Company	
	31 August 2022	31 August 2021	31 August 2022	31 August 2021
	£'000	£'000	£'000	£'000
Trade creditors	1,296	1,095	1,097	975
Amounts due to subsidiary undertaking	-	-	58	451
Taxation and social security	83	77	90	77
Other creditors	929	857	893	852
Accruals	1,304	999	1,230	934
Deferred income	56	42	56	42
	<u>3,668</u>	<u>3,070</u>	<u>3,424</u>	<u>3,331</u>

The amount due to the subsidiary undertaking from the Charity represents the amount due to Goodenough Club Ltd. £728k of deposits previously included in trade creditors for the 17 month period to 31 August 2021 have been reclassified to other creditors.

14 CREDITORS: amounts falling due within one year (continued)

Deferred income consists entirely of commercial rent received from tenants in advance. Prior year deferred income related in full to income recognised in the year ended 2022. A reconciliation is set out below:

Movement in deferred income in year

	Consolidated		Company	
	31 August	31	31 August	31
	2022	August	2022	August
	£'000	£'000	£'000	£'000
Balance brought forward	42	7	42	7
Released:	(42)	(7)	(42)	(7)
Added	56	42	56	42
Balance carried forward	56	42	56	42

15 CREDITORS: amounts falling due in greater than one year

	31	31
	August	August
	2022	2021
	£'000	£'000
Bank borrowing		
Falling due in more than 5 years	40,000	40,000
Total	40,000	40,000

Bank borrowing

On 2 June 2017 the College secured a £40m non amortising 30 year loan with Rothesay Life at a fixed interest rate of 3.102%. This loan is repayable in full in June 2047. The Rothesay loan is secured against London House and William Goodenough House.

Financial instruments

At the balance sheet date the College held no complex financial instruments.

Goodenough College

Notes to the Financial Statements (continued)

for the year ended 31 August 2022

16 RESTRICTED FUNDS

	1 Sep'21	Transfer	Income	Gains / losses	Expenditure	31 Aug'22
2021/22	£'000	£'000	£'000	£'000	£'000	£'000
Burn Fund						
General fund	1,042	121	421	(23)	(403)	1,158
Specific donations	-	-	5	-	(5)	-
Investment property reserve	810	-	-	50	-	860
Tangible fixed asset reserve	10,294	(117)	-	-	-	10,177
Total Burn Fund	12,146	4	426	27	(408)	12,195
Other restricted funds						
Scholarships and Bursaries	582	-	314	(21)	(403)	472
Specific donations	14	-	16	-	(19)	11
Total other restricted funds	596	-	330	(21)	(422)	483
Total restricted funds	12,742	4	756	6	(830)	12,678

	1 Apr'20	Transfer	Income	Gains / losses	Expenditure	31 August'21
2020/21	£'000	£'000	£'000	£'000	£'000	£'000
Burn fund						
General fund	811	142	272	325	(508)	1042
Specific donations	-	-	-	-	-	-
Investment property reserve	700	-	-	110	-	810
Tangible fixed asset reserve	10,421	(127)	-	-	-	10,294
Total Burn Fund	11,932	15	272	435	(508)	12,146
Other restricted funds						
Scholarships and Bursaries	306	-	362	150	(236)	582
Specific donations	67	-	192	33	(278)	14
Total other restricted funds	373	-	554	183	(514)	596
Total restricted funds	12,305	15	826	618	(1,022)	12,742

The Burn Fund represents the assets and liabilities of The Burn, including a tangible fixed assets reserve, an investment property reserve and a general restricted fund. A transfer of £117k has been made from the tangible fixed assets reserve to the general restricted fund representing the movement in the net book value of fixed assets in the year. A transfer of £4k has been made from the Charity's general funds to The Burn general restricted fund representing the element of profit from Goodenough Ventures Limited activity that was generated at The Burn.

Scholarships and Bursaries are donations specifically made for providing scholarships and bursaries to qualifying members.

Specific donations are those to support specific aspects of College activity and projects.

Goodenough College

Notes to the Financial Statements (continued)

for the year ended 31 August 2022

17 UNRESTRICTED FUNDS

	1 Sep'21	Transfer	Income	Gains/ (losses)	Expenditure	31 Aug'22
	£'000	£'000	£'000	£'000	£'000	£'000
Tangible fixed asset	156,833	(213)	-	-	-	156,620
Long term loan	(40,000)	-	-	-	-	(40,000)
Tangible fixed asset reserve	116,833	(213)	-	-	-	116,620
Investment property reserve	3,520	-	-	(452)	-	3,068
Asset Replacement reserve	7,517	969	129	(717)	(35)	7,863
College Development Reserve	4,311	(3,640)	52	(38)	(17)	668
43-47 Mecklenburgh Square Reserve	250	811	4	(24)	(1)	1040
Other designated reserves	-	-	34	-	(34)	-
Total designated reserves	132,431	(2,073)	219	(1,231)	(87)	129,259
General funds of the Charitable Company	8,471	2,069	8,611	(122)	(10,830)	8,199
Total funds of the charitable company	140,902	(4)	8,830	(1,353)	(10,917)	137,458
General funds of the subsidiaries	49	-	1,744	-	(1,622)	171
Total consolidated unrestricted funds	140,951	(4)	10,574	(1,353)	(12,539)	137,629

	1 Apr'20	Transfer	Income	Gains/ (losses)	Expenditure	31 Aug'21
	£'000	£'000	£'000	£'000	£'000	£'000
Tangible fixed asset	158,495	(1,662)	-	-	-	156,833
Long term loan	(40,000)	-	-	-	-	(40,000)
Tangible fixed asset reserve	118,495	(1,662)	-	-	-	116,833
Investment property reserve	3,212	(49)	-	357	-	3,520
Asset Replacement reserve	4,011	1,430	144	1,969	(37)	7,517
College Development reserve	7,649	(3,743)	40	774	(409)	4,311
43-47 Mecklenburgh Square Reserve	-	250	-	-	-	250
Other designated reserves	93	-	117	46	(256)	-
Total designated reserves	133,460	(3,774)	301	3,146	(702)	132,431
General funds of the Charitable Company	8,463	3,759	8683	2,077	(14,511)	8,471
Total funds of the charitable company	141,923	(15)	8,984	5,223	(15,213)	140,902
General funds of the subsidiaries	708	-	817	-	(1476)	49
Total consolidated unrestricted funds	142,631	(15)	9,801	5,223	(16,689)	140,951

Goodenough College

Notes to the Financial Statements (continued)

for the year ended 31 August 2022

17 UNRESTRICTED FUNDS (continued)

The designated reserves are further discussed in the financial review on page 12.

The transfer of £213k from the tangible fixed assets reserve represents the movement in the net book value of tangible fixed assets during the year.

The transfer of £969k to the Asset Replacement Reserve represents the cash surplus for the year excluding investment income.

The transfer of £3.6m from the College Development Reserve was approved by the Board in support of the refurbishment of the Hotel bedrooms, shortfalls in College surpluses to maintain the value of the College's General Funds (its freely available reserve) and to maintain the previously planned contribution to the Asset Replacement Reserve.

The Board further designated an additional £0.8m to the 43-47 Mecklenburgh Square Reserve from General Funds .

18 ANALYSIS OF ASSETS AND LIABILITIES BETWEEN FUNDS OF THE CHARITY

2021/22	Restricted Funds – The Burn £'000	Restricted Funds - other £'000	Designated reserves £'000	General Funds £'000	Charity Total £'000
Tangible fixed assets	10,177	-	156,620	-	166,797
Investments	1,111	200	9,571	8,459	19,341
Investment properties	860	-	3,068	-	3,928
Investments in subsidiaries	-	-	-	250	250
Amounts due to subsidiaries	-	-	-	68	68
Other current assets	71	-	-	883	954
Cash at bank and in hand	68	283	-	1,806	2,157
Current and long term liabilities	(92)	-	(40,000)	(3,267)	(43,359)
	12,195	483	129,259	8,199	150,136

2020/21	Restricted Funds – The Burn £'000	Restricted Funds - other £'000	Designated reserves £'000	General Funds £'000	Charity Total £'000
Tangible fixed assets	10,294	-	156,833	-	167,127
Investments	1,520	246	11,828	8,188	21,782
Investment properties	810	-	3,520	-	4,330
Investments in subsidiaries	-	-	-	250	250
Amounts due to subsidiaries	-	-	-	(92)	(92)
Other current assets	28	-	250	904	1,182
Cash at bank and in hand	78	350	-	1,517	1,945
Current and long term liabilities	(584)	-	(40,000)	(2,296)	(42,880)
	12,146	596	132,431	8,471	153,644

Goodenough College

Notes to the Financial Statements (continued)

for the year ended 31 August 2022

19 LEASING COMMITMENTS

At 31 August 2022 the charitable company had the following amounts payable for equipment under non-cancellable operating leases.

	2022 £'000	2021 £'000
Operating leases which expire within one year	19	19
Operating leases which expire between one and five years	<u>54</u>	<u>74</u>
	<u>73</u>	<u>93</u>

These leases provide printers and photocopiers to support the College's operations.

20 CAPITAL COMMITMENTS

As at 31 August 2022 the College had no material capital commitments.

21 RELATED PARTY TRANSACTIONS

Alice Walpole was appointed Director of Goodenough College in April 2021, and as part of this role served as a director of Goodenough Club Limited and Goodenough Ventures Limited between April 2021 and August 2022. In September 2021 private event was hosted at the College and charged to the Director at a total cost of £16,839. This cost was reduced by the agreed discount of 10% of the room hire element (only) that applies to staff, college members and alumni, bringing the total cost including VAT to £16,299.

Christopher Cobb was appointed Interim Director of Goodenough College between December 2020 and April 2021. As part of this role he also served as a director of Goodenough Club Limited and Goodenough Ventures Limited. During this period, transactions totalling £26,500 relating to his service as Interim Director of the College took place between Goodenough College and Cobbco Ltd, a company of which Christopher Cobb has been a director since August 2020.

Included in redundancy and termination payments are non-contractual payments totalling £23k to one of the key management personnel who left the College during the year, specifically the Director of Development and External relations, Hannah Du Gray.

There have been no other related party transactions during the year other than those disclosed with group entities in notes 12, 13 and 14.

GOODENOUGH COLLEGE

England & Wales - Charity number 312894

Accounts



Goodenough College
(A company limited by guarantee)

Annual Report and Financial Statements
for the 17 months ended 31 August 2021

Company Registration No. 00246919
Registered Charity No. 312894 (England and Wales) and SC039173 (Scotland)

Goodenough College

Trustees' Annual Report and Strategic Report

for the 17 months ended 31 August 2021

Goodenough College Chairman's Personal Welcome

I am delighted to introduce this Annual Report and Financial Statements for the seventeen months ending 31 August 2021, a period during which we saw the arrival of a new College Director, the Honourable Alice Walpole OBE, to replace Ms Rebecca Matthews. I would like to pay tribute to Ms Matthews for her commitment to the College during her tenure.

Prior to joining us on 12 April 2021, Ms Walpole served as United Nations Assistant Secretary General in Iraq, before which she enjoyed a long and distinguished career with the Foreign and Commonwealth Office. Ms Walpole's skills, energy and enthusiasm are evident in abundance and I look forward to continuing to work with her in steering the College through the challenges imposed by the global COVID pandemic and on to a successful and financially secure future.

During the reporting period, we faced unprecedented challenges. College life was materially restricted by the pandemic and, in common with many other organisations, we had to make difficult decisions in the face of declining income. Our hotel closed; our rental income diminished as a result of significantly reduced Member occupancy; our short stay and sabbatical business was suspended for 2020 and external events were cancelled or postponed.

Despite all of those pressures, our Members maintained an extraordinarily positive attitude, helping each other and our broad community in the best traditions of the College. Given the challenges they faced, they showed remarkable spirit, strong values and visible commitment to facing the daily challenges together and to making the most of the situation they were in. I hope that they consider themselves fortunate to have been at Goodenough College during the pandemic rather than in a less supportive environment.

The impact of the pandemic was also keenly felt by our staff, especially during the lockdown periods. Some agreed to move into the College; some moved to working from home; under the Government's Coronavirus Job Retention Scheme, some were placed on furlough; and we had to make the difficult decision to say farewell to others of our staff who had been employed to manage and operate the now-closed hotel. Throughout this, our employed staff remained admirably focused on what was best for the College and its Members, as did our contracted staff from Holroyd Howe, CBRE and ESS, who, alongside our Reception team, have provided a seamless service to us all.

Our staff ensured that we were able to maintain a safe and comfortable environment for our Members under extremely difficult circumstances. Major achievements included the provision of an exceptional programme of intellectual, cultural and social events largely online; enhanced welfare services; and effective hygiene measures that resulted in a very low incidence of infection.

On behalf of the Board of Trustees, I would like to pay tribute to all our Members and staff for their fortitude during this period, and for their commitment to the College and to each other.

Goodenough College

Trustees' Annual Report and Strategic Report

for the 17 months ended 31 August 2021

Use of The Burn, our Scottish academic retreat, was also severely restricted during the reporting period although, later in that period, it proved a valuable amenity for College Members and guests looking to escape the confines of their lockdown location. The Burn remains indebted to its dedicated team of staff for their constructive approach during a difficult trading period, and to the many Scottish universities and their representatives who continue to support the venue and are planning to return soon.

I am happy to report that, following an Equality, Diversity and Inclusion (EDI) review of the College in late 2020, the Board approved the establishment of an EDI Advisory Committee, with broad stakeholder representation, to identify and deliver measures to maximise diversity at the College. We are committed to ensuring that we are able to maintain momentum and progress in this area.

Though the financial impact of the pandemic on the College has been significant, the College's solid financial base has enabled us to maintain liquidity and a stable budgetary position. Reassuringly, occupancy rates for the 2021-22 academic year are at maximum levels. Though substantially poorer post-pandemic, the College's ambitions for future growth and improvement remain. In particular, our plans to renovate 43-47 Mecklenburgh Square will continue to be developed, despite the loss of the funds set aside for this project. We will look to our kind supporters and to the capital markets to realise that ambition once conditions allow.

Finally, I would like to pay warm tribute to my predecessor, Mr Eric Tracey, who stepped down in October 2020 after fifteen years on the Board of the College and a professional association with the College stretching back to 1980. I am delighted that Eric remains with us as Emeritus Governor and continues to be a generous supporter of the College. Eric is a wonderful colleague and his knowledge of the College and his wise counsel have been greatly appreciated.



Stuart Shilson LVO DL
Chair of the Board

25 January 2022

Goodenough College
Trustees' Annual Report and Strategic Report
for the 17 months ended 31 August 2021

Contents	Page
Goodenough College Chairman's Personal Welcome	
Trustees' Annual Report and Strategic Report	
• Company information	2-3
• Structure, governance and management	4-7
• Strategic Report	7
• Objectives and activities	8-10
• Achievements and performance	10-13
• Financial review	13-21
• Plans for future periods	21-23
• Statement of Trustees' Responsibilities	24-25
Independent Auditor's Report	26-30
Financial Statements	
• Consolidated statement of financial activities	31
• Balance sheet	32
• Consolidated cash flow statement	33-34
• Charity statement of financial activities	35
• Statement of financial activities for the year ended 31 March 2020	36
• Notes to the financial statements	37-58

Goodenough College

Trustees' Annual Report and Strategic Report

for the 17 months ended 31 August 2021

The Board of Trustees present their Report and audited Financial Statements for the 17 months ended 31 August 2021 under the Charities Act 2011 and the Companies Act 2006.

COMPANY INFORMATION

PATRON

Her Majesty The Queen

TRUSTEE BOARD

Stuart Shilson LVO – Chairman (appointed Chairman from 13 October 2020)

Eric Tracey – Chairman (until 13 October 2020)

Dame Maura McGowan DBE – Vice Chair (from 13 October 2020)

Alex Acland

Hugh Crossley (until 18 February 2021)

Jane Ashcroft CBE (from 7 July 2020 to 28 January 2021)

Dr Grahame Davies

David Brooks Wilson (until 13 October 2020)

James Douglas

Andrew Brown QC

Charles McGregor (until 20 April 2021)

Roger Chadwick OBE

Meredith Pierce Hunter

Corey Cook

Martin Schwab

THE ADVISORY COUNCIL

President

Graham Ward CBE

Elected Governors

Alex Acland	2,7	Constance Jackson	5,9
Jane Ashcroft CBE (from 7 July 2020 to 28 January 2021)	4	Gregory Jones QC	4
Lord Bilimoria CBE		Golfam Khoshkhounejad	8,9
David Brooks Wilson (until 13 October 2020)	4	John Lotherington	1
Robert Black		Dame Judith Mayhew Jonas DBE (until 13 October 2020)	6,7
Andrew Brown QC	3	David McCahon	
Roger Chadwick OBE	2	Dame Maura McGowan DBE	1,6,9
Chris Cobb (until 6 December 2020)	2,4	Charles McGregor (until 20 April 2021)	4,5,8
Corey Cook	2	Meredith Pierce Hunter	9
Hugh Crossley		Anni Rowland-Campbell	9
Dr Grahame Davies (Vice President)	1	Martin Schwab	8
Chantal Aimee Doerries	8	Deborah Scott (until 21 September 2021)	
Lindsay Dodsworth (from 13 Nov 2020)	5	Stuart Shilson LVO	4,6,7
James Douglas	5,8	Eric Tracey (until 13 October 2020)	6,7,8
Jane French	2,9	Prof Stuart Ward	1
Alan Gemmell OBE		Fiona Wilkinson BA FCA (from 13 October 2020)	2
Sir William Goodenough		Sir David Wootton	5
Deborah Goodwin (until 20 May 2020)	2,8		

Student Governors

Tess Buckley (from 8 November 2021)	Shouyu Chong (from 8 November 2021)
Jake Bransgrove (from 29 Oct 2020 until 31 July 2021)	Felix Graf (until 21 June 2020)
Beatrice Jambria Canseco (from 7 July 2020 until 27 March 2021)	Ariana Huebner (until 8 November 2021)
	Dimitar (Dimitri) Jakimovski (from 8 November 2021)

1. Member of Academic Committee
2. Member of Audit Committee
3. Member of Burn Management Committee
4. Member of Estates Committee
5. Member of Investment Committee

6. Member of Nominations Committee
7. Member of Remuneration Committee
8. Member of Finance Committee
9. Member Equality, Diversity and Inclusion Advisory Committee

Goodenough College
Trustees' Annual Report and Strategic Report
for the 17 months ended 31 August 2021

COMPANY INFORMATION (continued)

Ex-Officio Governors (until 1 May 2020)

The Vice-Chancellor of the University of Oxford
The Vice-Chancellor of the University of Cambridge
The Vice-Chancellor of the University of London
The Principal of the University of Glasgow
The President of the Royal College of Physicians
The Chairman of the General Council of the Bar of
England & Wales
The President of the Institute of Chartered
Accountants in England and Wales
The Chief Executive of the British Council
The Chairman of the Royal Over-Seas League

Professor Louise Richardson
Professor Stephen Toope
Professor Wendy Thomson
Professor Anton Muscatelli
Dr Andrew Goddard
Amanda Pinto QC

Fiona Wilkinson

Sir Ciaran Devane
Hon Alexander Downer AC

Senior Staff

College Director

The Hon Alice Walpole OBE (from 12 April 2021)
Rebecca Matthews (until 7 December 2020)

Interim College Director

Chris Cobb (7 December 2020 until 12 April 2021)

Director of Finance and Resources
(Company Secretary; Deputy to the Director)

Richard Barker

Director of Operations
Director of Development and External Relations
Dean
Registrar
Bursar, The Burn

Janine Binks
Hannah Du Gray
The Rev Dr Alan McCormack
Caroline Persaud
David Turner OBE

Address and Registered Office

London House
Mecklenburgh Square
London
WC1N 2AB

Website: www.goodenough.ac.uk

Professional Advisers

Auditor:
BDO LLP
55 Baker Street
London
W1U 7EU

Legal Advisers:
Cripps Pemberton Greenish
Number 22
Mount Ephraim
Tunbridge Wells, Kent
TN4 8AS

Investment Managers:
Rathbone Brothers Plc
8 Finsbury Circus
London
EC2M 7AZ

Bankers:
Barclays Bank PLC
1 Churchill Place
Canary Wharf
London
E14 5HP

Goodenough College

Trustees' Annual Report and Strategic Report

for the 17 months ended 31 August 2021

STRUCTURE, GOVERNANCE AND MANAGEMENT

The full name of the Charity is Goodenough College ('the College').

The College was formed as a company limited by guarantee without share capital on 28 March 1930, registered company number 246919. It is registered with the Charity Commission, Charity number 312894 (England and Wales) SC039173 (Scotland). The College's purposes are set out within its Memorandum and Articles of Association.

In accordance with the Memorandum of Association, every member is liable to contribute a sum of one guinea (approximately £1) in the event of the company being wound up. At 31 August 2021 there were 30 members (2020: 44 members).

On 1 May 2020 the Advisory Council resolved "*In accordance with Article 25.1 and Article 25.2 of the College's Articles of Association, the Advisory Council determines that, with effect from the passing of this resolution, there shall be no holders of offices that shall be Ex-Officio Governors of Goodenough College and that all current holders of the office of Ex-Officio Governor shall vacate the office of Ex-Officio Governor of Goodenough College at that same time.*" There were nine Ex-Officio Governors holding office at the time of the resolution.

The names at the date of this report of all the Governors forming the Advisory Council at the balance sheet date, the Trustees at the balance sheet and of those Trustees held office during the year, together with details of the Senior Staff and Advisers of the College, are given on pages two and three.

The main features of the College governance structure are:

- A Board of 10–15 Board Governors who are legally and financially responsible for the management of College affairs. These are the charity Trustees and the Directors of the company. The Board meets no less than four times per year. One nominated Student Governor attends the College Board.
- A broader College Advisory Council, comprising 20–50 Governors (being Elected Governors, the Chair of the Members' Council of the College and up to two other Student (Member) Governors nominated by resident Members of the College). The Advisory Council is held not less than twice per year.
- The College's Articles of Association allow each Board and elected Advisory Council Governor to serve for up to five terms of three years. At its meeting of 17 September 2019 the Board resolved to make a policy to limit the length of Governor (and Trustee) appointments to a maximum of 12 years.
- Andrew Brown (12) and Martin Schwab (10) have served as Trustees for nine or more years at the balance sheet date.
- The Board believes that the Trustees who have served for nine years or more and who continue to provide substantial skills and contribution towards the governance of the College can be extended. Andrew Brown is specifically welcomed in this regard for his substantial support of, and contribution to, the College's operations at The Burn in Scotland, Martin Schwab currently chairs the College's Finance Committee.

Goodenough College

Trustees' Annual Report and Strategic Report

for the 17 months ended 31 August 2021

The Trustees are satisfied that current governance processes enable the College to deal effectively with the financial and administrative challenges it faces. The Trustees consider that they have paid due regard to the Charity Commission's guidance in respect of their duties and obligations as Trustees of Goodenough College.

The Board continues to implement changes to its governance arrangements to comply better with the Charity Governance Code for larger charities. The Board will continue to review the College's governance arrangements during 2021/22.

Election of Governors

The process for the election of Governors and Board Directors is set out within the College's Articles of Association. Board Governors and Elected Advisory Council Governors shall be elected on the recommendation of the Nominations Committee at Annual General Meetings of the College. Board Governors are appointed at Annual General Meetings of the College on the recommendation of the Nominations Committee. The Board, on nomination from the Nominations Committee, may appoint Governors and Directors to fill a casual vacancy or as an additional Elected Governor or Director who shall retire at the next Annual General Meeting but will be eligible for re-election. Nominations may be made to the Nominations Committee at any time.

Any Ex-Officio Governor positions may be resolved by the Advisory Council. On 1 May 2020, the Council resolved there to be none.

No Governor or Trustee has any financial interest in the Charity or any group companies.

Trustee Board

The Trustee Board has ultimate responsibility for the governance and strategic direction of the College, ensuring that the Charity upholds its ethos and values and delivers its objectives.

The Board has a written schedule of matters reserved for decision by the whole Board and delegates certain responsibilities to Board Committees. The Trustee Board meets quarterly.

New Trustees have induction programmes familiarising them with the College, its objectives and its structure, alongside their roles and responsibilities under legislation and College governance.

Committees

Trustees and Governors may serve on one or more Board Committees as set out below:

- Academic Committee
- Audit Committee
- Burn Management Committee
- Estates Committee
- Equality Diversity and Inclusion Committee
- Finance Committee
- Investment Committee
- Nominations Committee

Goodenough College
Trustees' Annual Report and Strategic Report
for the 17 months ended 31 August 2021

Remuneration Committee

Details of the composition of each Committee are to be found on page two.

Management

Operational management of the College is delegated by the Trustees to the College Director, who is accountable to the Trustee Board for the stewardship of the Charity. The College Director and the senior leadership team (the Executive Committee) attend formal Board and Committee meetings. The College sets the pay of its key management personnel through the work of its Remuneration Committee supported by the Director. The Committee makes reference to general inflation, comparative salaries and pay awards within the charity, Higher Education and hospitality sectors and historical increases in pay. The remuneration of the Director is set by the Board.

Group structure and relationships

The College has two wholly owned subsidiary companies, both registered in England and Wales:

- *Goodenough Club Limited* (Company No. 02684378) provides overnight accommodation. The subsidiary takes on responsibility for the trading of The Goodenough on Mecklenburgh Square and the provision of 'Short Stay' accommodation in London House and William Goodenough House. Its annual profits are donated to the College as qualifying distributions under deed of covenant; and
- *Goodenough Ventures Limited* (Company No. 09342926) provides events, venue hire and catering and commercially let accommodation at The Burn. Its annual profits are also donated to the College as qualifying distributions under deed of covenant.

The Burn, in Angus, Scotland (a property donated to the College in 1947) is used by many of the Scottish universities as a centre for reading parties, study groups and for educational events and seminars and by Members of the College for educational and recreational activities. The Burn's assets are a restricted fund of the College.

Investment powers and policies

The Trustees are permitted to invest the monies of the College not immediately required for its purposes in or upon such investments, securities or property as may be thought fit, subject nevertheless to such conditions (if any) and such consents (if any) as may for the time being be imposed or required by law.

The Trustees wish to pursue a policy that provides revenue for its current purposes and enhances income and capital growth over the longer term, thereby enabling them to meet their current and future objectives in accordance with the purposes of Goodenough College. Investment management is overseen by the College's Investment Committee.

Investment management is delegated to and managed by Rathbones. The Trustees require the managers to pay attention to the standard investment criteria, namely the suitability of the class of investment and the need for diversification insofar as is appropriate to the circumstances of Goodenough College. Any restrictions on the type of investments or markets

Goodenough College

Trustees' Annual Report and Strategic Report

for the 17 months ended 31 August 2021

in which the manager would invest on the client's behalf are set out in writing. The Trustees have normally agreed investment mandates matching the timing of the College's expected call on those funds. In August 2020 the Trustees decided to reduce the exposure to equity investments to reflect possible future calls on funds as a result of COVID-19 in excess of those then expected. Stocks which are not quoted on a recognised stock exchange or otherwise actively traded may not be held by the investment manager, without prior approval of the Trustees.

STRATEGIC REPORT

The Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 require the College to prepare a strategic report.

The Strategic Report comprises the following sections:

- Objectives and activities
- Achievements and performance
- Financial Review
- Plans for future periods

OBJECTIVES AND ACTIVITIES

The history of what is now Goodenough College began in 1930 when Frederick Craufurd Goodenough, Chairman of Barclays Bank, established the first student residence in London for international postgraduate students. Goodenough's then vision was the creation of a hall of residence for male students from Commonwealth countries, offering a collegiate setting in the heart of London to enhance international understanding and prevent students from feeling isolated in the capital. The College has expanded greatly since that time and now consists of a community of postgraduates from any country worldwide.

The College's charitable objects, as set out in its Memorandum and Articles of Association, are:

The objects for which the College is established are to organise, encourage and assist the education in England of students ('Resident Members of the College') from any part of the world, giving preference to students from the Commonwealth (with priority for students from those nations less able from time to time to provide resources and facilities of their own).

Now, looking to the future, we will continue to build upon these strong foundations to achieve our current vision and mission:

Vision

A fellowship of global citizens with shared values of tolerance, respect, understanding, service and togetherness (reflecting the spirit of the UK and the principles of the Commonwealth).

Mission

To create a stimulating, inclusive and mutually supportive, residential community in the heart of London where outstanding postgraduate students exchange ideas, openly debate values and form lasting friendships.

Due to the COVID-19 pandemic crisis, the College was forced to delay the implementation of its 2020–2025 Strategic Plan, the key objectives of the plan are to:

- Enhance the Resident Member's experience to deliver our Mission and maximise the charitable benefit we deliver.
- Recruit (especially Commonwealth) Members who will benefit most from what we offer and best contribute to the life of the College.
- Build a stronger fellowship of Alumni and others closely associated with the College.

These three key objectives are underpinned by seven enabling objectives, which will help the College to achieve its ambitions.

As part of the 2020–2025 strategic planning process, a new set of values were agreed for the College, which are **tolerance, respect, understanding, service and togetherness**,

Goodenough College

Trustees' Annual Report and Strategic Report

for the 17 months ended 31 August 2021

values that have always been part of the Goodenough experience. These values are further articulated by the College's Equality, Diversity and Inclusion Advisory Committee.

The College presents its 2020/21 expenditure in pursuit of the following previously adopted strategic goals:

- To attract outstanding postgraduate students from a wide geographic, academic and social base giving preference to those from the Commonwealth;
- To transform College Members through the experience of living in a values-based community which inspires intellectual engagement and endeavour, encourages cross-cultural understanding and offers an exceptional social environment;
- To raise the College profile, internationally and within the UK, by developing key opportunities and pursuing strategic partnerships consistent with our values and ambitions; and
- To sustain the College as an enduring institution which is underpinned by secure finances, a well-maintained estate and high-quality staff, with a commitment to minimising its environmental impact.

The College measures its performance through Key Performance Indicators (KPIs) that assess the success in the reporting period compared to prior years. These KPIs cover areas including occupancy; diversity of membership; numbers of cultural, social, sporting and educational events; numbers and levels of Scholarships and Bursaries; and number of Alumni contacts. Further information is contained within the Financial Review and Achievements and Performance.

The College serves over 40 of the academic and professional institutions in London. It maintains a balance between the broad faculties of medicine and natural sciences, law, business, political and social sciences and the arts and humanities. The College attracts scholars from a wide range of international schemes including Chevening, Fulbright, Commonwealth and Marshall.

The College provides a wide public benefit. The Trustees are aware of and have regard to the Charity Commission's public benefit guidance when exercising any powers or duties to which the guidance is relevant. College Members return to their home nations or elsewhere with a broadened perspective on the world and a much-expanded knowledge of and affection for the cultures and politics of the UK. This contribution to international tolerance and understanding serves an even greater purpose in today's world of political and economic uncertainty.

The College frames its distinctive domestic paradigm through the vectors of 'commensality' and 'conviviality' – common eating and common living. The experience of College Members is framed entirely residentially and together they negotiate the joys and the trials, the ups and the downs, of life. Members engage in many intellectual, social, experiential and developmental activities. 'Port talks' where esteemed and internationally renowned individuals lecture and share knowledge and life experience are a regular feature of the College calendar. A series of 'GoodSkills' weeks also take place to refine the non-academic skills base of College Members. In short, College Members work, play and dine amongst a broad spread of social,

national and economic backgrounds, developing understanding and empathy across a wide spectrum of experience within a rich peer group. An external 'representation' programme is additionally coordinated by the College staff to enable College Members to grow their capacity for fluent networking across a range of external institutions in the Cities of London and Westminster and beyond. The College seeks to secure and provide an increasing level of Scholarships and Bursaries to support those who struggle to meet the costs of their accommodation at the College. The College adapted the application of 'commensality' and 'conviviality' in light of the restrictions of the COVID-19 global pandemic, but our Members who were with us during this time reported that they still felt part of a warm supportive community, albeit much of it virtual.

In normal times The Burn, our Scottish academic retreat and holiday centre actively supports Scottish universities and offers its facilities to national and international students and study groups. Serving to enhance the learning experience, The Burn also and will often organise events to bring the academic and local communities together. The Burn has been closed to the public during much of the pandemic, but has continued to play a key role in supporting the local community through the provision of meals to isolated individuals. As restrictions eased over the summer, the College also took the opportunity to arrange four pastoral trips to The Burn for Members who had been with us throughout the pandemic. The provided a valuable opportunity for them to relax amongst their peers, build friendships and take pleasure in the natural world.

The College is also normally open to the public for concerts, operas, conferences and lectures. A large number of external organisations and individuals also use the College's facilities for their own events and activities, but again much of this has been curtailed during the pandemic. The College also works in partnership with a number of organisations that share the College's aims such as Cara (the Council for At-Risk Academics), Windle International, Chevening and SOAS University of London.

ACHIEVEMENTS AND PERFORMANCE

During the extended 17 month period of 2020/21 College life was materially damaged by the global COVID-19 pandemic. This significantly constrained the College's ability to provide a vibrant and transformative College experience to Members; the primary focus being on securing the wellbeing, health and welfare of the College community that remained on the Square. College Member occupancy reduced to less than 50% of the normal level, and the College programme of physical events was suspended, with resident Members confined to their rooms during the official national lockdown.

Following the initial lockdown in March 2020 all but core staff worked from home, until returning in the majority from September 2021. Core operational and welfare services were maintained on site throughout the pandemic.

After government enforced closure from March 2020 the hotel remained closed until 4 July 2020, re-opened briefly until 5 November, but has since remained closed awaiting a major bedroom refurbishment. Commercial events were predominantly cancelled or postponed, and the short stay and sabbatical business was suspended for 2020, returning to a lesser degree in 2021 generating just 20% of 2019 summer revenue.

Goodenough College

Trustees' Annual Report and Strategic Report

for the 17 months ended 31 August 2021

This situation severely curtailed the College's ability to deliver its core charitable aims and led to an operating deficit of £3m in the period, a shortfall of £6.4m against normal operations. This has curtailed the College's ability to apply the College Development Reserve in pursuit of its development ambition with a further £3.7m of the £7.6m reserve held at 1st April 2020 diverted to support core operations and contributions to the Asset Replacement Plan.

In common with many other organisations, the College had to make difficult decisions in the face of declining income. To help manage the situation, we made use of the Government's Coronavirus Job Retention Scheme (CJR) and furloughed staff who were not required to run our essential services during this period. In total the College received £492k in payments from the Government CJR Scheme and £81k in other pandemic grants.

The Strategic Plan published in January 2020 was suspended following the pandemic and is now subject to further consideration following the change in College leadership from May 2021. The College's 'Commemorative Biennium' was abandoned in April 2020. The Statement of Financial Activities shows 2020/21 College charitable expenditure against the same strategic goals as prior years.

The impact on Members is a growth in confidence through their experience at Goodenough College, with broadened perspectives, strong cultural, social and professional networks and a positive image of the UK and the Commonwealth. Supported by this growth we expect our Alumni to be outstanding leaders in their fields, engaged global citizens and advocates of the College.

The independent study commissioned by the College in 2019 to quantify the impact of the College's Scholarship and Bursary programme on the Membership concluded that for every £1 invested into the Goodenough College programme and facilities, £2.04 is returned in social value created. This is a healthy return particularly given that part of the investment required to make outcomes happen involves buildings costs as well as programme costs. The report also concludes that overall postgraduate students have an overwhelmingly positive experience and that the College is creating substantial impact for its stakeholders. We will consider how this study may influence our work going forward.

During 2020/21 £10.5m (2020: £7.4m) was spent against the goal of 'Transforming College Members', reflecting the operating costs of the College buildings (that so influence College life) alongside the influential Dean's programme. The increase on the prior year is predominantly due to the extended 17 month period.

The Dean's programme for the full extended 2020/21 academic year delivered (including member led activities) 17 sporting fixtures; 72 cultural, music and arts events, most of them delivered online; 153 evening lecture 'Port Talks', transformative skills based sessions (the 'GoodSkills' programmes) and academic occasions, 112 of them delivered wholly online. As may be seen from the above, the extreme physical restrictions created by the pandemic forced much of the extended Academic year's programme to migrate to the online space, with a consequent drop in Member participation. A restricted physical programme was developed wherever possible and resulted in 50 outdoor educational activities, chiefly a series of 'Dean's Perambulations' around London and the Home Counties. The Dean's Office carried out an extensive and tailored programme of activities to support individual Member wellbeing through the lockdowns.

Goodenough College

Trustees' Annual Report and Strategic Report

for the 17 months ended 31 August 2021

During 2020/21 the College maintained its accreditation against the National Code for Assured Accommodation, which demonstrates the College's commitment to the highest standards in delivering its accommodation and supporting its community. The College sought to follow all government guidance throughout the pandemic, and was in regular contact with Public Health England and the London Coronavirus Response Centre. The College received positive feedback on the College's Outbreak Plan and its actions to minimise infections within the College Community.

The activities of The Burn provided a different (but no less important) experience for the students attending activities at this venue, funded from its restricted fund. The Burn's work continued to form ever closer and more effective bonds with Scottish Universities. Though the use of The Burn was severely restricted by the impact of the pandemic, it was well guided by its University stakeholders throughout the period. The Burn provided an ever more valuable facility for College Members and guests, during times when foreign travel was severely restricted. The Burn's operations were delivered in line with specific regulations and advice provided by the Scottish devolved government.

The £1.5m costs of 'Attracting outstanding postgraduate students' (2020: £1.1m) reflect the costs of our vital student registry function alongside our Scholarship and Bursary schemes and marketing activity. The College spent £739k on Scholarships and Bursaries in 2020/21, (£548k in the 2020/21 academic year, a 17% increase on the £470k spent in the prior financial year) with the longer period countered by lower occupancy.

Scholarships, Bursaries and Mecklenburgh (hardship) funds are awarded by the College to individual current and potential College Members, predominantly as reductions in rent, on the basis of financial need, the College saw additional demand for such funding during 2020/21 and responded accordingly. The College recognises the importance of being able to support Members with limited financial means and it was thanks to the generosity of friends and Alumni, who responded to our emergency appeals, that we were able to provide additional emergency funding to Members during the pandemic.

The College received 1,238 applications (2020/21: 937), three applications for each available place at the College for its 2021/22 academic year intake (2020/21: 1.8). During the 2021/22 period Members came from 80 (2020/21: 67) countries (UK 14%; Canada 10%; India 9%; China 6%; USA 5%), of which 50% (2020/21: 44%) were from the Commonwealth. These Members were studying at 37 (2020/21: 33) academic institutions (UCL 25%; LSE 21%; Kings 11%); with 66% (2020/21: 57%) undertaking Masters Courses; 28% (2020/21: 36%) PhD and other research programmes; and 6% (2020/21: 8%) other forms of postgraduate qualifications. Their academic subject matter continued to be as diverse as their backgrounds. Applications from EU countries decreased to 11% (2020/21: 18%) and applications from Commonwealth countries increased to 47% (2020/21: 42%). The College continued to invest in additional marketing and engagement actions to maintain and develop the number of suitable applicants to the College and the appropriate Commonwealth representation.

The College spent £0.5m (2020: £0.5m) in raising the College's profile. The traditional work of the Dean's Office in the City of London was terminated during the extended 2020/21 academic year, with only very sporadic incursions possible.

Members engaged minimally in representational events since very few opportunities presented themselves during the period. In summer 2021, with the return of a degree of in-

Goodenough College

Trustees' Annual Report and Strategic Report

for the 17 months ended 31 August 2021

person gathering, Members were able to make four trips to The Burn House for four educational retreats subsidised by the College.

Including the £1.8m 2020/21 (17 month) interest costs of the College's debt (2020: £1.2m) and the costs of supporting the development and the strategic financial management of the College, £3.2m was spent on 'Sustaining the College' during the year (2020: £2.2m). Excluding loan interest, the College spent £1.4m on sustaining the College (2020: £1.0m).

The College applied capital funds of £1.6m (2020: £1.2m) in replacements and enhancements to the College estate and IT services.

Fundraising costs were £317k for the 17 months of the 2020/21 period (2020: £286k). The extended period included two emergency fundraising appeals during the pandemic to support Member wellbeing (an online counselling service and additional emergency financial support) and to enhance the Scholarship programme. These appeals raised just under £80K and £118K respectively. We also received a donation of £164k from our Canadian Alumni Association as a result of the completion of a capital fundraising campaign. Fundraising costs decreased across the 17 months, compared to £286k for the 2019/20 12 months period due to planned overseas travel, Alumni and cultivation events not taking place due to the pandemic along with savings in staff costs due to recruitment delays.

The subsidiary companies were severely impacted by the closure of services and the downturn in the market described above. The companies generated combined losses of £659k. These losses have been supported by a combination of historically accumulated assets within Goodenough Club Ltd and the provision of £0.1m of net debt arrangements by the College to Goodenough Ventures Limited. These trading activities previously provided valuable revenue to the College and delivered many opportunities to enhance the experience and opportunities of College Members, Alumni and friends. The College continues to consider its investment in these companies to be beneficial to the future of the College. During the year the College reviewed its governance arrangements for its subsidiary companies and the directors of the subsidiaries regularly reviewed their confidence over their going concern.

FINANCIAL REVIEW

The College generated group revenues of £10.7m in the 17 months to 31st August 2021 (2020: £13.8m). Income from charitable activities (predominantly income generated from rents from Member accommodation, alongside COVID grant funding of £0.5m) was £7.4m (2020: £7.7m); income from Member rents in the 2020/21 academic year was £5.1m, £2.1 down on the £7.2m generated in the 2019/20 financial year due to significantly reduced Member occupancy during the pandemic. Average Member occupancy in the 2020/21 academic year was 62.5% compared to the 92.6% achieved in the pre pandemic year of 2018/19.

Consolidated income from trading activities (predominantly the hotel, short stays, catering and event and venue hire) for the 17 months of 2020/21 was £0.8m (2020: £4.6m) as a result of the hotel closure, lack of commercial events, reduced catering and reduced short stay business as a result of the pandemic. Consolidated revenues from the Goodenough Club Ltd were £0.2m (2020: £3.3m), generating a loss of £536k. Short Stay accommodation income was £0.1m (2020: £0.9m). Goodenough Ventures Limited generated consolidated revenues of £1.2m (2020: £2.1m), with £0.2m generated from Events and Venue Hire (2020: £1.0m); £0.9m from providing catering to College Members (2020: £0.8m) and £0.01m from providing breakfast to hotel guests (2020: £0.2m).

Goodenough College

Trustees' Annual Report and Strategic Report

for the 17 months ended 31 August 2021

Due to the losses generated by the College's two subsidiary companies totalling £0.7m over the 17 months (2020: £1.8m surplus) there will be no surplus donation to the College for 2020/21.

The Trustees and Directors remain confident of the potential for the subsidiary companies to generate surpluses to be donated to the College in future years, though did not happen in 2020/21 (and may not happen in 2021/22) the Trustees and the Directors of the subsidiary companies continue to monitor performance of the companies.

On 4 August 2021 the Directors of Goodenough Ventures Limited approved a budget for the 2021/22 financial year showing a break even position and a business plan showing substantial surpluses from 2022/23. On 21 October 2021 the Trustees of Goodenough College approved a temporary loan facility to Goodenough Ventures Limited to cover losses or shortfalls of cash that arise between 1 April 2020 and 31st August 2023 up to a maximum of £500,000. The loan was agreed on the condition that it is repaid by 31 January 2025.

On 4 August 2021 the Directors of Goodenough Club Ltd approved a budget for the 2021/22 financial year showing a £0.1m surplus and a business plan showing substantial surpluses from 2022/23. On 21 October 2021 the Trustees of Goodenough College approved a temporary loan facility to Goodenough Club Ltd to cover losses or shortfalls of cash that arise between 1 April 2020 and 31 August 2023 up to a maximum of £500,000. The loan was agreed on the condition that it is repaid by 31 January 2025.

The Consolidated Statement of Financial Activities for the 17 month period of 2020/21 shows a £7.1m loss before gains and losses on investment assets and financial instruments (2020: £0.5m loss). The College bore £1.7m in loan interest charges (2020: £1.2m) and depreciation of £3.4m (2020: £2.3m) demonstrating an EBITDA loss (excluding debt and asset impairment costs) of £2.0m (2020: £3.0m gain). The loss was caused by the impact of the COVID 19 pandemic on the College's income and operations as set out above. On 20 July 2021 the Trustees approved a consolidated budget for the 2021/22 academic year showing an EBITDA surplus of £0.7m. The Trustees remain confident that the College will return to an operating surplus in 2021/22.

The College holds investment portfolios with Rathbone Brothers Plc under four separate mandates. Where appropriate, composite benchmarks for the funds are developed by the Investment Manager in consultation with the Investment Committee, recognising agreed asset allocation ranges, along with separate long-term performance objectives. All long-term performance objectives are after fees.

The College main portfolio includes the College reserve and the Asset Replacement Reserve and is invested for the longer term with a long-term performance objective of CPI + 5% (net of fees). In August 2020 £4.9m was withdrawn from the main portfolio and was transferred into a low-risk investment strategy (£2.0m was transferred in to the No.2 fund and £2.9m into the No.3 fund) to provide additional availability of short term liquidity should it become required as result of the effects of COVID-19.

The Burn portfolio is invested on a similar horizon but, reflecting the annual requirement for income and draw down from that fund to support The Burn's operations; it has a long-term performance objective of CPI + 3.5% (net of fees). As at 31 August 2021 this fund held £1.5m under investment.

Goodenough College

Trustees' Annual Report and Strategic Report

for the 17 months ended 31 August 2021

The total return on the College main fund over the period was a gain of 51.7%, and for The Burn portfolio, a gain of 32.9%; the composite benchmark performance measures for these funds were a gain of 39.7% and 28.3% respectively. These funds have achieved a total return of 56.0% and 36.9% respectively over the last five years, against composite benchmarks of 45.2% and 35.9% respectively. Their long-term performance objectives were 41.2% and 31.4% respectively over the same period. As at 31 August 2021 this fund held £9.7m under investment.

The College No.2 portfolio held funds anticipated to be drawn in the medium term from, the College Development Reserve along with General Funds, and has a long-term performance objective of CPI. The fund was established in 2016 and achieved a total return of 19.3% for the year. As at 31 August 2021 this fund held £6.9m under investment.

The College No.3 portfolio was established in 2017 and holds funds anticipated to be required in the shorter term from the College Development Reserve Funds Reserve and General Funds. The fund is invested primarily for capital preservation and achieved a gain of 5.4% for the year. During 2020/21 £6.6m was withdrawn from this fund to provide cash to support the College's operations during the pandemic. As at 31 August 2021 this fund held £3.7m under investment.

The performance of the investment portfolios and the investment manager is reviewed regularly by the College's Investment Committee and the Trustees continue to be satisfied with their management and the performance of the funds over the long term. All investments acquired during the year were in accordance with Trustees' powers. The value of the portfolio at 31 August 2021 is shown in note 11.

Working through the Investment Committee and with its investment managers the Trustees continue to review the investment performance and strategies of its funds under investment as the College's financial performance, reserve position and capital ambition develops.

Funds and reserves

The College's reserves are divided between unrestricted and restricted funds. Unrestricted funds are further divided into designated and other unrestricted funds.

Unrestricted funds total £141.0m (2020: £142.6m), which includes designated reserves of £132.4m (2020: £133.5m), general funds of the charity of £8.5m (2020: £8.5m) and general funds of the subsidiaries of £0.1m (2020: £0.7m). See Notes 16 and 17 for further details.

The Trustees have designated the value of the College's non-investment fixed assets (net of funding from the long-term loan) as the Tangible Fixed Asset reserve. The value of this reserve is adjusted annually to reflect the net value of these assets and stands at £116.8m at the year-end (2020: £118.5m). The Trustees have designated the value of the College's investment properties (recognising the College's strategy to retain investment properties for the benefit of future beneficiaries) as the Investment Property Reserve at £3.5m (2020: £3.2m), reflecting the revaluation of the investment properties at the balance sheet date and the sale of the freehold of 12-13 Mecklenburgh Square under enfranchisement in February 2021.

Goodenough College

Trustees' Annual Report and Strategic Report

for the 17 months ended 31 August 2021

During 2016 the College established a long term forecast, which enabled the College to agree a revised framework for the management of its unrestricted funds and to quantify the level of liquid assets required to sustain the College as an enduring institution. The College has established a plan to ensure that sufficient levels of cash are available to secure a well maintained estate. This established the requirement for an Asset Replacement Reserve (ARR) to support the costs identified for the replacement and refurbishment of the buildings, fixtures, fittings and equipment of London House, William Goodenough House and the hotel over a 30-year period to 2046. The required value of this fund was agreed to be designated from the available funds accumulated by the College from annually generated operating surpluses and drawn down against relevant costs.

In light of the impact of the COVID-19 pandemic on the College and Hotel financial performance the Trustees designated an additional sum of £1.4m into the ARR, representing the ARR contribution that would have been generated by the College and Hotel under normal operations over the 17 months of 2020/21. After debiting appropriate asset replacement expenditure and accounting for income, gains and losses, the value of the ARR stands at £7.5m on 31 August 2021 (2020: £4.0m). The Trustees will review the value of this designated fund annually as it accumulates and is utilised for Asset Replacement. The ARR is represented by investment funds with investment mandates (as overseen by the Investment Committee) matching the investment objectives and horizons of this reserve.

Following the completion of the debt restructuring exercise in June 2017, the Trustees designated £11.9m of funds secured in excess of that required to settle the previous long term loan and swap arrangements, as a designated fund referred to as the College Development Reserve (CDR). The Trustees originally aimed to apply these additional funds, secured at a 3.102% interest rate, to take opportunities to further develop the College's activities and its estate over future years. The CDR is represented by investment funds with an investment mandate (as overseen by the Investment Committee) matching the investment objectives and horizons of this reserve. This fund bore the interest cost of this excess borrowing.

During 2020/21 the Board approved the redirection of funds held within the CDR in support of shortfalls in College surpluses to maintain the value of the College's General Funds (its freely available reserve) and to maintain the previously planned contribution to the Asset Replacement Reserve. Having released £3m of the CDR to the General Funds as at 31 March 2020 (in anticipation of the 'least worst' scenario of the crisis on the College), Trustees undesignated a further £3.7m of the College Development Reserve as at 31 August 2021. With £6.7m of CDR funds redirected for this purpose, the total value of the support provided from the CDR to mitigate the impact of the pandemic fell short of the uppermost scenario anticipated in the 2019/20 accounts of £7.4m. On 4 March 2021 the Board also approved the allocation funds from the College Development Reserve to fund the refurbishment of the hotel's 65 bedrooms planned for 2021/22. On 21 July 2021 the Board approved an allocation of £1.9m to be made from the CDR in support of the budgeted 2021/22 shortfall of College and hotel surpluses against normal operations, to further maintain the value of the College's General Funds (its freely available reserve) and the previously planned contribution to the Asset Replacement Reserve. The value of the CDR stands at £4.3m on 31 August 2021 (2020: £7.6m). On 22 December 2021 the College signed a contract with a contractor to carry out works to refurbish the hotel's bedrooms. The value of the contract remains commercially confidential, but the Trustees are confident that the value of the CDR is in excess of that required to provide for the hotel project and the budgeted 2021/22 shortfall.

Goodenough College

Trustees' Annual Report and Strategic Report

for the 17 months ended 31 August 2021

The Trustees have reviewed the College's reserves policy. The policy considers the nature of the income and expenditure streams, the need to match variable income with fixed commitments and the need to provide for known essential estate maintenance expenditure. To allow the College to be managed efficiently and to provide a buffer against interrupted services, the policy requires that general reserves in the range from £5 million - £8 million should be maintained. This range is based on managing to sustain core College activity if there were a fall in Member income of 25% for three years (c£5 million) and a loss of 50% of Goodenough on Mecklenburgh Square net revenue for two years (c£2 million). In addition, a minimum of £1 million is considered necessary to deal with major estate issues, such as a failure of heating, plumbing or electrical services in either House. In light of the financial impact of the COVID 19 pandemic, the Trustees have resolved to seek to secure additional funds to further secure the College from any future pandemic and its activities thereafter. Trustees will balance a target increase in reserves against the developing post pandemic economic environment.

The Trustees have therefore resolved to seek additional borrowing to provide replacement funding for the hotel bedrooms refurbishment and to release such funds and any further unallocated balance of the College Development Reserve against the College's freely available funds, as such become available.

The College reserve investment fund was £8.2m on 31 August 2021 (2020: £9.3m). After taking account of other balances within the College's general funds, the College's freely available funds, stand at £8.5m on 31 August 2021 (2020: £8.5m, see note 17 for more details).

The Trustees have assessed the value of reserves and the operations of the College, and the remaining impact of COVID-19, and do not consider that there remain material uncertainties related to these or other events or conditions that cast significant doubt on the College's ability to continue as a going concern. The College remains very financially stable with freely available funds of £8.5m; other unrestricted designated reserve funds of £12.1m and unrestricted investment properties valued at £3.5m.

The Board has recognised that it is no longer able to provide for the refurbishment of 43-47 Mecklenburgh Square from within the College Development Reserve, these funds having been redirected to support operating shortfalls as a result of the pandemic and its ongoing impact. The Board has resolved to seek further borrowing to support its ambition for the site where such ambition cannot be met from the generous contributions from its donors, when such borrowing is available to the College on commercially attractive terms. The ongoing risks of holding 43-46 Mecklenburgh Square as vacant properties over an extended period have been mitigated through arrangements for their occupation by property guardians. The College continues to develop its plans for the site under the guidance of its Steering Committee.

The Trustees have established a designated fund to support the refurbishment of 43-47 Mecklenburgh Square from those funds already generated directly in support of that project. This fund stood at £250k at 31st August 2021.

Other designated reserves include funds donated to the College for 'greatest need' and were fully allocated against College activities during 2020/21.

Restricted funds are represented by assets and investments that can only be used or spent for a particular purpose as stated by the donors. The total value at 31st August 2021 was £12.7m (2020: £12.3m). See Note 16 for further details.

Restricted funds include The Burn Fund of £12.1m (2020: £11.9m) and other restricted funds of £0.6m (2020: £0.4m). The Burn fund includes the operating land, building and assets of the site represented by a tangible fixed assets reserve of £10.3m (2020: £10.4m); investment properties reserve of £0.8m (2020: £0.7m) and a general restricted fund of £1.0m (2020: £0.8m). The general restricted fund is represented by The Burn investment portfolio.

The other restricted funds have been donated to the College for a number of restricted purposes including restricted Scholarships and Bursaries funds of £582k (2020: £306k). The College has adopted a policy to increase the level of support to its important Scholarships and Bursaries activity provided through donations. Expenditure on Scholarships and Bursaries from restricted or designated donated funds rose again to £490k (2020: £214k) in the year.

Borrowings and bank facilities

On 2 June 2017, the College secured a £40m non-amortising 30-year loan with Rothesay Life at a fixed interest rate of 3.102%. The loan is secured against London House and William Goodenough House. During 2020/21 the loan Agent completed a triennial market valuation of the loan security which, due to a 33% in the value of the security, reduced the Loan to Value from 26.4% to 19.8%. The College holds a £250,000 overdraft facility with Barclays Bank.

Principal risks and uncertainties

To optimise the College's management of risk, College Governors and staff are briefed on the nature of risk and accept responsibility for risks associated with their area of authority. Senior management provides appropriate support, assistance and commitment to ensure that both operational and strategic risk is managed on a daily basis to the best of the College's ability. This risk management process provides reasonable, but not absolute, assurance that the organisation is protected.

We define key strategic and operational risks as those that, without effective and appropriate mitigation, would have a severe impact on our work, our reputation or our ability to achieve our ambitions. The College continually improves the process by which it reviews, registers and mitigates risks that may impact on College life and operations. These risks (including likelihood, impact and mitigation measures) are listed in a Strategic Risks Register, which is regularly reviewed by the College Board and senior management. The risk management process encourages the Trustees to challenge any assumptions senior management has made about risks and interrogate the context in which decisions are taken. This helps ensure that the most serious risks are being managed effectively.

- Revenue shortfall, primarily through downturn in Member application numbers, has been identified as a fundamental financial risk for Goodenough College. Vigorous promotion of the College through public outreach, strategic partnership building and enhancing the College's digital presence is given high priority in order to mitigate this risk; together with market sensitive pricing of accommodation and a robust admissions policy making maximum use of search engine optimisation, peer reviews, advertising and approaches to educational institutions and scholarship bodies (within London, the UK and internationally).

Goodenough College

Trustees' Annual Report and Strategic Report

for the 17 months ended 31 August 2021

Application numbers are reviewed on a regular basis and the admissions strategy adjusted on the basis of findings.

- The maintenance of a diverse College community (including enabling access for students with limited financial resources) is recognised by the Trustees as a key area of risk. The College will continue to focus on targeting its outreach on less represented geographic areas and socio-economic groups. It continues to enhance its Scholarships and Bursaries schemes (including developing partnership schemes with other scholarship providers) to support less affluent students. The College maintains its focus on fundraising for Scholarships and Bursaries (including hardship funds allocated as The Mecklenburgh Fund). The College reviews its rent annually and any increases applied are based on sound market information and consultation with the College Member community.
- Since March 2020, the College has recognised the potential impact of the COVID-19 global pandemic on its ability to safeguard its beneficiaries, fulfil its charitable objectives and deliver its financial targets. The College managed its overall response to the pandemic through COVID Management Team meetings, and COVID Recovery Action Planning meetings dealing with the immediate and the medium term response, respectively. In June 2020, the College published a statement confirming its compliance with the Government's guidance on managing the risk of COVID-19. With regard to the safeguarding risks for its Members, the College continued to exercise its duty of care towards Members who remained resident on Mecklenburgh Square during the 'lockdown'. The College applied appropriate measures in line with Government advice, sector best practice and advice from Public Health England. The College received a positive review from Public Health England of its arrangements for cleaning, social distancing and the isolating of 'households'. There were particular challenges in managing arrangements for those Members with shared bathroom and food preparation facilities. The College's caterer, Holroyd Howe, maintained an effective, flexible arrangement for providing food to College Members throughout the crisis.
- A key strategic objective of the College, to deliver an exceptional Member experience, faced unprecedented challenges during the period under review. With Members largely confined to their rooms and severely restricted in their activities through the requirements of social distancing, the College's ability to transform College Members through community, cross-cultural understanding and an exceptional intellectual and social environment was sharply curtailed, with safeguarding taking the higher priority. Although some impact was unavoidable, the College maintained a vigorous online programme throughout the crisis and continued to look for imaginative ways to engage with Members within the law and guidance, reverting to a comprehensive in-person programme of intellectual, cultural, social and sporting activities for the membership as soon as Government regulations relaxed in July 2021. The College implements a rigorous process of risk assessment for all activities, together with impact reviews and ROI assessments of enrichment activities.
- The College has previously recognised that securing sufficient funds to implement its Asset Replacement Plan represents a key risk to the College. The College considers that it has substantially mitigated that risk through development of a comprehensive Asset Replacement Plan, long term financial planning and the securing of £40m of 30-year non-amortising debt. The Finance sub-Committee of the College Board reviews the long-term financially sustainable performance of the College and provides further diligence on the

Goodenough College

Trustees' Annual Report and Strategic Report

for the 17 months ended 31 August 2021

application of available funds. The impact of the COVID-19 global pandemic crisis has severely tested the level of the College's reserves and thus its confidence in delivering its Asset Replacement Plan, alongside other estate development ambitions over the longer term. However, the College has demonstrated to itself, through challenging scenarios and stress testing, that it will be able to meet its Asset Replacement Plan for at least the next 15 years.

- The level of the College's unrestricted freely available reserves, combined with its designated funds (see below), provide the College with comfort as to its going concern, in July 2021 the Board approved the application of a further £1.9m College Development Reserve (CDR) funds and enhancement of Asset Replacement Reserve funds.
- The 30-year fixed-interest debt has minimised the College's exposure to variations in debt financing costs. Further details can be found in Note 15.
- As the College's main base of operations is in central London, the College recognises that terrorist activity both local to the College and worldwide has the potential for high impact on the College through restricting physical access to the College; reducing future applications to the College; and directly on the welfare of College Members. The College exercises care in maintaining its access control and security arrangements, holds financial reserves, specific appropriate insurance cover, effective business continuity plans and robust welfare systems in order to mitigate that risk.
- With accommodation at its heart, fire risk management forms a key consideration in the College's operation and development. The College regularly reviews its fire management policies and carries out annual fire risk assessments and complies with with all statutory obligations and best practice.
- To counter the risk of diminishing revenue generated by the College's wholly-owned hotel, The Goodenough on Mecklenburgh Square, the College remains committed to maintaining that accommodation to a market-competitive standard and continuing a proactive sales and marketing policy. As at the balance sheet date the hotel remains closed. The College has commissioned an extensive refurbishment of the hotel's 65 bedrooms in 2021/22, during a downturn in the market. The College is confident of this asset (operated through its subsidiary company) returning to substantial surplus after reopening.

With the majority of the College's income streams generated in-year from Member rents, hotel charges, letting of a lease to a commercial venture and other business income, the impact of these trading environments will affect the financial performance of the College. The College is confident that its planning, risk management and operational management activities sufficiently manage these risks and enable the College to put in place appropriate mitigation measures.

The College takes safeguarding very seriously. The College is confident that it provides a safe and trusted environment and promotes an organisational culture that prioritises safeguarding. The College considers that it maintains adequate safeguarding policies, procedures and measures to protect people. These are reviewed regularly, and kept up to date in line with Government guidance and best practice. The College has reviewed its safeguarding governance and management arrangements within the last 12 months.

Goodenough College

Trustees' Annual Report and Strategic Report

for the 17 months ended 31 August 2021

In response to the Corporate Criminal Offence of Failure to Prevent the Facilitation of Tax Evasion introduced by the Criminal Finances Act 2017, the College carried out a risk assessment and made a Top Level Commitment to a zero tolerance to the criminal facilitation of tax evasion at its Board meeting in March 2018. The College continues to apply due diligence; apply and communicate its procedures; and monitor and review its position.

Goodenough College continues to assess the requirements of the General Data Protection Regulations (GDPR) and the Privacy and Electronic Communications Regulations (PECR), building on its previous programme of work to achieve compliance. The Trustees remain content that sufficient progress has been made in complying with the Regulation.

Fundraising standards

The College's fundraising activities are undertaken by its Development and External Relations team. Any external fundraising consultants or suppliers are employed to support activities rather than lead them, ensuring we have full control of all activities.

The College is a member of The Council for Advancement and Support of Education (CASE), a professional association serving educational institutions and the professionals who work on their behalf in Alumni relations, communications, development, marketing and allied areas. As part of its work, CASE sets standards and an ethical framework for the fundraising profession which the College follows.

This year the College Donations Advisory Committee also revised and updated its the College's Ethical Fundraising Policy, now referred to as a Gift Acceptance Policy. This Donations Advisory Committee will meet at least annually to review large gifts and any considerations around gift acceptance.

One of the core fundraising campaigns is the College's Annual Appeal to Alumni and friends, which is now run through digital means. Those contacts who are deemed to have a legitimate interest in Goodenough College are encouraged to give but those who have opted out of fundraising appeals are exempted from this programme of activity. Above and beyond securing a donation, we seek always to put the needs of the individual first, and to help supporters to reengage and reconnect as well as making an informed decision about supporting the College financially. We do not accept donations where we have reason to believe that the donor may be vulnerable and/or accepting the donation would be ethically wrong or cause harm to the donor.

To help inform our approach, we use the Fundraising Regulator's Code of Practice and the Chartered Institute of Fundraising's statement on vulnerable donors. We frequently review industry standards to ensure we are meeting requirements. This year, no complaints have been received by CASE, the Charity Commission, the Fundraising Regulator or by the College about its fundraising activities.

PLANS FOR FUTURE PERIODS

As the College moves forward into the 2021/22 academic year, the business and academic environments in which we function are far less predictable than they were before the global pandemic, whose impact on our operations remains considerable. Nonetheless, plans for the

Goodenough College

Trustees' Annual Report and Strategic Report

for the 17 months ended 31 August 2021

future of the College, including the Strategic Plan, the Asset Replacement Plan, the Governance Review and the College investment plans, remain largely on track. Member occupancy has returned close to pre-pandemic levels; and the intellectual, social and cultural enrichment programme for Members is the most ambitious ever delivered by the College. College staff are physically back working on College premises.

The long-term impact of the COVID-19 crisis on the College has primarily been in the financial domain, as detailed in the Financial Review section of this report, with College reserves significantly depleted, a continuing lack of income from the hotel, which remains closed, and the events, short stay and sabbatical businesses still substantively affected by the reduction in travel and socialising. The College's Scottish estate, The Burn, has seen its business hosting Scottish university groups evaporate; there is every indication that such business will not start to rally until 2022 at the earliest.

In the immediate future, the College will consider how to mitigate this loss of income relating to the pandemic. We will make use of the hotel closure to refurbish its bedroom and prepare an energetic relaunch in Spring 2022. We will work to raise the profile and profitability of our events business. The Burn management team is exploring innovative ways of attracting a new clientele and marketing a broader range of events.

We will develop the College's estate, including exploiting the opportunity to expand our Member accommodation offer presented by our re-acquisition of Houses 43-46 Mecklenburgh Square. We are currently looking at how we might secure philanthropic investment from our Alumni and friends to help fund the redevelopment of these properties. We will continue to seek to identify sufficient funds to ensure that the College's Asset Replacement Reserve is sufficient to maintain the College's assets in perpetuity.

As the effects of the pandemic slowly diminish, keeping our community safe and well remains our priority. Consistently guided by UK Government advice, we are continuing a phased resumption of business, involving gradual, incremental changes matched with careful monitoring of the changing situation. We will continue to focus on mental health awareness and safeguarding for both Members and staff and on staff professional and individual development.

We will continue to look for cost-effective ways to raise the College's public profile, building on valuable new partnerships now being established with scholarship bodies, academic charities and educational institutions, among others, to ensure we continue to attract and secure as many talented international postgraduate students as possible.

Through our Alumni engagement and fundraising strategies, we are looking at ways in which we can reconnect the College's Alumni, wherever they may be based in the world, using channels such as digital communications, events and volunteering. On the back of this engagement and reconnection, we aim to increase voluntary income to enable as many postgraduate students as possible, irrespective of background, to have a chance to join the College community. Voluntary income will also support the provision of our emergency financial assistance fund (The Mecklenburgh Fund), student wellbeing (online counselling service) and other College capital projects.

Our digital Alumni networking website, Goodenough Global, was successfully launched in May 2021. So far, we are out performing other Higher Education establishments in terms of sign ups, likes, shares and active posts. Most users are between the ages of 25-39 so it is

Goodenough College

Trustees' Annual Report and Strategic Report

for the 17 months ended 31 August 2021

likely that this platform will be an important tool through which we can keep younger, more recent Alumni engaged with the College until such times as when they are able to give back financially. Going forward we plan to market the site further through a postcard campaign. We also need to ensure a steady stream of unique content to keep those already signed up coming back to the site and to encourage as much of it as possible to be Alumni rather than College-led.

The Board will complete its review of the College's governance arrangements, in line with the Charity Governance Code, and then work with College senior management to implement any recommendations, with a view to embedding best governance practice for the sustainable long-term management of the College. The College will also embed equality, diversity and inclusion initiatives across our operations to ensure we deliver fully on our diversity commitments.

The College remains extremely grateful to its Governors, Fellows and other stakeholders who continue to offer their time, expertise and financial support to enhance our College community. Without their engagement and commitment, the College would not continue to thrive.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees (who are also directors of the College for the purposes of company law) are responsible for preparing the Annual Report, incorporating the Strategic Report, and the Financial Statements in accordance with the Companies Act 2006, including (The Strategic Report and Directors' Report) Regulations 2013 and the Charities (Accounts and Reports) Regulations 2008, the Charities and Trustee Investment (Scotland) Act 2005 and for being satisfied that the Financial Statements give a true and fair view. The Trustees are also responsible for preparing the Financial Statements in accordance with United Kingdom Accounting Standards (UK Generally Accepted Accounting Practice).

Company law and charity law requires the Trustees to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law and charity law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and charity and of the incoming resources and application of resources, including the income and expenditure, of the group and charity for that period. In preparing these financial statements the Trustees are required to:

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

The Trustees are responsible for keeping adequate and proper accounting records that are sufficient to show and explain the charitable company's transactions and which disclose with reasonable accuracy at any time the financial position of the charitable company and group and to enable them to ensure that the accounts comply with the Companies Act 2006 and the Charities and Trustee Investment (Scotland) Act 2005.

They are also responsible for safeguarding the assets of the charitable company and group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Financial statements are published on the charity's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the charity's website is the responsibility of the trustees. The trustees' responsibility also extends to the ongoing integrity of the financial statements contained therein.

The Trustees have the authority conferred by the memorandum and articles of association to invest as they think fit any of the College's money that is not immediately required. They delegate day-to-day management of the College to the College Director, Officers and senior staff.

Disclosure of information to auditor

In the case of each of the persons who are directors of the company at the date when this report was approved:

- So far as each of the directors is aware, there is no relevant audit information (as defined in the Companies Act 2006) of which the company's auditors are unaware; and

Goodenough College

Trustees' Annual Report and Strategic Report

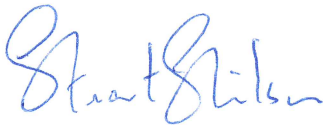
for the 17 months ended 31 August 2021

- Each of the directors has taken all the steps that he/she ought to have taken as a director to make himself/herself aware of any relevant audit information (as defined) and to establish that the company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of S418 of the Companies Act 2006.

BDO have signified their willingness to provide audit services for the coming year. Auditors are appointed at the College AGM.

The Trustees' Report and Strategic Report were approved by the Trustees in their capacity as Directors of the Charitable Company and signed on their behalf by:



Stuart Shilson
Chairman

25 January 2022

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES OF GOODENOUGH COLLEGE

Opinion

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's and of the Parent Charitable Company's affairs as at 31 August 2021 and of the Group's incoming resources and application of resources for the 17 month period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006, as amended in 2010.

We have audited the financial statements of Goodenough College ("the Parent Charitable Company") and its subsidiaries ("the Group") for the 17 month period ended 31 August 2021 which comprise the consolidated statement of financial activities (incorporating an income and expenditure account), the Group and Charity balance sheet, the consolidated cash flow statement, the charity statement of financial activities and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remain independent of the Group and Parent Charitable Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions related to going concern

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

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

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

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Annual Report and financial statements, other than the financial statements and our auditor's report thereon. The other information comprises Trustees' Annual Report and Strategic Report and the Goodenough College Chairman's Personal Welcome. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Report, which includes the Directors' Report and the Strategic report prepared for the purposes of Company Law, for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and the Directors' Report, which are included in the Trustees' Report, have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Group and the Parent Charitable Company and its environment obtained in the course of the audit, we have not identified material misstatement in the Strategic report or the Trustees' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and the Charities and Trustee Investment (Scotland) Act 2005 requires us to report to you if, in our opinion;

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

Responsibilities of Trustees

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

As part of the audit we gained an understanding of the legal and regulatory framework applicable to the Group and the sector in which it operates, and considered the risk of acts by the Group that were contrary to applicable laws and regulations, including fraud. We considered the Group's own assessment of the risks that irregularities may occur either as a result of fraud or error, the Group's compliance with laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006, Charities Act 2011, the Charities and Trustee Investment (Scotland) Act 2005 and other laws and regulations applicable to the group such as employment law, taxation legislation, data protection, health and safety legislation. We considered financial performance, key performance indicators and other performance targets. We also considered the risks of non-compliance with requirements imposed by the Charity Commission, and other regulators, and we considered the extent to which non-compliance might have a material effect on the group financial statements.

We also communicated relevant identified laws and regulations, potential fraud risks and that there were no known matters of significant non-compliance with laws and regulations, to all engagement

team members including internal specialists audit teams, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

We considered management's incentives and opportunities for fraudulent manipulation of the financial statements (including revenue recognition and the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to manipulate financial results and management bias in accounting estimates.

Our tests included:

- Reviewing the financial statement disclosures and tested to supporting documentation to assess compliance with relevant laws and regulations discussed above;
- We made enquiries of the Audit Committee and Senior Management Team;
- Review of minutes of meetings of those charged with governance;
- Reviewing correspondence with HMRC;
- Challenging assumptions made by management in relation to the recognition of grant and donation income ;
- Enquiries of third parties, where information from that third party has been used by the Group in the preparation of the financial statements;
- reviewed any Serious Incident Reports submitted to the Charity Commission and other correspondence with the Charity Commission;
- performed audit procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; considered completeness of related party transactions; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business; and
- We challenged assumptions made by management in their significant accounting estimates in particular in relation to the assumptions related to the valuation of investment properties as this is where management may feel pressure to meet loan to value covenants.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

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

Use of our report

This report is made solely to the Charitable Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the Charitable Company's trustees, as a body, in accordance with the Charities and Trustee Investment (Scotland) Act 2005. Our audit work has been undertaken so that we might state to the Charitable Company's members and trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than

Goodenough College

Independent Report of the Auditor *(continued)*

for the 17 months ended 31 August 2021

the Charitable Company, the Charitable Company's members as a body and the Charitable Company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:

Jill Halford

73D8B18FE9AC4C9...

Jill Halford (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
London, UK

Date: 26 January 2022

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Goodenough College

Consolidated statement of financial activities (incorporating a consolidated Income and Expenditure account)

for the 17 months ended 31 August 2021

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES FOR THE 17 MONTHS ENDED 31 AUGUST 2021

	Notes	Unrestricted Funds 17 months 2021 £'000	Restricted Funds 17 months 2021 £'000	Total Funds 17 months 2021 £'000	Total Funds Year to 2020 £'000
Income from:					
Donations and legacies	2	113	550	663	265
Charitable activities:					
College community accommodation	5	7,296	138	7,434	7,696
Trading activities:	4				
Commercial accommodation		281	-	281	3,321
Catering, Events and Venue Hire		536	-	536	1,274
Investments	3	1,318	138	1,456	1,275
Other income		257	-	257	-
Total		9,801	826	10,627	13,831
Raising funds					
Investment management		164	13	177	154
Fundraising		317	-	317	286
Trading activities	11	1,476	-	1,476	2,762
Charitable activities:					
Attracting outstanding postgraduate students	6	1,294	233	1,527	1,087
Transforming College Members	6	10,007	499	10,506	7,432
Raising the College's profile	6	487	-	487	470
Sustaining the College	6	2,944	277	3,221	2,182
Total		16,689	1,022	17,711	14,373
Net (loss) before other gains / (losses)		(6,888)	(196)	(7,084)	(542)
Net gains / (losses) on investments	11	5,223	618	5,841	(1,597)
Net (expenditure) / income		(1,665)	422	(1,243)	(2,139)
Transfers between funds	16, 17	(15)	15	-	-
Net movement in funds		(1,680)	437	(1,243)	(2,139)
Reconciliation of funds:					
Total funds brought forward		142,631	12,305	154,936	157,075
Net movement in funds		(1,680)	437	(1,243)	(2,139)
Total funds carried forward		140,951	12,742	153,693	154,936
Reconciliation of funds for year ended 2020					
Total funds brought forward		144,324	12,751	157,075	157,191
Net movement in funds		(1,693)	(446)	(2,139)	(116)
Total funds carried forward		142,631	12,305	154,936	157,075

All results derive from continuing operations. All gains and losses recognised in the period are included above. The notes on pages 37 to 58 form part of these Financial Statements.

Goodenough College

Balance Sheet

as at 31 August 2021

Company Registration No: 00246919

BALANCE SHEET AS AT 31 AUGUST 2021

	Notes	31 August 2021 £'000	Group 31 March 2020 £'000	31 August 2021 £'000	Charity 31 March 2020 £'000
FIXED ASSETS					
Tangible assets					
Freehold land and buildings	10a	165,495	167,239	165,495	167,239
Heritage assets	10b	310	310	310	310
Fixtures, fittings plant & equipment	10c	1,322	1,366	1,322	1,366
		<u>167,127</u>	<u>168,915</u>	<u>167,127</u>	<u>168,915</u>
Investments	11b	26,112	26,551	26,112	26,551
Investments in subsidiaries	12	-	-	250	250
		<u>193,239</u>	<u>195,466</u>	<u>193,489</u>	<u>195,716</u>
CURRENT ASSETS					
Stocks		10	12	10	12
Debtors	13	1,313	442	1,531	662
Cash at bank and in hand		2,201	1,263	1,945	256
		<u>3,524</u>	<u>1,717</u>	<u>3,486</u>	<u>930</u>
CURRENT LIABILITIES					
Amounts falling due within one year	14	(3,070)	(2,247)	(3,331)	(2,418)
		<u>454</u>	<u>(530)</u>	<u>155</u>	<u>(1,488)</u>
NET CURRENT ASSETS/(LIABILITIES)					
		<u>193,693</u>	<u>194,936</u>	<u>193,644</u>	<u>194,228</u>
TOTAL ASSETS LESS CURRENT LIABILITIES					
Creditors: amounts falling due after more than one year	15	(40,000)	(40,000)	(40,000)	(40,000)
		<u>153,693</u>	<u>154,936</u>	<u>153,644</u>	<u>154,228</u>
TOTAL NET ASSETS					
Restricted funds	16	12,742	12,305	12,742	12,305
Designated funds	17	132,431	133,460	132,431	133,460
General funds	17	8,520	9,171	8,471	8,463
		<u>153,693</u>	<u>154,936</u>	<u>153,644</u>	<u>154,228</u>
TOTAL FUNDS					

The deficit for the period for Companies Act purposes, comprising the net expenditure for the period, was £1,243,000 (2020: £2,139,000).

The notes on pages 37 to 58 form part of these Financial Statements.

These Financial Statements were approved and authorised for issue by the Trustees on 25 January 2022 and signed on their behalf by:

Stuart Shilson
Chairman

Goodenough College**Consolidated Statement of Cash Flows***for the 17 months ended 31 August 2021***CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE 17 MONTHS ENDED 31 AUGUST 2021**

	Notes (pages 33 and 34)	17 months 2021 £'000	Year to 2020 £'000
Cash flows from operating activities:			
Net cash provided by operating activities	(a)	(3,954)	1,936
Interest paid on loan		(1,241)	(1,244)
Loan costs		(18)	(3)
Net cash (outflow)/ inflow generated from operating activities		(5,213)	689
Cash flows from investing activities:			
Dividends, interest and rents from investments		1,456	1,275
Purchase of property, plant and equipment		(1,583)	(1,165)
Proceeds from sale of investments		12,858	5,274
Purchase of investments		(6,192)	(6,631)
Net cash generated from / (used in) investing activities		6,539	(1,247)
Change in cash and cash equivalents in the reporting period		1,326	(558)
Cash and cash equivalents at the beginning of the reporting period		3,932	4,490
Cash and cash equivalents at the end of the reporting period	(b)	5,258	3,932
		17 months 2021 £'000	Year 2020 £'000
(a) Reconciliation of net income to net cash (outflow) / inflow from operating activities			
Net (expenditure) for the reporting period		(1,243)	(2,139)
Adjustments for:			
Depreciation charges		3,372	2,253
Losses (gains) on investments		(5,841)	1,597
Dividends, interest and rents from investment		(1,456)	(1,275)
Interest payable on loan		1,761	1,244
Loan costs		18	3
Decrease in stock		2	12
(Increase) in debtors		(871)	(96)
Increase in creditors		304	337
Net cash (outflow) / inflow from operating activities		(3,954)	1,936

Goodenough College**Consolidated Statement of Cash Flows***for the 17 months ended 31 August 2021*

(b) Analysis of Cash and Cash Equivalents	31 March 2020 £'000	Cash flows £'000	31 August 2021 £'000
Cash in hand	1,263	938	2,201
Notice deposits	2,669	388	3,057
Total Cash and cash equivalents	3,932	1,326	5,258

(c) Analysis of changes in net debt	31 March 2020 £'000	Cash flows £'000	31 August 2021 £'000
Cash	1,263	938	2,201
Cash equivalents	2,669	388	3,057
	3,932	1,326	5,258
Loans falling due after more than one year	(40,000)	-	(40,000)
Total	(36,068)	1,326	(34,742)

Goodenough College**Charity only statement of financial activities***for the 17 months ended 31 August 2021***CHARITY ONLY STATEMENT OF FINANCIAL ACTIVITIES**

	Note	Unrestricted Funds 17 months 2021 £'000	Restricted Funds 17 months 2021 £'000	Total Funds 17 months 2021 £'000	Total Funds Year to 2020 £'000
Income from:					
Donations and legacies		113	550	663	2,098
Charitable activities:					
College community accommodation	5	7,296	138	7,434	7,696
Investments	3	1,318	138	1,456	1,275
Other income		257	-	257	-
Total		8,984	826	9,810	11,069
Expenditure on:					
Raising funds					
Investment management		164	13	177	154
Fundraising		317	-	317	286
Charitable activities:					
Attracting outstanding postgraduate students	6	1,294	233	1,527	1,087
Transforming College Members	6	10,007	499	10,506	7,432
Raising the College's profile	6	487	-	487	470
Sustaining the College	6	2,944	277	3,221	2,182
Total		15,213	1,022	16,235	11,611
Net (losses before other gains / (losses))		(6,229)	(196)	(6,425)	(542)
Net gains / (losses) on investments	11	5,223	618	5,841	(1,597)
Net (losses) / income		(1,006)	422	(584)	(2,139)
Transfers between funds		(15)	15	-	-
Net movement in funds		(1,021)	437	(584)	(2,139)
Reconciliation of funds:					
Total funds brought forward		141,923	12,305	154,228	156,367
Net movement in funds		(1,021)	437	(584)	(2,139)
Total funds carried forward		140,902	12,742	153,644	154,228

Goodenough College**Consolidated Statement of Financial Activities for the year ended 31 March 2020****CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 MARCH 2020**

	Unrestricted Funds	Restricted Funds	Total Funds
	£'000	£'000	2020 £'000
Income from:			
Donations and legacies	55	210	265
Charitable activities:			
College community accommodation	7,354	342	7,696
Trading activities:			
Commercial accommodation	3,321	-	3,321
Catering, Events and Venue Hire	1,274	-	1,274
Investments	1,173	102	1,275
Total	13,177	654	13,831
Expenditure on:			
Raising funds			
Investment management	145	9	154
Fundraising	286	-	286
Trading activities	2,762	-	2,762
Charitable activities:			
Attracting outstanding postgraduate students	892	195	1,087
Transforming College Members	6,774	658	7,432
Raising the College's profile	470	-	470
Sustaining the College	2,143	39	2,182
Total	13,472	901	14,373
Net (losses) before other (losses)	(295)	(247)	(542)
Net (losses) on investments	(1,337)	(260)	(1,597)
Net (expenditure)	(1,632)	(507)	(2,139)
Transfers between funds	(61)	61	-
Net movement in funds	(1,693)	(446)	(2,139)
Reconciliation of funds:			
Total funds brought forward	144,324	12,751	157,075
Net movement in funds	(1,693)	(446)	(2,139)
Total funds carried forward	142,631	12,305	154,936

1. ACCOUNTING POLICIES

(a) Basis of preparation

The Financial Statements have been prepared under the historical cost convention, as modified by the inclusion of investments and investment properties at fair value at balance sheet date.

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006 and the Charities Act 2011.

They also comply with the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 and applicable accounting standards. The accounting policies have been applied consistently throughout the accounts.

The Trustees reviewed the College's plans in July 2021 and were content that these plans were affordable and that the accounts should be prepared on a going concern basis.

However, given the impact of the COVID-19 outbreak and its financial effect, the Executive team and Trustees continue to review financial plans for the next 12 months to ensure that the College can continue its business-critical activities and remain a going concern.

The lockdown has had a significant effect on the College's financial situation. This is across all areas of income, including member rents as well as the hotel and commercial events. There have been some consequential reductions in costs and the furlough scheme has enabled the recovery of an element of staff salaries, but the net losses against the budget for 2020/21 were £7.4m. In July 2021 the Board of Trustees approved a cautious budget showing the College returning to a consolidated operating surplus in 2021/22.

There has been a high volume of applications for places in the College for the 2021/22 academic year, with occupancy levels exceeding budget. The hotel remains closed for the refurbishment project until May 2022 however commercial event bookings have been strong. Due to the Hotel closure budgeted total income remains significantly lower than it would otherwise have been. Business performance is being carefully monitored against budget and financial stability reviewed as matters progress. Current 2021/22 financial performance is ahead of budget.

Excluding 43-46 Mecklenburgh Square, the College holds in excess of £23m in unrestricted funds not representing current operating assets, of which £3.5m is in investment property and just under £20m in liquid investments managed through our investment managers. The invested portfolio includes in excess of £11m invested in short and medium term funds where capital preservation is the key investment strategy. In total these reserves are well in excess of the annual turnover and annual cash flow requirements of the College.

Given the strength of the balance sheet and the availability and liquidity of unrestricted investments the Trustees believe that, while uncertainty exists, this does not pose a material uncertainty that would cast doubt on the charity's ability to continue as a going concern. The Trustees, therefore, consider it appropriate for the accounts to be prepared on a going concern basis.

Further detail on the availability of unrestricted funds and the potential financial impact of COVID-19 can be found on p15 of the Trustees' Report. The impact of the COVID-19 crisis is reviewed extensively in the Report.

1. ACCOUNTING POLICIES (*continued*)

The group statement of financial activities (SOFA) and balance sheet, consolidate the Financial Statements of the Charity and its wholly owned subsidiaries, all of which were made up to 31 August 2021 on a line by line basis.

(b) Company status

The Charity is a company limited by guarantee. The members of the company are the Governors named on pages two and three. The Directors of the Company are the Trustee Board named on page two. In the event of the Company being wound up, the liability in respect of the guarantee is limited to one guinea per member of the Company.

(c) Key assumptions and estimates

Key assumptions and estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The assumptions and estimates that are likely to cause any material impact to the accounts are set out below:

Valuation of Investment Properties – as disclosed in note 11, the fair values of the investment properties are reviewed at the balance sheet date to determine any changes in value. This is done by reviewing key property price indicators for the local area or an external valuation by RICS registered valuers.

Depreciation – Fixed Assets are depreciated on a straight line basis as set out in note 1i) Tangible Fixed Assets.

(d) Income

All income is recognised in the SOFA when the Charity has met conditions for receipt, receipt is probable and the amount can be quantified with sufficient reliability. Investment income is accounted for when receivable.

Legacies: Legacies are deemed receivable from the date of notification, provided that sufficient information has been received to enable the Group to calculate entitlement and receipt is probable.

Gifts in Kind: Donations in kind are recognised at their value to the Charity when they are received. No amounts are included for services donated by volunteers.

Government grants: Income from Government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred. In respect of the furlough grant; all conditions, with respect to the eligible costs being claimed, need to be met.

(e) Expenditure

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to that category. Investment Management costs represent the fees incurred on raising Investment Income. Fundraising costs represent expenditure in relation to fund-raising and publicity costs. Direct expenditure incurred on charitable activities is identified against one of the four strategic goals of the charity. Support costs represent expenditure incurred in general management, Trustee related costs and audit costs and are apportioned across the four strategic goals. See note 6 for further information.

Goodenough College

Notes to the Financial Statements (*continued*)

for the 17 months ended 31 August 2021

1. ACCOUNTING POLICIES (*continued*)

(f) Fund accounting

The College maintains various types of funds as follows:

i) Restricted funds

The Burn Restricted funds include donations received which were allocated by the donor for the upkeep of The Burn, a Scottish study and holiday centre for students and graduates.

In addition other donations which are earmarked for particular purposes are treated as restricted funds.

ii) Unrestricted funds

Designated reserves are amounts which have been put aside at the discretion of the Trustees and comprise:

Tangible fixed asset reserve representing the value of all reserves used for operating tangible fixed assets (excluding those of The Burn, which are restricted) and only realisable by the disposal of these fixed assets.

Investment property reserve represents the value of all reserves held in investment properties and only realisable by the disposal of these fixed assets.

Asset Replacement Reserve (ARR) has been established to hold the current level of funds identified for the future replacement and refurbishment of the buildings, fixtures, fittings and equipment of London House, William Goodenough House and the Club in support of the Asset Replacement Plan currently covering a 30 year period to 2046.

College Development Reserve (CDR) was established to hold the funds in excess of those required to settle previous borrowing when the College's debt was restructured in June 2017. These funds have been designated by the trustees to fund the further development of Goodenough College above and beyond the refurbishment and replacement of existing assets as provided for in the Asset Replacement Reserve and to include investment in 'intangible' matters other than fixed assets. The final criteria for its use would be determined through the development of the College Strategy.

43-47 Mecklenburgh Square Reserve was established by the trustees to support the future development of 43-47 Mecklenburgh Square.

Other designated funds reserve represents other funds designated by the trustees for particular purposes.

General unrestricted funds represent funds which are expendable at the discretion of the Trustees in the furtherance of the objects of the company. Such funds may be held in order to finance working capital or capital investment and include the College's reserve.

(g) Financial instruments

Financial assets and financial liabilities are recognised when the College becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are initially measured at transaction price (including transaction costs). Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value. Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due. Creditors and provisions are recognised where the College has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

Goodenough College

Notes to the Financial Statements (*continued*)

for the 17 months ended 31 August 2021

1. ACCOUNTING POLICIES (*continued*)

Other financial instruments are initially recognised at fair value and any changes to their fair value are subsequently recognised in the SOFA under 'net gains / (losses) on financial instruments'.

(h) Taxation

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

The subsidiaries make qualifying donations of all taxable profit to Goodenough College. Income from Gift Aid tax reclaimed is recognised in relation to qualifying donations received.

The College is registered for Value Added Tax (VAT). Any irrecoverable VAT is charged to the Statement of Financial Activities.

(i) Tangible fixed assets

The College has elected to present the deemed cost of its freehold assets at the value held at 1 April 2014, as permitted under the FRS102 transitional arrangements. Where there is an indication of an asset being impaired the recoverable amount is identified and the impairment loss is recognised as expenditure in the Statement of Financial Activities.

Depreciation on fixed assets is charged so as to write down the value of properties and material components over their expected useful lives, on a straight line basis as follows:

	Life (years)
Freehold buildings	100
Roof work	15-50
Lifts	25-30
Bathrooms, heating, water, electrical and gas systems, and boiler equipment	10-25
CCTV	5-20
Ventilation and fire detection systems and fire stopping works	10-15
Access and telephone system	10
Vehicles	5
Computer and other office equipment	4
Computer software	4
Furniture	8-20
Improvements to Freehold (including room refurbishment)	6-15
Other plant and equipment and other fixtures and fittings	4-15

(j) Heritage Assets

The College has elected to present the deemed cost of its Heritage Assets at the value held at 1 April 2014, as permitted under the FRS102 transitional arrangements. Heritage Assets are not depreciated. The College has reviewed its Heritage Assets and does not consider that any impairment at 31 August 2021 is necessary.

Goodenough College

Notes to the Financial Statements *(continued)*

for the 17 months ended 31 August 2021

1. ACCOUNTING POLICIES *(continued)*

(k) Investments

Investments are valued at bid value as at the balance sheet date and the surplus or deficit arising from this revaluation is shown within 'net gains / (losses) on investments' on the face of the SOFA. Realised gains and losses represent the difference between the sale proceeds and the opening market value of an investment or cost if purchased during the year and are also shown within this line.

(l) Investment properties

Investment properties are held initially at cost and subsequently at fair value at the reporting date. Any Gains or Losses are recognised under 'Net gains/ (losses) on investments' on the Statement of Financial Activities. Investment properties are not depreciated.

(m) Stocks

Stocks are stated at the lower of cost and net realisable value and comprise consumable goods.

(n) Operating leases

Rental costs under operating leases are charged to the SOFA in equal amounts over the period of the lease.

(o) Borrowing costs

Interest and charges are expensed and charged to the SOFA when incurred.

(p) Pension accounting policy

Goodenough College operates a defined contribution pension scheme. Contributions are charged to the SOFA as they become payable. They are analysed across expenditure according to the activity of the scheme members.

Goodenough College

Notes to the Financial Statements (continued)

for the 17 months ended 31 August 2021

2 DONATIONS

	Unrestricted funds 17 months to 2021 £'000	Restricted funds 17 months to 2021 £'000	Total funds 17 months to 2021 £'000	Total funds Year to 2020 £'000
Donations	<u>113</u>	<u>550</u>	<u>663</u>	<u>265</u>
	113	550	663	265

Of the total funds stated for 2020, £210k was restricted and £55k unrestricted.

Of these donations £69,990 (2020 : £40,500) was received from Trustees.

3 INVESTMENT INCOME

	Unrestricted funds 17 months to 2021 £'000	Restricted funds 17 months to 2021 £'000	Total funds 17 months to 2021 £'000	Total funds Year to 2020 £'000
Income from UK listed investments	216	59	275	340
Income from overseas listed investments	81	29	110	116
Rent from property	807	50	857	611
Other interest - short-term deposits	<u>214</u>	<u>-</u>	<u>214</u>	<u>207</u>
	<u>1,318</u>	<u>138</u>	<u>1,456</u>	<u>1,275</u>

Of the total funds stated for 2020, £102k was restricted and £1,173k unrestricted.

4 TRADING INCOME

Trading income comprises income arising from the College's two trading subsidiaries as detailed in note 12. Included within trading income is £41,000 arising from Coronavirus related business grants received by Goodenough Club Limited.

Goodenough College

Notes to the Financial Statements (continued)

for the 17 months ended 31 August 2021

5 INCOMING RESOURCES FROM COLLEGE CHARITABLE ACTIVITIES

	Unrestricted funds 17 months to 2021	Restricted funds 17 months to 2021	Total funds 17 months to 2021	Total funds Year to 2020
	£'000	£'000	£'000	£'000
College gross accommodation income	7,296	-	7,296	7,354
The Burn income	-	138	138	342
	<u>7,296</u>	<u>138</u>	<u>7,434</u>	<u>7,696</u>

Included within incoming resources from college charitable activities for the period is £492,000 relating to the Coronavirus Job Retention Scheme and £40,000 relating to other coronavirus grant funding. Of the total funds stated for 2020, £342k was restricted and £7,354k was unrestricted.

6 EXPENDITURE FOR CHARITABLE PURPOSES

	Direct Costs 17 months to 2021	Support Costs 17 months to 2021	Total 17 months to 2021	Total Year to 2020
	£'000	£'000	£'000	£'000
Attracting outstanding postgraduate students	1,273	254	1,527	1,087
Transforming College Members	8,832	1,674	10,506	7,432
Raising the College's profile	405	82	487	470
Sustaining the College	<u>2,978</u>	<u>243</u>	<u>3,221</u>	<u>2,182</u>
	<u>13,488</u>	<u>2,253</u>	<u>15,741</u>	<u>11,171</u>

The College has paid £760k (2020: £470k) to College members as scholarships and bursaries, including hardship funds.

Goodenough College

Notes to the Financial Statements (continued)

For the 17 months ended 31 August 2021

7 SUPPORT COSTS

	17 months to 2021 £'000	Year to 2020 £'000
Finance	524	402
IT	820	610
HR	331	264
Governance	64	48
Other general overheads	619	357
	2,358	1,681

These support costs are split across the following areas:

Raising funds	105	209
Charitable activities	2,253	1,472
	2,358	1,681

GOVERNANCE COSTS

	17 months to 2021 £'000	Year to 2020 £'000
Support costs		
Council and Board meeting costs	-	3
Fees payable to the auditors - College	35	33
	35	36
Direct costs		
Fees payable to the auditors – Subsidiary Companies	29	12
Total governance costs	64	48

Fees payable to the Company's auditors:

Statutory audit	40	33
Advisory services	24	12
	64	45

Goodenough College

Notes to the Financial Statements (continued)

for the 17 months ended 31 August 2021

8 NET OUTGOING RESOURCES

	17 months to 2021 £'000	Year to 2020 £'000
Net outgoing resources for the year are stated after charging :		
Amounts payable to auditors (Group)(note 7)	64	45
Depreciation of tangible fixed assets	3,372	2,253
Operating lease charge	38	28

9 INFORMATION REGARDING STAFF AND TRUSTEES

	2021 No.	2020 No.
Average number of employees (full time equivalent) during the period:		
College	62	64
Hotel	6	11
The Burn	11	12
	<u>79</u>	<u>87</u>

	2021 No.	2020 No.
Average number of employees (headcount) during the period:		
College	71	80
Hotel	6	11
The Burn	23	22
	<u>100</u>	<u>113</u>

	2021 £'000	2020 £'000
Wages and salaries	4,199	3,045
Social security costs	431	305
Pensions	202	148
	<u>4,832</u>	<u>3,498</u>

Goodenough College

Notes to the Financial Statements (continued)

For the 17 months ended 31 August 2021

9 INFORMATION REGARDING STAFF AND TRUSTEES (continued)

The number of staff paid over £60,000 during the reporting period (salary plus taxable benefits excluding pension contributions) was:

	17 months to 2021	Year to 2020
	No.	No.
£60,001 - £70,000	6	3
£70,001 - £80,000	3	1
£80,001 - £90,000	2	1
£90,001 - £100,000	1	1
£100,001 - £110,000	1	-
£110,001 - £120,000	1	-
£120,001 - £130,000	1	1
£140,001 - £150,000	1	-
£150,001 - £160,000	-	1
£170,001 - £180,000	2	-

Whilst the above table is required for disclosure purposes, the 17 month period means that staff are included in bandings in excess of where they would be in a comparable 12 month financial period.

If the table were presented with the current financial year calculated on the basis of the 12 months to 31 August 2021 it would show the following comparison.

	Year to 2021	Year to 2020
	No.	No.
£60,001 - £70,000	3	3
£70,001 - £80,000	1	1
£80,001 - £90,000	1	1
£90,001 - £100,000	-	1
£100,001 - £110,000	2	-
£120,001 - £130,000	1	1
£150,001 - £160,000	-	1

Trustees' remuneration

Members of the Board of Trustees (who are all directors within the meaning of the Companies Act 2006) receive no remuneration or taxable benefits for their services.

During the year three (2020: four) Trustees were reimbursed or had amounts paid on their behalf for sundry Board expenses incurred totalling £321 (2020: £3,239 relating to travel and sundry Board expenses).

Pension schemes

The Company operates stakeholder pension schemes administered by Legal and General. The employer's contributions are 10% of pensionable salary for senior staff and are matched to those of the qualifying employees to a maximum of 5% of pensionable salary for other staff and amounted to £201,837 (2020: £148,075). At 31 August 2021 outstanding payments due to the scheme were £21,170 (2020: £19,753).

Goodenough College

Notes to the Financial Statements (continued)

for the 17 months ended 31 August 2021

9 INFORMATION REGARDING STAFF AND TRUSTEES (continued)

Key management personnel

Key management personnel of Goodenough College comprise the Trustees and those employees making up the Executive team, consisting of the Director, the Director of Finance and Resources, the Director of Operations, the Director of Development and External Relations, the Dean, the Registrar and the Bursar to the Burn.

The aggregate compensation (remuneration plus benefits and employer's National Insurance Contributions) paid or payable to 'key management personnel' during this reporting period was: £1,160,175 (2020: £813,484).

Redundancy payments

Total payments made during this year in relation to redundancy pay were £37,878 (2020: £34,200). The accounting policy is to recognise termination payment liabilities on communication of redundancy and when quantifiable. Such payments are accounted for as staff costs.

10 TANGIBLE FIXED ASSETS

(a) Freehold properties

Consolidated and company

	College	The Burn	Assets under construction	Total
	£'000	£'000	£'000	£'000
Land and buildings at deemed cost				
Brought forward deemed cost at 1 April 2020	155,440	11,059	11,263	177,762
Additions	661	35	443	1,139
Transfers	41	10	(51)	-
At 31 August 2021	156,142	11,104	11,655	178,901
Depreciation				
Brought forward at 1 April 2020	9,842	681	-	10,523
Charge for the year	2,727	156	-	2,883
At 31 August 2021	12,569	837	-	13,406
Net book value at 31 August 2021	143,573	10,267	11,655	165,495
Net book value at 31 March 2020	145,598	10,378	11,263	167,239

Freehold properties consisted of student accommodation, the hotel (The Goodenough on Mecklenburgh Square) and The Burn. They were all the subject of independent valuations, for inclusion in the accounts at 31 March 2013, provided by Drivers Jonas Deloitte, Willis Ltd, Ecclesiastical, Bell Ingram and Alpha Browett Taylor.

Goodenough College

Notes to the Financial Statements (continued)

for the 17 months ended 31 August 2021

10 TANGIBLE FIXED ASSETS (continued)

Assets under construction consist mainly of the properties at 43-46 Mecklenburgh Square, previously held as investment properties. The lease on the properties expired on 26 November 2019 and the intention of the College is to convert them into additional student accommodation. Accordingly they are no longer held as investments and were transferred to freehold properties at a value of £11,003,000 in the year ended 31 March 2020 and are treated as being at deemed cost. This is based on a valuation provided by Alpha Browett Taylor included in the accounts at 31 March 2018 and confirmed by them in June 2019. Further work on the project as well as renovations at the hotel and other ongoing works at the college premises during the year amount to £443,000. No depreciation is applied to these assets as they are not in operational use.

Also included in Freehold Properties are the College's Royal Albert Hall seats, held at historic cost of £350. The seats were purchased by the College in 1967 and are held on a 999 year lease from 1867.

Excluding 43-46 Mecklenburgh Square, the historical cost net book value of the land and buildings if the revaluation had not taken place would be £30,235,000 (2020: £30,867,000). The historical cost of 43-46 Mecklenburgh Square cannot be determined.

One of the College's properties is used by Goodenough Club Ltd, trading as The Goodenough on Mecklenburgh Square, a wholly owned subsidiary of Goodenough College. It is a mixed use property, in that it provides overnight accommodation for businesses and private individuals but also for those involved in College activities, including College Alumni, providing College Alumni the opportunity to be a part of the College community even after they are no longer full time residents.

At 31 August 2021 the net book value of the mixed use property is £14,279k, with accumulated depreciation of £1,494k and an in-year depreciation charge of £360k.

(b) Heritage assets

Consolidated and company

	College £'000	The Burn £'000	Total £'000
Deemed cost at 1 April 2020	290	20	310
Additions	-	-	-
At 31 August 2021	<u>290</u>	<u>20</u>	<u>310</u>

Heritage assets comprise paintings and furniture which are available for use and enjoyment of College members, staff and guests throughout the College and Burn.

The Director of Finance and Resources leads on the preservation and management of Heritage assets. The College maintains an asset register which details the location, value and description of the assets and ensures that they are located in an appropriately secure and managed environment.

A valuation of the heritage assets was carried out in 2013 and is treated as deemed cost. The Trustees do not consider that any impairment at 31 August 2021 is necessary.

Goodenough College

Notes to the Financial Statements (continued)

for the 17 months ended 31 August 2021

10 TANGIBLE FIXED ASSETS (continued)

(c) Fixtures, fittings, plant and equipment

Consolidated and company

	College £'000	The Burn £'000	Assets under construction £'000	Total £'000
Cost at 1 April 2020	2,734	87	111	2,932
Additions	409	-	36	445
Transfers	108	-	(108)	-
At 31 August 2021	<u>3,251</u>	<u>87</u>	<u>39</u>	<u>3,377</u>
Depreciation at 1 April 2020	1,491	75	-	1,566
Charge for year	484	5	-	489
At 31 August 2021	<u>1,975</u>	<u>80</u>	<u>-</u>	<u>2,055</u>
Net book value at 31 August 2021	<u>1,276</u>	<u>7</u>	<u>39</u>	<u>1,322</u>
Net book value at 31 March 2020	<u>1,243</u>	<u>12</u>	<u>111</u>	<u>1,366</u>

11 INVESTMENTS HELD AS FIXED ASSETS

	College £'000	The Burn £'000	Total £'000
(a) Investment properties			
Land and buildings at valuation:			
Carried forward at 1 April 2020	3,212	700	3,912
Disposals	(49)	-	(49)
Revaluation	357	110	467
At 31 August 2021	<u>3,520</u>	<u>810</u>	<u>4,330</u>

The College investment properties were the subject of an independent market valuation for inclusion at 31 March 2018 by Alpha Browett Taylor, RICS registered valuer with the necessary knowledge and expertise to provide this valuation. In each of the subsequent years an internal exercise was carried out to assess if the value of similar properties in the local area had changed during the financial year. In 2020/21 the College investment properties were revalued upwards by £357k as a result (2020: £254k).

The Burn investment properties were the subject of an independent market valuation for inclusion at 18 January 2018 by J & E Shepherd, RICS registered valuer with the necessary knowledge and expertise to provide this valuation. An internal exercise was carried out to assess if the market had changed during the financial year, and the properties were revalued upwards by £110k (2020: no change was identified).

Goodenough College

Notes to the Financial Statements *(continued)*

for the 17 months ended 31 August 2021

11 INVESTMENTS HELD AS FIXED ASSETS *(continued)*

		Consolidated and Company	
		31 August 2021	31 March 2020
(b) Listed investments	Notes	£'000	£'000
Market Value at 1 April		19,970	20,463
Additions at cost		6,192	6,631
Proceeds from disposals		(12,802)	(5,274)
Realised gain/(loss)		136	(22)
Unrealised gain/(loss)		5,229	(1,828)
Market value at 31 August		<u>18,725</u>	<u>19,970</u>
 Listed investments comprise the following:			
Investments listed on a recognised stock exchange - Equities		10,293	9,819
Investments listed on a recognised stock exchange - Bonds		1,429	5,946
Alternative Funds		7,003	4,205
Market value at 31 August		<u>18,725</u>	<u>19,970</u>
Investment assets in the United Kingdom		13,564	15,143
Investment assets outside the United Kingdom		5,161	4,827
Market value at 31 August		<u>18,725</u>	<u>19,970</u>
Cost at 31 August		<u>14,199</u>	<u>20,104</u>
Total investments			
Listed investments (market value)	11b	18,725	19,970
Short term deposits in the portfolio		3,057	2,669
Investment properties (market value)	11a	4,330	3,912
Investments at 31 August		<u>26,112</u>	<u>26,551</u>

Goodenough College

Notes to the Financial Statements (continued)

for the 17 months ended 31 August 2021

12 SUBSIDIARY UNDERTAKINGS

The College owns 100% of the issued capital of the following companies.

Subsidiary undertaking	Company Investment at Cost £
Goodenough Club Limited	250,000
Goodenough Ventures Limited	2
	<u>250,002</u>

Summarised financial results of Goodenough Club Limited (Company Registration 2684378) are set out below and are included in the consolidated SOFA. All activities relate to continuing operations. The following intercompany transactions are included within the subsidiary results.

The £281k (2020: £3,325k) 'Turnover' includes £89 (2020: £4k) for sales to the parent company. Commercial accommodation income of £281k (2020: £3,321k) has been included within the consolidated statement of financial activities in relation to the activities of this subsidiary.

The £817k (2020: £1,834k) 'Cost of Sales' includes £174k (2020: £315k) in charges to the subsidiary by the parent company for the use of parent company resources, £89 (2020: £4k) in costs of providing services to the parent company and £10k (2020: £215k) in charges from Goodenough Ventures for the provision of services. Trading activity expenditure of £807k (2020: £1,615k) has been included within the consolidated statement of financial activities in relation to the activities of this subsidiary.

	17 months to 31 August 2021	Year to 31 March 2020
	£'000	£'000
Turnover	240	3,325
Cost of sales	<u>(817)</u>	<u>(1,834)</u>
	(577)	1,491
Other income	41	
Qualifying distribution under deed of covenant	-	<u>(1,491)</u>
(Loss)/profit	<u>(536)</u>	<u>-</u>
Assets	516	1,119
Liabilities	<u>(95)</u>	<u>(161)</u>
Shareholders' funds	<u>421</u>	<u>958</u>

Goodenough College

Notes to the Financial Statements (continued)

for the 17 months ended 31 August 2021

12 SUBSIDIARY UNDERTAKINGS (continued)

Goodenough Ventures Limited (Company Registration 09342926) is an events and venue hire business which commenced trading in October 2015.

Summarised financial results of Goodenough Ventures Limited are set out below and are included in the consolidated SOFA. All activities relate to continuing operations. The following intercompany transactions are included within the subsidiary results.

The £1,179k (2020: £2,059k) 'Turnover' includes £633k (2020: £570k) for sales to the parent company, and £10k (2020: £215k) for sales to other group entities. Catering Events and Venue Hire income of £536k (2020: £1,274k) has been included within the consolidated statement of financial activities in relation to the activities of this subsidiary.

The £1,302k (2020: £1,717k) 'Cost of Sales' includes £104k (2020: £170k) in charges to the subsidiary by the parent company for the use of parent company resources and £633k (2020: £570k) in costs of providing catering supplies for the parent company. Trading activity expenditure of £669k (2020: £1,147k) has been included within the consolidated statement of financial activities in relation to the activities of this subsidiary.

The net liabilities of the subsidiary are covered by an interest bearing loan (0.1%) from the parent charity, which is repayable by September 2023.

	17 Months to 31 August 2021 £'000	Year to 31 March 2020 £'000
Turnover	1,179	2,059
Cost of sales	(1,302)	(1,717)
	(123)	342
Qualifying distribution under deed of covenant	-	(342)
(Loss)/profit	(123)	-
Assets	405	621
Liabilities	(528)	(621)
Shareholders' funds	(123)	-

Goodenough College

Notes to the Financial Statements (continued)

for the 17 months ended 31 August 2021

13 DEBTORS

	Consolidated		Company	
	31 August 2021	31 March 2020	31 August 2021	31 March 2020
	£'000	£'000	£'000	£'000
Trade debtors	519	206	436	88
Amount due from subsidiary undertaking	-	-	359	359
Other debtors	15	40	15	39
Taxes recoverable	224	95	181	95
Prepayments and accrued Income	555	101	540	81
	<u>1,313</u>	<u>442</u>	<u>1,531</u>	<u>662</u>

The amounts presented above are net of provision for doubtful recoverability and foreseeable losses.

The amount due from the subsidiary undertaking to the Charity represents the amount due from Goodenough Ventures Limited. Included within this is an amount due after more than one year of £123k.

14 CREDITORS: amounts falling due within one year

	Consolidated		Company	
	31 August 2021	31 March 2020	31 August 2021	31 March 2020
	£'000	£'000	£'000	£'000
Trade creditors	1,823	1,303	1,703	1,020
Amounts due to subsidiary undertaking	-	-	451	479
Taxation and social security	77	86	77	86
Other creditors	129	129	124	129
Accruals	999	704	934	679
Deferred income	42	7	42	7
Other deferred discount	-	18	-	18
	<u>3,070</u>	<u>2,247</u>	<u>3,331</u>	<u>2,418</u>

The amount due to the subsidiary undertaking from the Charity represents the amount due to Goodenough Club Ltd.

Goodenough College

Notes to the Financial Statements (continued)

for the 17 months ended 31 August 2021

14 CREDITORS: amounts falling due within one year (continued)

Deferred income consists entirely of commercial rent received from tenants in advance. Prior year deferred income related in full to income recognised in 2020. A reconciliation is set out below:

Movement in deferred income in year

	Consolidated		Company	
	31 August 2021	31 March 2020	31 August 2021	31 March 2020
	£'000	£'000	£'000	£'000
Balance brought forward	7	115	7	111
Released:	(7)	(115)	(7)	(111)
Added	42	7	42	7
Balance carried forward	42	7	42	7

15 CREDITORS: amounts falling due in greater than one year

	31 August 2021	31 March 2020
	£'000	£'000
Bank borrowing		
Falling due in more than 5 years	40,000	40,000
Total	40,000	40,000

Bank borrowing

On 2 June 2017 the College secured a £40m non amortising 30 year loan with Rothesay Life at a fixed interest rate of 3.102%. This loan is repayable in full in June 2047. The Rothesay loan is secured against London House and William Goodenough House.

Financial instruments

At the balance sheet date the College held no complex financial instruments.

Goodenough College

Notes to the Financial Statements (continued)

for the 17 months ended 31 August 2021

16 RESTRICTED FUNDS

	1 Apr'20	Transfer	Income	Gains / losses	Expenditure	31 Aug'21
	£'000	£'000	£'000	£'000	£'000	£'000
2020/21						
Burn Fund						
General fund	811	142	272	325	(508)	1,042
Specific donations	-	-	-	-	-	-
Investment property reserve	700	-	-	110	-	810
Tangible fixed asset reserve	10,421	(127)	-	-	-	10,294
Total Burn Fund	11,932	15	272	435	(508)	12,146
Other restricted funds						
Scholarships and Bursaries	306	-	362	150	(236)	582
Specific donations	67	-	192	33	(278)	14
Total other restricted funds	373	-	554	183	(514)	596
Total restricted funds	12,305	15	826	618	(1,022)	12,742
2019/20						
	£'000	£'000	£'000	£'000	£'000	£'000
Burn fund						
General fund	1,060	169	443	(197)	(664)	811
Specific donations	6	(6)	-	-	-	-
Investment property reserve	700	-	-	-	-	700
Tangible fixed asset reserve	10,523	(102)	-	-	-	10,421
Total Burn Fund	12,289	61	443	(197)	(664)	11,932
Other restricted funds						
Scholarships and Bursaries	354	-	197	(48)	(197)	306
Specific donations	108	-	14	(15)	(40)	67
Total other restricted funds	462	-	211	(63)	(237)	373
Total restricted funds	12,751	61	654	(260)	(901)	12,305

The Burn Fund represents the assets and liabilities of The Burn, including a tangible fixed assets reserve, an investment property reserve and a general restricted fund. A transfer of £127k has been made from the tangible fixed assets reserve to the general restricted fund representing the movement in the net book value of fixed assets in the year. A transfer of £15k has been made from the Charity's general funds to The Burn general restricted fund representing the element of profit from Goodenough Ventures Limited activity that was generated at The Burn.

Scholarships and Bursaries are donations specifically made for providing scholarships and bursaries to qualifying members.

Specific donations are those to support specific aspects of College activity and projects.

Goodenough College

Notes to the Financial Statements (continued)

for the 17 months ended 31 August 2021

17 UNRESTRICTED FUNDS

	1 Apr'20	Transfer	Income	Gains/ (losses)	Expenditure	31 Aug'21
	£'000	£'000	£'000	£'000	£'000	£'000
2020/21						
Tangible fixed asset	158,495	(1,662)	-	-	-	156,833
Long term loan	(40,000)	-	-	-	-	(40,000)
Tangible fixed asset reserve	118,495	(1,662)	-	-	-	116,833
Investment property reserve	3,212	(49)	-	357	-	3,520
Asset Replacement reserve	4,011	1,430	144	1,969	(37)	7,517
College Development Reserve	7,649	(3,743)	40	774	(409)	4,311
43-47 Mecklenburgh Square Reserve	-	250	-	-	-	250
Other designated reserves	93	-	117	46	(256)	-
Total designated reserves	133,460	(3,774)	301	3,146	(702)	132,431
General funds of the Charitable Company	8,463	3,759	8,683	2,077	(14,511)	8,471
Total funds of the charitable company	141,923	(15)	8,984	5,223	(15,213)	140,902
General funds of the subsidiaries	708	-	817	-	(1,476)	49
Total consolidated unrestricted funds	142,631	(15)	9,801	5,223	(16,689)	140,951
	1 Apr'19	Transfer	Income	Gains/ (losses)	Expenditure	31 Mar'20
	£'000	£'000	£'000	£'000	£'000	£'000
2019/20						
Tangible fixed asset	148,478	10,017	-	-	-	158,495
Long term loan	(40,000)	-	-	-	-	(40,000)
Tangible fixed asset reserve	108,478	10,017	-	-	-	118,495
Investment property reserve	13,961	(11,003)	-	254	-	3,212
Asset Replacement reserve	3,365	1,038	104	(472)	(24)	4,011
College Development reserve	11,172	(3,209)	274	(155)	(433)	7,649
Other designated reserves	196	(94)	55	(31)	(33)	93
Total designated reserves	137,172	(3,251)	433	(404)	(490)	133,460
General funds of the Charitable Company	6,444	3,190	12,744	(932)	(12,983)	8,463
Total funds of the charitable company	143,616	(61)	13,177	(1,336)	(13,473)	141,923
General funds of the subsidiaries	708	-	-	-	-	708
Total consolidated unrestricted funds	144,324	(61)	13,177	(1,336)	(13,473)	142,631

Goodenough College

Notes to the Financial Statements (continued)

for the 17 months ended 31 August 2021

17 UNRESTRICTED FUNDS (continued)

The designated reserves are further discussed in the financial review on pages 15 to 17.

The transfer of £1,661k to the tangible fixed assets reserve represents the movement in the net book value of tangible fixed assets during the year.

The transfer of £1,430k to the Asset Replacement Reserve represents the cash surplus for the year excluding investment income and the element of loan interest charged to the College Development Reserve.

£3m has been transferred from the College Development Reserve. This aims to ensure that the College maintains sufficient Freely Available Funds after the impact of the 'least worst' scenario of the Covid-19 crisis on the College. A further transfer of £209k has been made to support the preparatory work on the renovation of 43-46 Mecklenburgh Square as well as the refurbishment of the hotel.

The Trustees also transferred £250k into a fund for the support of the 43-47 Mecklenburgh Square project.

18 ANALYSIS OF ASSETS AND LIABILITIES BETWEEN FUNDS OF THE CHARITY

2020/21	Restricted Funds – The Burn £'000	Restricted Funds - other £'000	Designated reserves £'000	General Funds £'000	Charity Total £'000
Tangible fixed assets	10,294	-	156,833	-	167,127
Investments	1,520	246	11,828	8,188	21,782
Investment properties	810	-	3,520	-	4,330
Investments in subsidiaries	-	-	-	250	250
Amounts due to subsidiaries	-	-	-	(92)	(92)
Other current assets	28	-	250	904	1,182
Cash at bank and in hand	78	350	-	1,517	1,945
Current and long term liabilities	(584)	-	(40,000)	(2,296)	(42,880)
	12,146	596	132,431	8,471	153,644

2019/20	Restricted Funds – The Burn £'000	Restricted Funds - other £'000	Designated reserves £'000	General Funds £'000	Charity Total £'000
Tangible fixed assets	10,420	-	158,495	-	168,915
Investments	1,198	373	11,753	9,315	22,639
Investment properties	700	-	3,212	-	3,912
Investments in subsidiaries	-	-	-	250	250
Amounts due to subsidiaries	-	-	-	(120)	(120)
Other current assets	102	-	-	213	315
Cash at bank and in hand	12	-	-	244	256
Current and long term liabilities	(500)	-	(40,000)	(1,439)	(41,939)
	11,932	373	133,460	8,463	154,228

Goodenough College

Notes to the Financial Statements (*continued*)

for the 17 months ended 31 August 2021

19 LEASING COMMITMENTS

At 31 August 2021 the charitable company had the following amounts payable for equipment under non-cancellable operating leases.

	2021	2020
	£'000	£'000
Operating leases which expire within one year	19	28
Operating leases which expire between one and five years	74	7
	93	35

These leases provide printers and photocopiers to support the College's operations.

19 CAPITAL COMMITMENTS

As at 31 August 2021 the College had no capital commitments.

20 RELATED PARTY TRANSACTIONS

Christopher Cobb was appointed Interim Director of Goodenough College between December 2020 and April 2021. As part of this role he also served as a director of Goodenough Club and Goodenough Ventures Limited. During this period, transactions totalling £26,500 relating to his service as Interim Director of the College took place between Goodenough College and Cobbco Ltd, a company of which Christopher Cobb has been a director since August 2020.

There have been no other related party transactions during the year other than those disclosed with group entities in notes 12, 13 and 14.

GOODENOUGH COLLEGE

England & Wales - Charity number 312894

Accounts



Goodenough
College

Goodenough College
(A company limited by guarantee)

Annual Report and Financial Statements

for the year ended 31 March 2020

Company Registration No. 246919

Registered Charity No. 312894 (England and Wales) and SC039173 (Scotland)

Goodenough College

Trustees' Annual Report and Strategic Report

for the year ended 31 March 2020

Goodenough College Chairman's Personal Welcome

I am delighted to introduce this Annual Report and Financial Statements for the year ended 31 March 2020, a year which ended with the College having to deal with the effect of the COVID-19 pandemic. I must congratulate the Director and the Executive Team for the way in which this was handled. Not only the Director, the Registrar, the Dean and the small team of staff who remained on-site throughout, but also those who were working from home to ensure we could provide a safe place for our Members, deserve the gratitude of Members and Alumni as well as that of the Board.

Since the end of our financial year, we have also been examining the likely effects of the pandemic on our financials in the immediate, medium and long term. Fortunately, we have the reserves to withstand the immediate pressures created by the loss of income. Still, we recognise the need to rebuild those reserves to maintain the long-term financial sustainability of the College we have worked so hard to achieve in recent years.

Since the financial year-end we have also begun our response to the Black Lives Matter movement, which has required us to examine how we can live up to the College's shared values of tolerance, respect, understanding, service and togetherness. We have embarked upon an audit, involving our Governors, Members, Alumni and an independent external expert on equality, diversity and inclusion to review our systems, processes and signals. We plan to have in place a College Equality, Diversity and Inclusion Strategy by the end of this year. I salute the Director's leadership in this.

Well before the arrival of COVID-19, we had launched the College's Commemorative Biennium, a two-year programme celebrating, in the first instance, the 90th anniversary of the founding of Goodenough College.

Our Founders' Day celebrations on 3 October 2019 marked the beginning of this Commemorative Biennium programme. My thanks go to Dr Julie Maxton, Executive Director of the Royal Society and Fellow of Goodenough College, who gave an excellent oration on 90 Years in the World. The event also saw the College welcome ten new Fellows to the College, including a Nobel Prize winner, all of whom have already made significant contributions to our Member programme. Since then, our planned schedule of events and activities redolent of our history, traditions and the future ahead has had to be put on hold, but we hope to rejuvenate it in the near future.

The year also saw the finalisation and launch of our five-year Strategic Plan. The Plan is geared towards developing our Membership, resources, relationships and governance over the coming years. Three key objectives and seven enabling objectives – all underpinned by key performance indicators – will help us to achieve our ambitions for the College, our Members and global Alumni network. Following the COVID-19 effect on the College, we have sensibly extended the period of implementing this plan out to 2026.

Last year's report highlighted the need to invest more in fundraising. This past year saw the restructuring of the fundraising team and the development of a comprehensive fundraising strategy, with the aim of substantially increasing voluntary income over the next five years. We also invested in our marketing and communications. This involved a full audit, a brand positioning exercise, and updating and refreshing the look and feel of our collateral, which culminated in the development of a new dynamic website.

Goodenough College

Trustees' Annual Report and Strategic Report

for the year ended 31 March 2020

I welcomed the appointment of Graham Ward CBE as our new President of the Advisory Council following the retirement of Professor René Weis at the 2019 AGM. Graham has immense knowledge and understanding of the College, having held numerous governance roles within the College over the last 20 years. I am delighted with both the way he has led the Advisory Council and his continuing advice to both the Director and myself. Graham has overseen the completion of a significant governance reform in the removal of Ex-Officio members from the Advisory Council and the creation of a Roll of Founding Partners (which can be found on page four of this Report).

We also welcomed Meredith Pierce Hunter, Roger Chadwick OBE and Jane Ashcroft CBE to the Board. My thanks also go to Fiona Kirk and Maureen Simpson, who retired from the Board and the Advisory Council respectively after long periods of outstanding service to the College. Very sadly, we also lost one current, and one former Governor and one current member of staff this year. Deborah Goodwin OBE, had been a good friend of the College since 2017, and Johnny Polk's exceptional service to the College covered almost 40 years. He was a Vice-Chairman of the College and upon his retirement from the Board in 2017 was made an Emeritus Governor of the College. Former Director of Development and External Relations, Mark Lewis, worked at the College for over eight years, establishing much of the College's current Alumni engagement and fundraising activities. They will all be very much missed.

This is my last Annual Report, as I will be stepping down as Chairman in October 2020 after 15 years on the Board of the College and a professional association with the College stretching back to 1980. My thanks go to the Board and Advisory Council members and the Directors and their teams who have provided much support to me over the years. I am delighted to be handing over the role to a distinguished Alumnus, Stuart Shilson LVO.

Also leaving the Board at next month's AGM will be David Brooks Wilson, after long and valued years of service. David has twice chaired our Estates Committee and stepped down from the Board to serve as our project manager for the most recent major refurbishment of our Estate which he delivered on time and within budget.

Finally, I am very sad to announce the resignation of Rebecca Matthews as Director of the College. Rebecca will be leaving Goodenough at the end of January 2021, so it will be for my successor to pay her the appropriate tribute, but I would like to take this opportunity to emphasise the fact that she has been both an impressive leader and wonderful colleague who will be greatly missed by all.

I look forward to watching the College reimagine itself in a post-Covid world and I know that it will continue to be a special place.



Eric Tracey
Chairman

22 September 2020

Goodenough College
Trustees' Annual Report and Strategic Report
for the year ended 31 March 2020

Contents	Page
Goodenough College Chairman's Personal Welcome	
Trustees' Annual Report and Strategic Report	
• Company information	2-3
• Structure, governance and management	4-7
• Strategic Report	7
• Objectives and activities	8-10
• Achievements and performance	10-13
• Financial review	14-21
• Plans for future periods	21-23
• Statement of Trustees' Responsibilities	24-25
Independent Auditor's Report	26-28
Financial Statements	
• Consolidated statement of financial activities	29
• Balance sheet	30
• Consolidated cash flow statement	31-32
• Charity statement of financial activities	33
• Statement of financial activities for the year ended 31 March 2019	34
• Notes to the financial statements	35-55

Goodenough College
Trustees' Annual Report and Strategic Report
for the year ended 31 March 2020

The Board of Trustees present their report and audited Financial Statements for the year ended 31 March 2020 under the Charities Act 2011 and the Companies Act 2006.

COMPANY INFORMATION

PATRON

Her Majesty The Queen

TRUSTEE BOARD

Eric Tracey (Chairman)
 Graham Ward CBE (Vice Chairman) (until 15 October 2019)
 Stuart Shilson LVO (Vice Chairman, Chairman Elect) (from 3 December 2019)
 Alex Acland
 Jane Ashcroft CBE (from 7 July 2020)
 David Brooks Wilson
 Andrew Brown QC
 Roger Chadwick OBE (from 15 October 2019)
 Corey Cook
 Hugh Crossley
 Dr Grahame Davies (from 13 May 2019)
 James Douglas
 Fiona Kirk (until 2 July 2019)
 Dame Maura McGowan DBE
 Charles McGregor
 Meredith Pierce Hunter (from 10 February 2020)
 Martin Schwab

THE ADVISORY COUNCIL

President

Graham Ward CBE (from 15 October 2019) Prof René Weis (until 15 October 2019)

Elected Governors

Alex Acland	2,8	Golfam Khoshkhounejad (from 11 November 2019)	9
Jane Ashcroft CBE (from 7 July 2020)	5	Fiona Kirk (until 2 July 2019)	4
Lord Bilimoria CBE		John Lotherington	1
David Brooks Wilson	5	Dame Judith Mayhew Jonas DBE	7,8
Robert Black (from 3 December 2019)		David McCahon	
Andrew Brown QC	3	Dame Maura McGowan DBE	1
Roger Chadwick OBE	2,4	Charles McGregor	5,6,9
Chris Cobb	2,5	Meredith Pierce Hunter (from 10 February 2020)	4
Corey Cook	4	Anni Rowland-Campbell	
Hugh Crossley	5	Martin Schwab	9
Dr Grahame Davies	1	Deborah Scott	
Chantal Aimee Doerries	9	Maureen Simpson (until 15 October 2019)	
James Douglas	6,9	Stuart Shilson LVO (from 3 December 2019)	
Jane French	2	Eric Tracey	4,7,8,9
Alan Gemmell OBE		Graham Ward CBE	7,8
Sir William Goodenough	4	Prof Stuart Ward	1
Deborah Goodwin OBE (until 20 May 2020)	2,9	Sir David Wootton	6
Constance Jackson	4,6		
Gregory Jones QC	5		

Student Governors

Ariana Huebner (from 26 June 2019) Emily Meyer (from 18 October 2019 to 24 March 2020)
 Felix Graf (from 26 June 2019 to 21 June 2020) Beatrice Jambria Canseco (from 7 July 2020)

- | | |
|--|-------------------------------------|
| 1. Member of Academic Committee | 6. Member of Investment Committee |
| 2. Member of Audit Committee | 7. Member of Nominations Committee |
| 3. Member of Burn Management Committee | 8. Member of Remuneration Committee |
| 4. Member of Fundraising and Development Committee | 9. Member of Finance Committee |
| 5. Member of Estates Committee | |

Committee memberships are stated as at the date of the signing of the accounts, 22 September 2020.

Goodenough College
Trustees' Annual Report and Strategic Report
for the year ended 31 March 2020

COMPANY INFORMATION (continued)

Ex-Officio Governors (until 1 May 2020)

The Vice-Chancellor of the University of Oxford	Professor Louise Richardson
The Vice-Chancellor of the University of Cambridge	Professor Stephen Toope
The Vice-Chancellor of the University of London	Professor Wendy Thomson (from 1 st July 2019)
The Principal of the University of Glasgow	Professor Anton Muscatelli
The President of the Royal College of Physicians	Dr Andrew Goddard
The Chairman of the General Council of the Bar of England & Wales	Amanda Pinto QC (from 1 st January 2020)
The President of the Institute of Chartered Accountants in England and Wales	Fiona Wilkinson (from 6th July 2019)
The Chief Executive of the British Council	Sir Ciaran Devane
The Chairman of the Royal Over-Seas League	Hon Alexander Downer AC (from 1 st May 2019)

Senior Staff

College Director	Rebecca Matthews
Director of Finance and Resources (<i>Company Secretary; Deputy to the Director</i>)	Richard Barker

Director of Operations	Janine Binks
Director of Development and External Relations	Hannah Du Gray (from 8 th April 2019)
Dean	The Rev Dr Alan McCormack
Registrar	Caroline Persaud
Bursar, The Burn	David Turner OBE

Address and Registered Office

London House
Mecklenburgh Square
London
WC1N 2AB

Website: www.goodenough.ac.uk

Professional Advisers

Auditor:
BDO LLP
55 Baker Street
London
W1U 7EU

Legal Advisers:
Cripps Pemberton Greenish
Number 22
Mount Ephraim
Tunbridge Wells, Kent
TN4 8AS

Investment Managers:
Rathbone Brothers Plc
8 Finsbury Circus
London
EC2M 7AZ

Bankers:
Barclays Bank Plc
1 Churchill Place
Canary Wharf
London
E14 5HP

Goodenough College
Trustees' Annual Report and Strategic Report
for the year ended 31 March 2020

STRUCTURE, GOVERNANCE AND MANAGEMENT

The full name of the Charity is Goodenough College (“the College”).

The College was formed as a company limited by guarantee without share capital on 28 March 1930, registered company number 246919. It is registered with the Charity Commission, Charity number 312894 (England and Wales) SC039173 (Scotland). The College’s purposes are set out within its Memorandum and Articles of Association.

In accordance with the Memorandum of Association, every member is liable to contribute a sum of one guinea (approximately £1) in the event of the company being wound up. At 31 March 2020 there were 44 members (2019: 43 members).

On the 1 May 2020 the Advisory Council resolved *‘In accordance with Article 25.1 and Article 25.2 of the College’s Articles of Association, the Advisory Council determines that, with effect from the passing of this resolution, there shall be no holders of offices that shall be Ex-Officio Governors of Goodenough College and that all current holders of the office of Ex-Officio Governor shall vacate the office of Ex-Officio Governor of Goodenough College at that same time.’* There were nine Ex-Officio Governors holding office at the time of the resolution.

On 1 May 2020 the Advisory Council resolved to establish a Roll of Founding Partners recognising those organisations (including those of the nine vacated Ex-Officio Governors) important in the founding, establishment and strategic development of Goodenough College. Founding Partners have no Governance responsibility for the College.

The Roll of Founding Partners stands as:

Goodenough Family
Barclays Bank
City of London Corporation
British Council
The General Bar Council of England and Wales
The Institute of Chartered Accountants in England and Wales
Royal College of Physicians
Royal Over-Seas League
University of Cambridge
University of Glasgow
University of London
University of Oxford

The names at the date of this report of all the Governors forming the Advisory Council at the balance sheet date, the Trustees at the balance sheet and of those Trustees held office during the year, together with details of the Senior Staff and Advisers of the College, are given on pages 2 and 3.

The main features of the College governance structure are:

- A Board of 10 - 15 Board Governors who are legally and financially responsible for the management of College affairs. These are the charity Trustees and the Directors of the

Goodenough College

Trustees' Annual Report and Strategic Report

for the year ended 31 March 2020

company. The Board meets no less than four times per year. One nominated Student Governor attends the College Board.

- A broader College Advisory Council, comprising 20 – 50 Governors (being Elected Governors, the Chair of the Members' Council of the College and up to two other Student (Member) Governors nominated by resident Members of the College). The Advisory Council is held not less than twice per year.
- The College's Articles of Association allow each Board and elected Advisory Council Governor to serve for up to five terms of three years.. Eric Tracey (14 years), David Brooks Wilson (12), Charles McGregor (11) and Andrew Brown (10) have served as Trustees for 9 or more years at the balance sheet date. Eric Tracey, David Brooks Wilson and Charles McGregor are due to retire as Governors and Trustees with thanks at the October 2020 Annual General Meeting.
- At its meeting of 17 September 2019 the Board resolved to make a policy to limit the length of Governor (and Trustee) appointments to a maximum of 12 years, the Articles have not been amended to reflect this. The Board does not propose to end current appointments in excess of 12 years prior to the completion of their current term of appointment. Any changes to the articles will be made alongside other anticipated changes from the ongoing Governance Review.
- The Board believes that the Trustees who have served for nine years or more and who continue to provide substantial skills and contribution towards the governance of the College can be extended. Andrew Brown is specifically welcomed in this regard for his substantial support of, and contribution to, the College's operations at The Burn in Scotland.

The Trustees are satisfied that current governance processes enable the College to deal effectively with the financial and administrative challenges it faces. The Trustees consider that they have paid due regard to the Charity Commission's guidance in respect of their duties and obligations as Trustees of Goodenough College.

The Board continues to implement changes to its governance arrangements to comply better with the Charity Governance Code for larger charities. The Board will review the College's governance arrangements further during 2020/21.

Election of Governors

The process for the election of Governors and Board Directors is set out within the College's Articles of Association. Board Governors and Elected Advisory Council Governors shall be elected on the recommendation of the Nominations Committee at Annual General Meetings of the College. Board Governors are appointed at Annual General Meetings of the College on the recommendation of the Nominations Committee. The Board, on nomination from the Nominations Committee, may appoint Governors and Directors to fill a casual vacancy or as an additional Elected Governor or Director who shall retire at the next Annual General Meeting but will be eligible for re-election. Nominations may be made to the Nominations Committee at any time.

Goodenough College
Trustees' Annual Report and Strategic Report
for the year ended 31 March 2020

Any Ex-Officio Governor positions may be resolved by the Advisory Council, though following the resolution of 1 May 2020, the Council has resolved there to be none.

No Governor or Trustee has any financial interest in the Charity or any group companies.

Trustee Board

The Trustee Board has ultimate responsibility for the governance and strategic direction of the College, ensuring that the Charity upholds its ethos and values and delivers its objectives.

The Board has a written schedule of matters reserved for decision by the whole Board and delegates certain responsibilities to Board Committees. The Trustee Board meets quarterly.

All new Trustees have induction programmes familiarising them with the College, its objectives and its structure, alongside their roles and responsibilities under legislation and College governance.

Committees

Trustees and Governors may serve on one or more Board Committees as set out below:

- Academic Committee
- Audit Committee
- Burn Management Committee
- Fundraising and Development Committee
- Estates Committee
- Finance Committee
- Investment Committee
- Nominations Committee
- Remuneration Committee

Details of the composition of each Committee are to be found on page 2.

Management

Operational management of the College is delegated by the Trustees to the College Director, who is accountable to the Trustee Board for the stewardship of the Charity. The College Director and the senior leadership team (the Executive Committee) attend Board and Committee meetings. The College sets the pay of its key management personnel through the work of its Remuneration Committee supported by the Director. The Committee makes reference to general inflation, comparative salaries and pay awards within the charity, Higher Education and hospitality sectors and historical increases in pay. The remuneration of the Director is set by the Board.

Group Structure and relationships

The College has two wholly owned subsidiary companies, both registered in England and Wales:

- *Goodenough Club Limited* (Company No. 02684378) provides overnight accommodation. The subsidiary takes on responsibility for the trading of The Goodenough on Mecklenburgh

Goodenough College

Trustees' Annual Report and Strategic Report

for the year ended 31 March 2020

Square and the provision of 'Short Stay' accommodation in London House and William Goodenough House. Its annual profits are donated to the College as qualifying distributions under deed of covenant; and

- *Goodenough Ventures Limited* (Company No. 09342926) provides events, venue hire and catering and commercially let accommodation at The Burn. Its annual profits are also donated to the College as qualifying distributions.

The Burn, in Angus, Scotland (a property donated to the College in 1947) is used by many of the Scottish universities as a centre for reading parties, study groups and for educational events and seminars and by Members of the College for educational and recreational activities. The Burn's assets are a restricted fund of the College.

Investment powers and policies

The Trustees are permitted to invest the monies of the College not immediately required for its purposes in or upon such investments, securities or property as may be thought fit, subject nevertheless to such conditions (if any) and such consents (if any) as may for the time being be imposed or required by law.

The Trustees wish to pursue a policy that provides revenue for its current purposes and enhances income and capital growth over the longer term, thereby enabling them to meet their current and future objectives in accordance with the purposes of Goodenough College. Investment management is overseen by the College's Investment Committee.

Investment management is delegated to and managed by Rathbones. The Trustees require the managers to pay attention to the standard investment criteria, namely the suitability of the class of investment and the need for diversification insofar as is appropriate to the circumstances of Goodenough College. Any restrictions on the type of investments or markets in which the manager would invest on the client's behalf are set out in writing. The Trustees have normally agreed investment mandates matching the timing of the College's expected call on those funds. In August 2020 the Trustees decided to reduce the exposure to equity investments to reflect possible future calls on funds as a result of COVID-19 in excess of those currently expected. Stocks which are not quoted on a recognised stock exchange or otherwise actively traded may not be held by the investment manager, without prior approval of the Trustees.

STRATEGIC REPORT

The Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 require the College to prepare a strategic report.

The strategic report comprises of the following sections:

- Objectives and activities
- Achievements and performance
- Financial Review
- Plans for future periods

Goodenough College
Trustees' Annual Report and Strategic Report
for the year ended 31 March 2020

OBJECTIVES AND ACTIVITIES

The College opened in 1931 as a residence for students from the then Dominions. Its aim was to improve international tolerance and understanding amongst people on the brink of their careers by providing a forum in which they could interact. It has expanded greatly since that time and now consists of a community of postgraduates from any country worldwide.

The College's charitable objects, as set out in its Memorandum and Articles of Association, are:

The objects for which the College is established are to organise, encourage and assist the education in England of students ("Resident Members of the College") from any part of the world, giving preference to students from the Commonwealth (with priority for students from those nations less able from time to time to provide resources and facilities of their own).

The College's main activities undertaken in relation to those purposes are defined through its vision, mission and ambition as published in January 2020 in its Strategic Plan 2020-2025.

Vision

A fellowship of global citizens with shared values of tolerance, respect, understanding, service and togetherness (reflecting the spirit of the UK and the principles of the Commonwealth).

Mission

To create a stimulating, inclusive and mutually supportive, residential community in the heart of London where outstanding postgraduate students exchange ideas, openly debate values and form lasting friendships.

Development activities are geared towards developing our Membership, resources, relationships and governance over the following five years. Three key objectives and seven enabling objectives – all underpinned by key performance indicators – will help the College to achieve our ambitions for the College, our Members and global Alumni network.

The College's main **Ambitions** are to:

- Enhance the Resident Member's experience to deliver our Mission and maximise the charitable benefit we deliver.
- Recruit (especially Commonwealth) Members who will benefit most from what we offer and best contribute to the life of the College.
- Build a stronger fellowship of Alumni and others closely associated with the College.

As part of the planning process, a new set of values were agreed for the College, which are **tolerance, respect, understanding, service and togetherness**. Values that have always been part of the Goodenough experience.

Due to the COVID-19 pandemic crisis, the College has been forced to delay the implementation of many of the initiatives within the detail of the Strategic Plan 2020-2025.

Goodenough College

Trustees' Annual Report and Strategic Report

for the year ended 31 March 2020

The College presents its 2019/20 expenditure in pursuit of the following previously adopted strategic goals.

- To attract outstanding postgraduate students from a wide geographic, academic and social base giving preference to those from the Commonwealth;
- To transform College Members through the experience of living in a values-based community which inspires intellectual engagement and endeavour, encourages cross-cultural understanding and offers an exceptional social environment;
- To raise the College profile, internationally and within the UK, by developing key opportunities and pursuing strategic partnerships consistent with our values and ambitions; and
- To sustain the College as an enduring institution which is underpinned by secure finances, a well-maintained estate and high-quality staff, with a commitment to minimising its environmental impact.

The College regularly measures its performance through Key Performance Indicators (KPIs) that assess the success in the reporting period compared to prior years. These KPIs cover areas including occupancy; diversity of membership; numbers of cultural, social, sporting and educational events; numbers and levels of scholarships and bursaries; and number of Alumni contacts. Further information is contained within the Financial Review and Achievements and Performance.

The College serves many of the academic and professional institutions in London. It maintains a balance between the broad faculties of medicine and natural sciences, law, business, political and social sciences and the arts and humanities. The College attracts scholars from a wide range of international schemes including Chevening, Fulbright, Commonwealth and Marshall.

The College provides a wide public benefit. The Trustees are aware of and have regard to the Charity Commission's public benefit guidance when exercising any powers or duties to which the guidance is relevant. College Members return to their home nations or elsewhere with a broadened perspective on the world and a much-expanded knowledge of and affection for the cultures and politics of the UK. This contribution to international tolerance and understanding serves an even greater purpose in today's world of political and economic uncertainty.

The College frames its distinctive domestic paradigm through the vectors of 'commensality' and 'conviviality'- common eating and common living. The experience of College Members is framed entirely residentially and together they negotiate the joys and the trials, the ups and the downs, of life. They engage in many intellectual, social, experiential and developmental activities. 'Port talks' are arranged very frequently where esteemed and internationally renowned individuals lecture and share knowledge and life experience. 'Dean's Seminars' are conducted in various European locations and allow the free exchange of knowledge between College Fellows and College Members. A series of 'GoodSkills' weeks is also arranged to refine the non-academic skills base of College Members. In short, College Members work, play and dine amongst a broad spread of social, national and economic backgrounds, developing understanding and empathy across a wide spectrum of experience within a rich

Goodenough College

Trustees' Annual Report and Strategic Report

for the year ended 31 March 2020

peer group. An external 'representation' programme is additionally coordinated by the College staff to enable College Members to grow their capacity for fluent networking across a range of external institutions in the Cities of London and Westminster and beyond. The College seeks to secure and provide an increasing level of Scholarships and Bursaries to support those who struggle to meet the costs of their accommodation at the College. The College has considered carefully the application of 'commensality' and 'conviviality' in light of the restrictions of the COVID-19 global pandemic.

The Burn actively supports the majority of Scottish universities and offers its facilities as an academic retreat and holiday centre to national and international students and study groups. Serving to enhance the learning experience, The Burn also plays a key role in supporting the local community and will often organise events to bring the academic and local communities together.

The College is open to the public on a number of occasions, chiefly for concerts, operas, conferences and lectures. A large number of external organisations and individuals use the College's facilities for their own conferences and lectures. The College supports organisations such as Council for At-Risk Academics and the Bloomsbury Festival and works closely with other charitable organisations that share the College's aims.

In 2016 the College commissioned an audit of the possibilities for volunteer engagement in the local area and used the results to fine-tune its volunteer activity. Currently, there is active participation by both staff and College Members in local initiatives through churches and other charitable organisations in the community at large. During the Covid-19 lockdown the College was delighted to be able to provide accommodation in our hotel to several front line staff from Great Ormond Street Hospital.

The College's membership of the Knowledge Quarter, a partnership of over 90 academic, cultural, research, scientific and media organisations, large and small, actively engaged in advancing and disseminating knowledge, reflects the College's place at the heart of academic and cultural London.

ACHIEVEMENTS AND PERFORMANCE

During 2019/20 the College aimed to continue to provide a vibrant and transformative College experience to Members and to invest in the long term sustainability of the College and was able to do so for most of the year. From March 2020, the COVID-19 pandemic had a significant impact on the activities of the College when the College's ambition refocussed on prioritising securing the welfare and security of those College Members that remained on-site and providing safe working practices for College and College contractor staff. The strength of the College's reserves will continue to secure the College's financial position, though the financial impact of the crisis to be recognised during 2020/21 will be substantial. The Trustees are confident that the College's financial position is sufficiently strong to weather even its worst-case scenarios to be able to continue its charitable activities.

On 20 January 2020 the College published a new Strategic Plan 2020-25 which set out a renewed Vision, Mission and Objectives. This plan had minimal impact on 2019/20 activities. The Statement of Financial Activities shows 2019/20 College charitable expenditure against the same strategic goals as the prior year. The new 5-year Strategic Plan has provided a stimulus for a refresh of the College's ambition, strategic objectives and governance

Goodenough College

Trustees' Annual Report and Strategic Report

for the year ended 31 March 2020

arrangements, and this will take full effect in future periods. As a result of the effect of COVID-19 on the College, this Plan has become our 2021-2016 Plan.

The year also saw the launch of the College's 'Commemorative Biennium' taking place across two academic years from Founders' Day 3 October 2019, to Founders' Day 4 October 2021. The Biennium looks to celebrate 2020 as the 90th anniversary of the signing of the founding document for The Dominions Students' Hall Trust which is Goodenough College today. 2021 is the 70th anniversary of the inauguration of the Lord Mayor's National Fund for Thanksgiving which helped complete the foundation of the College through the building of William Goodenough House. Until an enforced closure of the programme due to the pandemic, the College celebrated with a range of exciting events, highlights being the inaugural Goodenough Scholars' trip to The Burn in January 2020, Understanding the UK and Understanding the Great Religions programming strands, and the '90 for 90' Alumni stories programme reliving Alumni stories and histories at Goodenough from around the Commonwealth and beyond.

The College continued to grow access to all international postgraduate students, including those less able to provide resources of their own. A continued focus on fundraising for Scholarships and Bursaries was maintained alongside careful consideration of the annual Member rent increase and a focus on exploiting the commercial opportunities available to the College, without causing undue disruption to the 'Member experience'.

The impact on Members is a growth in confidence through their experience at Goodenough College, with broadened perspectives, strong cultural, social and professional networks and a positive image of the UK and the Commonwealth. Supported by this growth we expect our Alumni to be outstanding leaders in their fields, engaged global citizens and advocates of the College.

In 2019, the College commissioned an independent study, based on social return on investment principles, to look at the impact of the College's Scholarship and Bursary programme.

The main conclusion of the study was that students' experience at the College is overwhelmingly positive; in terms of the support to both live and study in London; and the facilitation of their social and professional lives and those of their family members, where they have come with them to live in London. In addition, the study concluded that Members' parents and family members at home also experienced significant positive outcomes, particularly around lessened anxiety and a positive perception of the safety and wellbeing of their child/family member.

The social value experienced by these key stakeholder groups is significantly at a level of between two and three times the value of the cost of the activities at the College.

Some of the key outcomes experienced by Members benefitting from a Scholarship or Bursary are:

- Freedom from financial worry
- Increased time available for studies and improved academic progress and performance
- A favourable work/life balance and therefore improved mental health
- Extended social and professional networks and career opportunities
- An improved sense of safety and comfort and the avoidance of isolation

Goodenough College

Trustees' Annual Report and Strategic Report

for the year ended 31 March 2020

- Increased awareness, understanding and tolerance of other cultures
- A quick and enjoyable adjustment to life in London, and therefore an improved sense of contentment and happiness
- Improved family social life, quality time together and family cohesion

In time, we hope to extend this piece of work to analyse the College's impact across the full Membership body.

During 2019/20 £7.4m (2019: £7.2m) was spent against the goal of 'Transforming College Members', reflecting the operating costs of the College buildings (that so influence College life) alongside the influential Dean's programme.

The Dean's programme for the full 2019/20 Academic year ending in the period delivered (including member led activities) over 28 sporting fixtures, 110 cultural, music and arts events alongside 73 evening lecture 'Port Talks', transformative skills based sessions (including the 'GoodSkills' programmes) and academic occasions. The 2019/20 academic year, prior to its curtailment, included two Dean's Seminars, one in Athens on classical democracy and one in Madrid on contemporary Latin American art; and two new strands of Member programming- 'Understanding the Great Religions' and 'Understanding the UK'. Since the physical suspension of the College programme, a lively online presence has been generated involving bespoke video material and various interactive Dean's Studia featuring Fellows of the College.

During 2019/20 the College maintained its accreditation against the National Code for Assured Accommodation, which demonstrates the College's commitment to the highest standards in delivering its accommodation and community.

The activities of The Burn provided a different (but no less important) experience for the students attending activities at this venue, funded from its restricted fund. The College Board approved business plan saw The Burn work to form ever closer and more effective bonds with Scottish Universities. The Burn continues to provide a valuable facility for both national and international university groups and is a useful resource for College Members and guests.

The £1.1m costs of 'Attracting outstanding postgraduate students' (2019: £1.0m) reflect the costs of our vital student registry function alongside our Scholarship and Bursary schemes and marketing activity. The College spent £470k on Scholarships and Bursaries in 2019/20, a 15% increase on the £408k spent in the prior financial year. This further increase continues to reflect the importance to the College in supporting the economic diversity of our Members. The College expects to spend £601k on Scholarships and Bursaries during the 2020/21 academic year.

Scholarships, Bursaries and Mecklenburgh (hardship) funds are awarded by the College to individual current and potential College Members, predominantly as reductions in rent, on the basis of financial need.

The College received 1,057 applications (2018/19: 1,128), 2.7 applications for each available place at the College for its 2019/20 academic year intake (2018/19: 2.8). Members come from 78 (2018/19: 81) countries (UK 11%; India 8%; Canada 8%; USA 8%; China 7%); of which 50% (2018/19: 49%) were from the Commonwealth. They were studying at 38 (2018/19: 45) academic institutions (UCL 31%; LSE 18%; Kings 9%); with 59% (2018/19: 57%) undertaking Masters Courses; 36% (2018/19: 36%) PhD and other research programmes; and 5%

Goodenough College

Trustees' Annual Report and Strategic Report

for the year ended 31 March 2020

(2018/19: 7%) other forms of postgraduate qualifications. Their academic subject matter was as diverse as their backgrounds. The College experienced a 6% decrease in applications from the EU. Applications from Commonwealth countries increased 4%. The College has continued to invest in additional marketing and engagement actions to maintain and develop the number of suitable applicants to the College and the appropriate Commonwealth representation.

The College spent £0.5m (2019: £0.3m) in raising the College's profile. The College's focus on its profile within the City of London included its second annual reception at the College for the Lord Mayor of London, his Sheriffs and many Aldermen. This in addition to the College having a presence at the Lord Mayor's Show, continuing to reflect the College's founding support from the City of London. The Director represented the College during visits to Canada and the USA to meet Alumni, donors and local prospective funders.

Members continued to engage in a large number of representative events and occasions, including the return of the Abe Bailey Bursars in December 2019. Members attended receptions, lectures or seminars at St Paul's Cathedral, Westminster Abbey, the Mansion House, the Guildhall, the Barbican, the Royal College of Defence Studies, the Royal Institute for International Affairs, the Royal United Services Institute, the Royal College of Physicians, the Royal Society as well as at many notable City of London Livery Companies and diplomatic legations. Of note was a briefing that selected College PhD students offered at the House of Lords to The Rt Hon The Lord Hastings of Scarisbrick PC on their experiences of doctoral research degrees in the UK; and a Jurisprudence Luncheon held at the Old Bailey by Her Majesty's Judges of the Central Criminal Court.

Including the £1.2m interest costs of the College's debt and the costs of supporting the development and the strategic financial management of the College, £2.2m was spent on 'Sustaining the College' during the year (2019: £2.0m). Excluding loan interest, the College spent £1.0m on sustaining the College (2019: £0.7m).

With the support of the Estates Committee, the College applied capital funds of £1.2m (2019: £1.0m) in replacements and enhancements to the estate and IT services.

The College's fundraising secured £265k in donations and legacies (2019: £376k). Income was lower than expected due to the loss of a key staff member for four months of the year and also significant disruption as a result of two key factors: a planned team restructure and the unplanned impact of the COVID-19 pandemic in the final quarter of the financial year. The annual telephone campaign also did not perform as expected due to our agency going into administration late into the planning process. Finally expected income from our Canadian Alumni association arrived later than expected. Fundraising costs of £286k (2019: £250k) reflect the team restructure in order to ensure it fit for purpose to deliver on the Board's ambitions in this key area and the College's further strategic investment in this area to create a roadmap for the future.

The subsidiary companies have continued to perform well, generating qualifying donations totalling £1.8m (2019: £1.8m). These trading activities provide valuable revenue to the College and provide many opportunities to enhance the experience and opportunities of College Members, Alumni and friends. The College continues to balance the financial return generated from the Events and Venue Hire business against disruption to Member life.

Goodenough College

Trustees' Annual Report and Strategic Report

for the year ended 31 March 2020

FINANCIAL REVIEW

The College generated group revenues of £13.8m (2019: £13.4m) in the year to 31 March 2020. Income from charitable activities (predominantly income generated from rents from Member accommodation) was £7.7m (2019: £7.5m); this increase reflected the Board's approval of a weighted average increase in rents of 3% across Member accommodation from 1 September 2019.

Consolidated income from trading activities (predominantly the hotel, short stays, catering and event and venue hire) was £4.6m (2019: £4.3m). Consolidated revenues from the Goodenough Club Ltd were £3.3m (2019: £3.3m). Hotel operations (trading as The Goodenough on Mecklenburgh Square) generated income of £2.4m (2019: £2.4m). Short Stay accommodation income was £0.9m (2019: £0.9m). Goodenough Ventures Ltd generated consolidated revenues of £2.1m (2019: £1.8m), with £1.0m generated from Events and Venue Hire (2019: £0.7m); £0.8m from providing catering to College Members (2019: £0.8m) and £0.2m from providing breakfast to hotel guests (2019: £0.2m).

The College's subsidiary companies' combined surpluses of £1.8m (2019: £1.8m) will be donated to the College. The Goodenough Club Ltd created a surplus of £1.5m (2019: £1.5m). Goodenough Ventures Ltd generated a surplus of £0.3m (2019: £0.2m).

The Trustees and Directors remain confident of the potential for the subsidiary companies to generate surpluses to be donated to the College in future years, though this may not happen in the immediate term and will need to be monitored through the ongoing COVID-19 crisis. The Health Protection (Coronavirus, Restrictions) (England) Regulations 2020, enforced the closure of The Goodenough on Mecklenburgh Square, The Burn, the College Short Stay, and the Events and Venue Hire businesses to commercial operations from 26 March 2020. The College Catering operation was much restricted with the halting of the College's programme as the pandemic unravelled and severe restrictions on the movement and activities of College Members continued from the initial outbreak earlier in the year.

The Consolidated Statement of Financial Activities shows a £0.5m loss before gains and losses on investment assets and financial instruments (2019: £0.1m surplus). The College bore £1.2m in loan interest charges (2019: £1.2m) and depreciation of £2.3m (2019: £2.1m) demonstrating an EBITDA (excluding debt and asset impairment costs) of £3.0m (2019: £3.5m). The loss arose mainly from a planned increase in charitable expenditure, some of which was funded by donations raised in previous years, and from project expenditure such as the investment in fundraising. In addition the commercial environment for the hotel operation was challenging although this was mitigated by the additional events income.

The College holds investment portfolios with Rathbone Brothers Plc under four separate mandates. Where appropriate, composite benchmarks for the funds are developed by the Investment Manager in consultation with the Investment Committee, recognising agreed asset allocation ranges, along with separate long-term performance objectives. All long-term performance objectives are after fees.

The College main portfolio includes the College reserve and the Asset Replacement Reserve and is invested for the longer term with a long-term performance objective of RPI + 4% (net of fees). As mentioned above, in August 2020 40% was withdrawn from the main portfolio and was transferred into a low-risk investment strategy to provide additional availability of short term liquidity should it become required as result of the effect of COVID-19. The Burn portfolio

Goodenough College

Trustees' Annual Report and Strategic Report

for the year ended 31 March 2020

is invested on a similar horizon but, reflecting the annual requirement for income and draw down from that fund to support The Burn's operations; it has a long-term performance objective of RPI + 3.5% (net of fees).

The total return on the College main fund over the year was a loss of 10.2%, and for The Burn portfolio, a loss of 9.9%; the composite benchmark performance measures for these funds were a loss of 9.1% and 7.8% respectively. These funds have achieved a total return of 9.9% and 11.3% respectively over the last five years, against composite benchmarks of 13.8% and 16.0% respectively. Their long-term performance objectives were 38.3% and 35.0% respectively over the same period.

The College No.2 portfolio held funds anticipated to be drawn in the medium term from, the College Development Reserve, and has a long-term performance objective of RPI + 1.5%. The fund was established in 2016 and achieved a total return of 2.7% for the year.

The College No.3 portfolio was established in 2017 and holds funds anticipated to be required in the shorter term from the College Development Reserve Funds. The fund is invested primarily for capital preservation and achieved a loss of 1.0% for the year.

The performance of the investment portfolios and the investment manager is reviewed regularly by the College's Investment Committee and the Trustees continue to be satisfied with their management and the performance of the funds over the long term, despite recognising shortfalls in performance against benchmarks shown above. All investments acquired during the year were in accordance with Trustees' powers. The values of the portfolios at 31st March 2020 are shown in note 10.

The Trustees recognise that the 31 March 2020 valuation represents a particular point in the investment response to the COVID-19 crisis. The Trustees were content that the performance of the No.2 and No.3 accounts adequately met their objectives in the preservation of capital for medium and short term investment. The Trustees saw a significant rally in the performance of the Main and Burn funds in the following periods. Working through the Investment Committee and with its investment managers the Trustees continue to review the investment performance and strategies of its funds under investment as the College's financial performance, reserve position and adjusted capital ambition develops.

Funds and reserves

The College's reserves are divided between unrestricted and restricted funds. Unrestricted funds are further divided into designated and other unrestricted funds.

Unrestricted funds total £142.6m (2019: £144.3m), which includes designated reserves of £133.5m (2019: £137.2m), general funds of the charity of £8.5m (2019: £6.4m) and general funds of the subsidiaries of £0.7m (2019: £0.7m). See Notes 16 and 17 for further details.

The Trustees have designated the value of the College's non-investment fixed assets (net of funding from the long-term loan) as the Tangible Fixed Asset reserve. The value of this reserve is adjusted annually to reflect the net value of these assets and stands at £118.5m at the year-end (2019: £108.5m) reflecting the £11m transfer of 43-46 Mecklenburgh Square to operating assets under construction on the College's securing it for increase Member accommodation on 27th November 2019. 43-46 Mecklenburgh Square had been held as investment property in prior years when it was held on a 35 year lease to a Housing

Goodenough College

Trustees' Annual Report and Strategic Report

for the year ended 31 March 2020

Association. The Trustees have designated the (consequentially reduced) value of the College's investment properties (recognising the College's strategy to retain investment properties for the benefit of future beneficiaries) as the Investment Property Reserve at £3.2m (2019: £14.0m), also reflecting the revaluation of the investment properties at the balance sheet date.

During 2016 the College established a long term forecast, which enabled the College to establish a revised framework for the management of its unrestricted funds and to quantify the level of liquid assets required to sustain the College as an enduring institution. The College has established a plan to ensure that sufficient levels of cash are available to secure a well maintained estate. This established the requirement for an Asset Replacement Reserve (ARR) to support the costs identified for the replacement and refurbishment of the buildings, fixtures, fittings and equipment of London House, William Goodenough House and the hotel over a 30-year period to 2046. The required value of this fund will be designated from the available funds accumulated by the College from annually generated operating surpluses and drawn down against relevant costs.

The Trustees designated the net cash surplus (excluding investment income) of £1,038k from 2019/20 activity into the ARR. The value of the ARR stands at £4.0m on 31st March 2020 (2019: £3.4m). The Trustees will review the value of this designated fund annually as it accumulates and is utilised for Asset Replacement. The ARR is represented by investment funds with investment mandates (as overseen by the Investment Committee) matching the investment objectives and horizons of this reserve.

Following the completion of the debt restructuring exercise in June 2017, the Trustees designated £11.9m of funds secured in excess of that required to settle the previous long term loan and swap arrangements, as a designated fund now referred to as the College Development Reserve (CDR). The Trustees aim to apply these additional funds, secured at a 3.102% interest rate, to take opportunities to further develop the College's activities and its estate over future years. The CDR is represented by investment funds with an investment mandate (as overseen by the Investment Committee) matching the investment objectives and horizons of this reserve. This fund bears the interest cost of this excess borrowing.

The College has assessed the potential financial loss against forecast surpluses from the impact of the COVID-19 global pandemic. Under a number of scenarios the College has assessed that, provided a return to 'normality' by October 2021, losses against the £2.7m operating surplus budget could be between £3.1m and £7.4m. The College is unable to assess the probability of each scenario.

In anticipation of the lowest value of expected operating losses during the 2020/21 Financial Year, the Board has resolved to undesignate £3.0m of College Development Reserve funds and release them to the General Funds of the Charity. This release aims to ensure that the College maintains sufficient Freely Available Funds after the impact of the 'least worst' scenario of the crisis on the College. The Board further resolved to undesignate further funds from the CDR during 2020/21 should an even less favourable scenario materialise. These will clearly impact on the College's development ambitions as defined above.

The Trustees have reviewed the College's reserves policy. The policy considers the nature of the income and expenditure streams, the need to match variable income with fixed commitments and the need to provide for known essential estate maintenance expenditure.

Goodenough College

Trustees' Annual Report and Strategic Report

for the year ended 31 March 2020

To allow the College to be managed efficiently and to provide a buffer against interrupted services, the policy requires that general reserves in the range from £5 million - £8 million should be maintained. This range is based on managing to sustain core College activity if there were a fall in Member income of 25% for three years (c£5 million) and a loss of 50% of Goodenough on Mecklenburgh Square net revenue for two years (c£2 million). In addition, a minimum of £1 million is considered necessary to deal with major estate issues, such as a failure of heating, plumbing or electrical services in either House. Although not clearly identified to support the risks of a global pandemic, the policy has put the College in a strong position to weather the COVID-19 crisis.

The College reserve investment fund was £9.3m on 31 March 2020 (2019: £7.6m). After taking account of other balances within the College's general funds, the College's freely available funds stand at £8.5m on 31 March 2020 (see note 17 for more details). Other designated reserves includes funds donated to the College for 'greatest need'.

The Trustees have assessed the value of reserves and the operations of the College, and the potential impact of COVID-19, and do not consider that there remain material uncertainties related to these or other events or conditions that cast significant doubt on the College's ability to continue as a going concern. The College remains very financially stable with freely available funds of £8.5m; other unrestricted designated funds of £11.8m and unrestricted investment properties valued at £3.2m.

The Board continues to provide for the refurbishment of 43-46 Mecklenburgh Square from within the College Development Reserve.

Restricted funds are represented by assets and investments that can only be used or spent for a particular purpose as stated by the donors. The total value at 31 March 2020 was £12.3m (2019: £12.8m). See Note 15 for further details.

Restricted funds include The Burn Fund of £11.9m (2019: £12.3m) and other restricted funds of £0.4m (2019: £0.5m). The Burn fund includes the operating land, building and assets of the site represented by a tangible fixed assets reserve of £10.4m (2019: £10.5m); investment properties reserve of £0.7m (2019: £0.7m) and a general restricted fund of £0.8m (2019: £1.1m). The general restricted fund is represented by The Burn investment portfolio.

The other restricted funds have been donated to the College for a number of restricted purposes including restricted Scholarships and Bursaries funds of £306k (2019: £354k). The College has adopted a policy to increase the level of support to its important Scholarships and Bursaries activity provided through donations. Expenditure on Scholarships and Bursaries from restricted or designated donated funds rose to £214k (2019: £208k) in the year.

Borrowings and bank facilities

On 2nd June 2017, the College secured a £40m non-amortising 30-year loan with Rothesay Life at a fixed interest rate of 3.102%. The loan is secured against London House and William Goodenough House. The College holds a £250,000 overdraft facility with Barclays Bank.

Principal Risks and Uncertainties

To manage risk, all College Governors and staff must understand the nature of risk and accept responsibility for risks associated with their area of authority. The necessary support, assistance and commitment of senior management is provided to ensure that both operational and strategic risk is managed to the best of our ability. The risk management process therefore provides reasonable, but not absolute, assurance that the organisation is protected.

We define key strategic and operational risks as those that, without effective and appropriate mitigation, would have a severe impact on our work, our reputation or our ability to achieve our ambitions. These risks are reported to the Trustees through the risk management process, allowing them to challenge any assumptions management have made about risks and understand the context in which decisions are taken. This helps them to ensure that the most serious risks are being managed effectively.

- Revenue shortfall and downturn in Member application numbers have been identified as fundamental financial risks in respect of Goodenough College. The promotion of the College through search engine optimisation, peer reviews, advertising and to educational institutions and scholarship bodies (within London, the UK and internationally) is given the highest priority in order to mitigate this risk; application numbers are reviewed on a regular basis.
- The College has more recently recognised the potential impact of the COVID-19 global pandemic and similar pandemics on the College's ability to safeguard its beneficiaries, fulfil its charitable objectives and deliver its financial targets.
- College stress testing and scenario analysis has suggested operating shortfalls of between £3.1m and £7.4m against the budget to 31 August 2021. The level of the College's unrestricted freely available reserves, combined with its designated funds (see below), provide the College with comfort as to its going concern, though such shortfalls will require the College to reduce its ambitions from the application of remaining College Development Reserve (CDR) funds and enhancement of Asset Replacement Reserve funds. The College has undesignated £3m of CDR funds in preparation for the £3m of potential losses against the operating budget. In August 2020 the College also transferred 40% of the Main Investment Fund (c. £5m) from equity investments to shorter term investments to provide further liquidity should it become required.
- The College has recognised the particular safeguarding risks for its Members during the COVID-19 pandemic crisis and has continued to exercise its duty of care to those Members of College that remained resident on Mecklenburgh Square during the 'lockdown'. The College applied appropriate measures in line with Government advice, sector best practice and advice from Public Health England. The College received positive review of its arrangements for cleaning, social distancing and the isolating of 'households' from Public Health England. There have been particular challenges in managing arrangements for those Members with shared bathroom and food preparation facilities. The College's caterer, Holroyd Howe, has maintained an excellent, flexible arrangement for providing food to College Members throughout the crisis. The College has managed its response to the pandemic through (initially daily) COVID Management Team meetings, and COVID Recovery Action Planning meetings dealing with the immediate and the medium term response respectively. The College published its Statement confirming that

Goodenough College
Trustees' Annual Report and Strategic Report
for the year ended 31 March 2020

it had complied with the Government's guidance on managing the risk of COVID-19 on the 18 June 2020.

- With Members at times largely confined to their rooms and severely restricted in their activities through the requirements of social distancing, the College's ability to transform College Members through community, cross-cultural understanding and an exceptional social environment, has been enormously curtailed with matters of safeguarding taking the higher priority. Although this reduced impact is unavoidable, the College has maintained an online programme throughout the crisis and continues to look for ways to engage with Members within the law and guidance. The College has implemented a rigorous process of risk assessment for all activities, whether customary or novel.
- The maintenance of a diverse College community (including enabling access to those students less able to provide resources of their own) has been recognised as a key area of risk by the Board. The College will continue to target marketing at specific geographic areas and has continued to enhance its own Scholarships and Bursaries schemes to support less affluent students. The College continues to increased focus on fundraising for Scholarships and Bursaries (including hardship funds allocated as The Mecklenburgh Fund). The College reviews its rent annually and any increases applied are based on sound market information and consultation with the College Member community.
- The College has previously recognised that securing sufficient funds to implement the identified Asset Replacement Plan represents a key risk to the College. The College considers that it has substantially mitigated that risk through the development of the comprehensive Asset Replacement Plan, long term financial planning and the securing of £40m of 30 year non-amortising debt. The Finance Committee reviews the required long-term financially sustainable performance of the College and provides further diligence over the application of available funds. The impact of the COVID-19 global pandemic crisis will severely test the level of the College's reserves and its confidence to deliver its Asset Replacement Plan alongside its other estate development ambitions over the longer term. The College has demonstrated to itself, through challenging scenarios and stress testing, that it will be able to meet its Asset Replacement Plan for at least the next 15 years.
- As the College's main base of operations is in central London, the College recognises that (though the likelihood is low) terrorist activity both locally to the College and worldwide has the potential of a high impact on the College through: restricting access to the College; reducing applications to the College; and directly on the welfare of College Members. The College exercises care in maintaining its access control and security arrangements, holds financial reserves, broad insurance cover, effective business continuity plans and robust welfare systems in order to mitigate that risk. The College obtained a positive review of its security arrangements by the Metropolitan Police during the year.
- The 30 year fixed interest debt has minimised the College's exposure to variations in debt financing costs. Further details can be found in Note 14.
- In order to maintain the contribution generated by The Goodenough on Mecklenburgh Square, the College remains committed to maintain that accommodation to a high standard while continuing a proactive sales and marketing policy.

Goodenough College

Trustees' Annual Report and Strategic Report

for the year ended 31 March 2020

- With accommodation at its heart, fire risk management forms a key consideration for the College's operation and development. The College regularly reviews its fire management policies and carries out fire risk assessments in line with statutory obligations and best practice. The Trustees remain confident in the College's fire management policies and practices. The College welcomed inspections by the London Fire Brigade's Fire Safety Officer to William Goodenough House and the hotel over the past year.

The College continually improves the process by which it reviews, registers and mitigates those risks that may impact on College life and operations. These risks are reviewed by senior staff throughout the College year and, in addition, the Board reviews a Strategic Risks Register on a quarterly basis and risk management oversight is provided by the Audit Committee. The capacity and capability of staff and contractors is regularly reviewed by the Executive and reported to the Board and its Committees.

With the majority of the College's income streams generated in year from Member Rents, hotel charges and other trading income streams, the impact of these trading environments will affect the financial performance of the College. The College is confident that its planning, risk management and operational management activities sufficiently manage these risks and enable the College to put in place appropriate mitigation measures.

The College takes safeguarding very seriously. The College considers that it provides a safe and trusted environment and has an organisational culture that prioritises safeguarding. The College considers that it does have adequate safeguarding policies, procedures and measures to protect people. These are reviewed regularly, kept up to date in line with Government guidance and best practice. The College has reviewed its safeguarding governance and management arrangements within the last 12 months.

In response to the Corporate Criminal Offence of Failure to Prevent the Facilitation of Tax Evasion introduced by the Criminal Finances Act 2017, the College carried out a risk assessment and made a Top Level Commitment to a zero tolerance to the criminal facilitation of tax evasion at its Board meeting in March 2018. The College continues to apply due diligence; apply, communicate and train its procedures; and monitor and review its position.

Goodenough College continues to assess the requirements of the General Data Protection Regulations (GDPR) and the Privacy and Electronic Communications Regulations (PECR), building on its previous programme of work to achieve compliance. The Trustees remain content that sufficient progress has been made in complying with the Regulation.

Fundraising standards

The College's fundraising activities are undertaken by its Development and External Relations team, with oversight by the Board's Fundraising and Development Committee. Any external fundraising consultants or suppliers are employed to support activities rather than lead them, ensuring we have full control of all activities.

The College is a member of The Council for Advancement and Support of Education (CASE), a professional association serving educational institutions and the professionals who work on their behalf in Alumni relations, communications, development, marketing and allied areas. As part of its work, CASE sets standards and an ethical framework for the fundraising profession which the College follows.

Goodenough College

Trustees' Annual Report and Strategic Report

for the year ended 31 March 2020

This year the College has also developed and implemented an Ethical Fundraising Policy. This includes the introduction of the Ethical Fundraising Committee who will meet at least annually to review large gifts and any considerations around gift acceptance.

One of the core fundraising campaigns is the College's Annual Appeal to Alumni and friends, which is run through telephone and digital means. Those contacts who are deemed to have a legitimate interest in Goodenough College are encouraged to give but those who have opted out of fundraising appeals are exempted from this programme of activity. Above and beyond securing a donation, we seek always to put the needs of the individual first, and to help supporters to make an informed decision about donating to the College. We do not accept donations where we have reason to believe that the donor may be vulnerable and/or accepting the donation would be ethically wrong or cause harm to the donor.

To help inform our approach, we use the Fundraising Regulator's Code of Practice and the Institute of Fundraising's statement on vulnerable donors. We frequently review industry standard materials to ensure we are meeting requirements. This year, no complaints have been received by CASE, the Charity Commission, the Fundraising Regulator or by the College about its fundraising activities.

PLANS FOR FUTURE PERIODS

As the College looks forward into the 2020/21 academic year, the future appears dramatically different and far less predictable as a result of the COVID-19 pandemic's impact. Plans for the future of College, not least the upcoming five years articulated and mapped in our Strategic Plan 2020-2025, were well on track – on time, target and budget – prior to COVID-19.

The impact of the COVID-19 crisis on the College has been extensive, as set out in the Financial Review section of this report. All but core staff have been working from home since early April 2020. College Member occupancy has been reduced to less than 50%, the College programme of physical events has been suspended, resident Members have been predominantly confined to their rooms during the official national lockdown, the Hotel has been closed throughout April, May and June, all commercial events have been cancelled or postponed, and the short stay and sabbatical business has been suspended. This situation has severely curtailed the College's ability to deliver its core charitable aims and has the potential to further curtail its ability to apply the College Development Reserve in pursuit of its development ambition.

In common with many other organisations, the College has had to make difficult decisions in the face of declining income. To help manage the situation, we have made use of the Government's Coronavirus Job Retention Scheme and have furloughed staff who have not been required to run our essential services during this period.

In the immediate future, the College will need to look at ways in which we can mitigate the loss of income relating to the pandemic. We will continue to rebuild our hotel business and refine our plans to re-open our events business. We will also continue to implement processes in which we safely bring back staff who are currently working from home and, in time, bring furloughed staff back to either part-time or full-time work. Top of mind is our Member and staff care, safety and wellbeing within the changing operating environment of College.

Goodenough College

Trustees' Annual Report and Strategic Report

for the year ended 31 March 2020

The College leadership will continue to plan carefully and with consideration. The College can be proud of how safe and well we have kept, and will keep, our community during this difficult time. We hope that the College's measures, that have earned the full support of Public Health England, will continue to result in a low level of infection. The College intends to remain fully COVID secure and compliant with prevailing Government guidance.

Our COVID-19 Management Response Team has been meeting since early March, working to transform our facilities, services and events programme to ensure that the College remains a community that 'feels like home' for our Members. The team will continue to meet regularly to monitor the rapidly changing situation around the outbreak and to review the measures we have in place to protect our Members and staff.

As lockdown restrictions begin to lift, keeping our community safe and well remains our absolute priority. Consistently guided by UK Government advice, we are continuing a phased plan of re-opening, involving gradual, incremental changes matched with careful monitoring of the changing situation.

Goodenough is open for applications for the 2020/21 academic year, and the College looks forward to welcoming new Members. We will continue to consider and plan for how best to manage both new and returning Members, while safeguarding the health and safety of those currently in residence.

COVID-19 has not been the only pressing crisis in 2020, with the Black Lives Matter movement rightly growing in presence. This is a critically important issue for Goodenough College – our Members, staff, and Governors. Our College exists to foster tolerance and understanding, but we are clear that there is much more that must be done. In the coming months, we will advance our thinking on equality, diversity, anti-racism and inclusion, complete a full review of our current practices including how we are staffed and governed, how we recruit and work with our Members, the nature of our programme and the fabric of our buildings. Following recent events in the US and at home, the College is proud to affirm that Black Lives Matter, and here at Goodenough, we stand in solidarity in the fight against racism.

Naturally, segments of our Strategic Plan have been put on hold over the past months. Re-starting the implementation of our Strategy 2020-2025 is a priority. The College will work with Members to re-work and re-imagine our Member experience and offer, and look to recruit Members who not only benefit from the Goodenough experience but also enhance that experience for others.

We will develop the College's estate, including defining the clear opportunities ahead in our re-acquiring of 43-46 Mecklenburgh Square. The College will work to ensure that the Trust remains on a sound financial footing despite challenging circumstances and its operations are sustainable in the long-term. To that end, we will ensure that the Goodenough staff team are motivated and aligned to deliver on our ambitions. We will continue to focus on mental health awareness and safeguarding for both Members and staff and on staff professional and individual development. We will continue to seek to identify sufficient funds to ensure that the College's Asset Replacement Reserve is sufficient to maintain the College's assets in perpetuity.

The College will find routes to improve engagement and connection with its global Alumni community. We will also continue to look for cost-effective ways to raise the College's profile,

Goodenough College

Trustees' Annual Report and Strategic Report

for the year ended 31 March 2020

building on the many new partnerships secured over the past 18 months, to ensure we continue to attract as many talented international postgraduate students as possible.

By implementing our new five-year fundraising strategy, we aim to substantially increase voluntary income to enable as many postgraduate students as possible, irrespective of background, to have a chance to join the College community. This will focus mainly on the growth of College Scholarships and Bursaries.

The Board will continue to review the College's governance arrangements in line with the Charity Governance Code and look to ways to embed crucial equality, diversity and inclusion initiatives in our Strategic Plan to ensure we deliver our goals.

Following the recent removal of Ex-Officio positions from our Governance structure, we will also focus on developing our partnerships with our newly recognised Founding Partners. All of these Partners were important in the founding and establishment of the College. We will also continue to develop new partnerships with organisations that can help us achieve our objectives.

In 2021 we also hope to re-start our Biennium programme, in particular to celebrate the anniversary of the post-war Lord Mayor's Thanksgiving Fund, which did so much to establish the work of Goodenough College.

We remain confident in our plans for the development and enhancement of the College's impact on individuals and society. Nevertheless, we must be ever mindful and recognise that the effects of COVID-19 may mean some projects will need to be scaled back or delayed. The full long-term impact of the crisis on the College and society may not yet be fully understood.

The College is extremely grateful to the Governors, Fellows, Members, Alumni and other stakeholders that continue to give their time, expertise and money to enhance the College community, without whom the College would not continue to thrive.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees (who are also directors of the College for the purposes of company law) are responsible for preparing the Annual Report, incorporating the Strategic Report, and the Financial Statements in accordance with the Companies Act 2006, including (The Strategic Report and Directors' Report) Regulations 2013 and the Charities (Accounts and Reports) Regulations 2008 and for being satisfied that the Financial Statements give a true and fair view. The Trustees are also responsible for preparing the Financial Statements in accordance with United Kingdom Accounting Standards (UK Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare Financial Statements for each financial year which give a true and fair view of the state of affairs of the Charity and of the incoming resources and application of resources of the Charity for that period. In preparing each of the Group and charitable company Financial Statements the Trustees are required to:

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charity SORP;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the Financial Statements; and
- Prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the Charity and group will continue their activities.

The Trustees are responsible for keeping proper accounting records that are sufficient to show and explain the charitable company's transactions and which disclose with reasonable accuracy at any time the financial position of the charitable company and group and to enable them to ensure that the accounts comply with the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006.

They are also responsible for safeguarding the assets of the charitable company and group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the UK governing the preparation and dissemination of Financial Statements may differ from legislation in other jurisdictions.

The Trustees have the authority conferred by the memorandum and articles of association to invest as they think fit any of the College's money that is not immediately required. They delegate day-to-day management of the College to the College Director, Officers and senior staff.

This information is given and should be interpreted in accordance with the provisions of the Companies Act 2006 s418.

Disclosure of information to auditor

In the case of each of the persons who are directors of the company at the date when this report was approved:

- so far as each of the directors is aware, there is no relevant audit information (as defined in the Companies Act 2006) of which the company's auditors are unaware; and
- each of the directors has taken all the steps that he/she ought to have taken as a director to make himself/herself aware of any relevant audit information (as defined) and to establish that the company's auditors are aware of that information.

Goodenough College

Trustees' Annual Report and Strategic Report

for the year ended 31 March 2020

This confirmation is given and should be interpreted in accordance with the provisions of S418 of the Companies Act 2006.

BDO have signified their willingness to provide audit services for the coming year. Auditors are appointed at the College AGM.

The Trustees' Report and Strategic Report were approved by the Trustees in their capacity as Directors of the Charitable Company and signed on their behalf by:



Eric Tracey
Chairman

22 September 2020

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES OF GOODENOUGH COLLEGE

Opinion

We have audited the financial statements of Goodenough College ("the Parent Charitable Company") and its subsidiaries ("the Group") for the year ended 31 March 2020 which comprise the consolidated statement of financial activities, the consolidated balance sheet, the consolidated cash flow statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's and of the Parent Charitable Company's affairs as at 31 March 2020 and of the Group's incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006, as amended in 2010.

Basis for opinion

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

Conclusions related to going concern

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

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Group and the Parent Charitable Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The other information comprises the information included in the Annual Report and financial statements, other than the financial statements and our auditor's report thereon. The other information comprises Trustees' Annual Report and the Goodenough College Chairman's Personal Welcome. The Trustees are responsible for the other information.

Goodenough College

Independent Report of the Auditor *(continued)*

for the year ended 31 March 2020

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Report, which includes the Directors' Report and the Strategic report prepared for the purposes of Company Law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and the Directors' Report, which are included in the Trustees' Report, have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Group and the Parent Charitable Company and its environment obtained in the course of the audit, we have not identified material misstatement in the Strategic report or the Trustees' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and the Charities and Trustee Investment (Scotland) Act 2005 requires us to report to you if, in our opinion;

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

Responsibilities of Trustees

As explained more fully in the Trustees' responsibilities statement, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and

Goodenough College

Independent Report of the Auditor *(continued)*

for the year ended 31 March 2020

for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

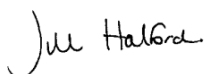
We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with the Acts and relevant regulations made or having effect thereunder.

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

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

Use of our report

This report is made solely to the Charitable Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the Charitable Company's trustees, as a body, in accordance with the Charities and Trustee Investment (Scotland) Act 2005. Our audit work has been undertaken so that we might state to the Charitable Company's members and trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Charitable Company, the Charitable Company's members as a body and the Charitable Company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Jill Halford (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
London

Date: 23 September 2020

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Goodenough College

Consolidated statement of financial activities (incorporating a consolidated Income and Expenditure account)

for the year ended 31 March 2020

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 MARCH 2020

	Notes	Unrestricted Funds 2020 £'000	Restricted Funds 2020 £'000	Total Funds 2020 £'000	Total Funds 2019 £'000
Income from:					
Donations and legacies	2	55	210	265	376
Charitable Activities:					
College Community Accommodation	4	7,354	342	7,696	7,529
Trading Activities:					
Commercial Accommodation		3,321	-	3,321	3,261
Catering, Events and Venue Hire		1,274	-	1,274	1,026
Investments	3	1,173	102	1,275	1,250
Total		13,177	654	13,831	13,442
Raising Funds					
Investment Management		145	9	154	132
Fundraising		286	-	286	250
Trading activities	11	2,762	-	2,762	2,501
Charitable Activities:					
Attracting outstanding postgraduate students	5	892	195	1,087	1,016
Transforming College Members	5	6,774	658	7,432	7,181
Raising the College's profile	5	470	-	470	325
Sustaining the College	5	2,143	39	2,182	1,959
Total		13,472	901	14,373	13,364
Net (loss) / income before other (losses) / gains		(295)	(247)	(542)	78
Net (losses) on investments	10	(1,337)	(260)	(1,597)	(194)
Net (expenditure)		(1,632)	(507)	(2,139)	(116)
Transfers between funds	15, 16	(61)	61	-	-
Net Movement in Funds		(1,693)	(446)	(2,139)	(116)
Reconciliation of funds:					
Total funds brought forward		144,324	12,751	157,075	157,191
Net Movement in Funds		(1,693)	(446)	(2,139)	(116)
Total funds carried forward		142,631	12,305	154,936	157,075
Reconciliation of funds for year ended 2019					
Total funds brought forward		144,328	12,863	157,191	156,689
Net Movement in funds		(4)	(112)	(116)	502
Total funds carried forward		144,324	12,751	157,075	157,191

All results derive from continuing operations. All gains and losses recognised in the year are included above. The deficit for the year for Companies Act purposes, comprising the net expenditure for the year, was £2,139,000 (2019: £116,000). The notes on pages 35 to 55 form part of these Financial Statements.

Goodenough College

Balance Sheet

as at 31 March 2020

Company Registration No: 246919

BALANCE SHEET AS AT 31 MARCH 2020

	Notes	2020	Group	2019	2020	Charity	2019
		£'000		£'000	£'000		£'000
						Restated	
FIXED ASSETS							
Tangible assets							
Freehold land and buildings	9a	167,239		157,498	167,239		157,498
Heritage assets	9b	310		310	310		310
Fixtures, fittings plant & equipment	9c	1,366		1,193	1,366		1,193
		<u>168,915</u>		<u>159,001</u>	<u>168,915</u>		<u>159,001</u>
Investments	10b	26,551		37,983	26,551		37,983
Investments in subsidiaries	11	-		-	250		250
		<u>195,466</u>		<u>196,984</u>	<u>195,716</u>		<u>197,234</u>
CURRENT ASSETS							
Stocks		12		24	12		24
Debtors	12	442		346	662		280
Cash at bank and in hand		1,263		1,631	256		1,020
		<u>1,717</u>		<u>2,001</u>	<u>930</u>		<u>1,324</u>
CURRENT LIABILITIES							
Amounts falling due within one year	13	(2,247)		(1,892)	(2,418)		(2,173)
		<u>(530)</u>		<u>109</u>	<u>(1,488)</u>		<u>(849)</u>
NET CURRENT (LIABILITIES)/ASSETS							
		<u>194,936</u>		<u>197,093</u>	<u>194,228</u>		<u>196,385</u>
TOTAL ASSETS LESS CURRENT LIABILITIES							
Creditors: amounts falling due after more than one year	14	(40,000)		(40,018)	(40,000)		(40,018)
		<u>154,936</u>		<u>157,075</u>	<u>154,228</u>		<u>156,367</u>
TOTAL NET ASSETS							
Restricted funds	15	12,305		12,751	12,305		12,751
Designated funds	16	133,460		137,172	133,460		137,172
General funds	16	9,171		7,152	8,463		6,444
		<u>154,936</u>		<u>157,075</u>	<u>154,228</u>		<u>156,367</u>
TOTAL FUNDS							

The notes on pages 35 to 55 form part of these Financial Statements.

The balance sheet of the Charity in 2019 has been restated to show net debtors and creditors relating to each subsidiary company. There is no change to net assets.

These Financial Statements were approved and authorised for issue by the Trustees on 22 September 2020 and signed on their behalf by:

Eric Tracey
Chairman



Goodenough College**Consolidated Statement of Cash Flows***for the year ended 31 March 2020***CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2020**

	Notes (pages 31 and 32)	2020	2019
		£'000	£'000
Cash flows from operating activities:			
Net cash provided by operating activities	(a)	1,936	2,360
Interest paid on loan		(1,244)	(1,248)
Loan costs		(3)	(8)
Net cash generated from operating activities		689	1,104
Cash flows from investing activities:			
Dividends, interest and rents from investments		1,275	1,250
Purchase of property, plant and equipment		(1,165)	(1,028)
Proceeds from sale of investments		5,274	3,010
Purchase of investments		(6,631)	(3,760)
Net cash (used in) investing activities		(1,247)	(528)
Change in cash and cash equivalents in the reporting period		(558)	576
Cash and cash equivalents at the beginning of the reporting period		4,490	3,914
Cash and cash equivalents at the end of the reporting period	(b)	3,932	4,490
		2020	2019
		£'000	£'000
(a) Reconciliation of net income to net cash inflow from operating activities			
Net (expenditure) for the reporting period		(2,139)	(116)
Adjustments for:			
Depreciation charges		2,253	2,149
Losses on investments		1,597	178
Dividends, interest and rents from investment		(1,275)	(1,250)
Loss on disposal of investments		-	16
Interest payable on loan		1,244	1,248
Loan costs		3	8
Decrease/(increase) in stock		12	(1)
(Increase)/decrease in debtors		(96)	73
Increase in creditors		337	55
Net cash inflow from operating activities		1,936	2,360

Goodenough College
Consolidated Statement of Cash Flows
for the year ended 31 March 2020

(b) Analysis of Cash and Cash Equivalents	2019	Cash flows	2020
	£'000	£'000	£'000
Cash in hand	1,631	(368)	1,263
Notice deposits	2,859	(190)	2,669
Total Cash and cash equivalents	4,490	(558)	3,932

(c) Analysis of changes in net debt	2019	Cash flows	2020
	£'000	£'000	£'000
Cash	1,631	(368)	1,263
Cash equivalents	2,859	(190)	2,669
	4,490	(558)	3,932
Loans falling due after more than one year	(40,000)	-	(40,000)
Total	(35,510)	(558)	(36,068)

Goodenough College**Charity only statement of financial activities***For the year ended 31 March 2020***CHARITY ONLY STATEMENT OF FINANCIAL ACTIVITIES**

		Unrestricted Funds £'000	Restricted Funds £'000	Total Funds 2020 £'000	Total Funds 2019 £'000
Income from:					
Donations and legacies		1,827	271	2,098	2,134
Charitable Activities:					
College Community Accommodation	4	7,354	342	7,696	7,529
Trading Activities:					
Catering, Events and Venue Hire		-	-	-	43
Investments	3	1,173	102	1,275	1,250
Total		10,354	715	11,069	10,956
Expenditure on:					
Raising Funds					
Investment Management		145	9	154	132
Fundraising		286	-	286	250
Trading activities		-	-	-	15
Charitable Activities:					
Attracting outstanding postgraduate students	5	892	195	1,087	1,016
Transforming College Members	5	6,774	658	7,432	7,181
Raising the College's profile	5	470	-	470	325
Sustaining the College	5	2,143	39	2,182	1,959
Total		10,710	901	11,611	10,878
Net income/(losses) before other gains / (losses)		(356)	(186)	(542)	78
Net (losses) on investments	10	(1,337)	(260)	(1,597)	(194)
Net (losses)		(1,693)	(446)	(2,139)	(116)
Transfers between funds		-	-	-	-
Net Movement in Funds		(1,693)	(446)	(2,139)	(116)
Reconciliation of funds:					
Total funds brought forward		143,616	12,751	156,367	156,483
Net Movement in Funds		(1,693)	(446)	(2,139)	(116)
Total funds carried forward		141,923	12,305	154,228	156,367

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 MARCH 2019

	Unrestricted Funds	Restricted Funds	Total Funds
	£'000	£'000	2019 £'000
Income from:			
Donations and legacies	7	369	376
Charitable Activities:			
College Community Accommodation	7,151	378	7,529
Trading Activities:			
Commercial Accommodation	3,261	-	3,261
Catering, Events and Venue Hire	983	43	1,026
Investments	1,145	105	1,250
Total	12,547	895	13,442
Expenditure on:			
Raising Funds			
Investment Management	127	5	132
Fundraising	250	-	250
Trading activities	2,486	15	2,501
Charitable Activities:			
Attracting outstanding postgraduate students	788	228	1,016
Transforming College Members	6,505	676	7,181
Raising the College's profile	324	1	325
Sustaining the College	1,957	2	1,959
Total	12,437	927	13,364
Net income before other (losses) / gains	110	(32)	78
Net (losses) / gains on investments	(242)	48	(194)
Net Income/(expenditure)	(132)	16	(116)
Transfers between funds	128	(128)	-
Net Movement in Funds	(4)	(112)	(116)
Reconciliation of funds:			
Total funds brought forward	144,328	12,863	157,191
Net Movement in Funds	(4)	(112)	(116)
Total funds carried forward	144,324	12,751	157,075

1. ACCOUNTING POLICIES

(a) Basis of preparation

The Financial Statements have been prepared under the historical cost convention, as modified by the inclusion of investments at fair value at balance sheet date.

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006 and the Charities Act 2011.

They also comply with the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 and applicable accounting standards. The accounting policies have been applied consistently throughout the accounts.

The Trustees reviewed the College's plans in March 2020 and were content that these plans were affordable and that the accounts should be prepared on a going concern basis.

However, the impact of the COVID-19 outbreak and its financial effect has meant that the Executive team and Trustees have been reviewing financial plans for the next 12 months to ensure that the College can continue its business-critical activities and remain a going concern.

The lockdown has had a significant effect on the College's financial situation. This is across all areas of income, including member rents as well as the hotel and commercial events. There have been some consequential reductions in costs and the furlough scheme has enabled the recovery of an element of staff salaries, but the net losses against the budget for 2020/21 are estimated at between £3.1m and £7.4m. There was also a fall in the value of the charity's investments at the end of 2019/20, with a loss of around £1.8m in March alone, but this has since recovered.

As the lockdown measures are eased, activity is now returning. There has been a high volume of applications for places in the College in the 2020/21 academic year, the hotel has re-opened and event bookings are being accepted subject to distancing rules. Nonetheless income is still significantly lower than it would otherwise have been. Although some savings arise automatically from the reduction in activity, work is being done pro-actively to identify further savings. Business performance is being carefully monitored and financial stability reviewed as matters progress.

Including 43-46 Mecklenburgh Square the College holds in excess of £34m in unrestricted funds not representing current operating assets, of which £14m is in property and in excess of £20m in liquid investments managed through our investment managers. The invested portfolio includes in excess of £16m invested in short and medium term funds where capital preservation is the key investment strategy. In total these reserves are well in excess of the annual turnover and annual cash flow requirements of the College.

Given the strength of the balance sheet and the availability and liquidity of unrestricted investments the trustees believe that, while uncertainty exists, this does not pose a material uncertainty that would cast doubt on the charity's ability to continue as a going concern. The Trustees, therefore, consider it appropriate for the accounts to be prepared on a going concern basis.

Further detail on the availability of unrestricted funds and the potential financial impact of COVID-19 can be found on p15 of the Trustees' Report. The impact of the COVID-19 crisis is reviewed extensively in the report.

Goodenough College

Notes to the Financial Statements (continued)

for the year ended 31 March 2020

1. ACCOUNTING POLICIES (continued)

The group statement of financial activities (SOFA) and balance sheet, consolidate the Financial Statements of the Charity and its wholly owned subsidiaries, all of which were made up to 31 March 2020 on a line by line basis.

(b) Company status

The Charity is a company limited by guarantee. The members of the company are the Governors named on pages 2 and 3. The Directors of the Company are the Trustee Board named on page 2. In the event of the Company being wound up, the liability in respect of the guarantee is limited to one guinea per member of the Company.

(c) Key assumptions and estimates

Key assumptions and estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The assumptions and estimates that are likely to cause any material impact to the accounts are set out below:

Valuation of Investment Properties – as disclosed in note 10, the fair values of the investment properties are reviewed at the balance sheet date to determine any changes in value. This is done by reviewing key property price indicators for the local area or an external valuation by RICS registered valuers.

Depreciation – Fixed Assets are depreciated on a straight line basis as set out in note 1i) Tangible Fixed Assets.

(d) Income

All income is recognised in the SOFA when the Charity has met conditions for receipt, receipt is probable and the amount can be quantified with sufficient reliability. Investment income is accounted for when receivable.

Legacies: Legacies are deemed receivable from the date of notification, provided that sufficient information has been received to enable the Group to calculate entitlement and receipt is probable.

Gifts in Kind: Donations in kind are recognised at their value to the Charity when they are received. No amounts are included for services donated by volunteers.

(e) Expenditure

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to that category. Investment Management costs represent the fees incurred on raising Investment Income. Fundraising costs represent expenditure in relation to fund-raising and publicity costs. Direct expenditure incurred on charitable activities is identified against one of the four strategic goals of the charity. Support costs represent expenditure incurred in general management, Trustee related costs and audit costs and are apportioned across the four strategic goals. See note 6 for further information.

Goodenough College

Notes to the Financial Statements (continued)

for the year ended 31 March 2020

1. ACCOUNTING POLICIES (continued)

(f) Fund accounting

The College maintains various types of funds as follows:

i) Restricted funds

The Burn Restricted funds include donations received which were allocated by the donor for the upkeep of The Burn, a Scottish study and holiday centre for students and graduates.

In addition other donations which are earmarked for particular purposes are treated as restricted funds.

ii) Unrestricted funds

Designated reserves are amounts which have been put aside at the discretion of the Trustees and comprise:

Tangible fixed asset reserve representing the value of all reserves used for operating tangible fixed assets (excluding those of The Burn, which are restricted) and only realisable by the disposal of these fixed assets.

Investment property reserve represents the value of all reserves held in investment properties and only realisable by the disposal of these fixed assets.

Asset Replacement Reserve (ARR) has been established to hold the current level of funds identified for the future replacement and refurbishment of the buildings, fixtures, fittings and equipment of London House, William Goodenough House and the Club in support of the Asset Replacement Plan currently covering a 30 year period to 2046.

College Development Reserve (CDR) was established to hold the funds in excess of those required to settle previous borrowing when the College's debt was restructured in June 2017. These funds have been designated by the trustees to fund the further development of Goodenough College above and beyond the refurbishment and replacement of existing assets as provided for in the Asset Replacement Reserve and to include investment in 'intangible' matters other than fixed assets. The final criteria for its use would be determined through the development of the College Strategy.

Other designated funds reserve represents other funds designated by the trustees for particular purposes.

General unrestricted funds represent funds which are expendable at the discretion of the Trustees in the furtherance of the objects of the company. Such funds may be held in order to finance working capital or capital investment and include the College's reserve.

(g) Financial instruments

Financial assets and financial liabilities are recognised when the College becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are initially measured at transaction price (including transaction costs). Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value. Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due. Creditors and provisions are recognised where the College has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

Other financial instruments are initially recognised at fair value and any changes to their fair value are subsequently recognised in the SOFA under 'net gains / (losses) on financial instruments'.

Goodenough College

Notes to the Financial Statements (continued)

for the year ended 31 March 2020

1. ACCOUNTING POLICIES (continued)

(h) Taxation

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

The subsidiaries make qualifying donations of all taxable profit to Goodenough College. Income from Gift Aid tax reclaimed is recognised in relation to qualifying donations received.

The College is registered for Value Added Tax (VAT). Any irrecoverable VAT is charged to the Statement of Financial Activities.

(i) Tangible fixed assets

The College has elected to present the deemed cost of its freehold assets at the value held at 1 April 2014, as permitted under the FRS102 transitional arrangements. Where there is an indication of an asset being impaired the recoverable amount is identified and the impairment loss is recognised as expenditure in the Statement of Financial Activities.

Depreciation on fixed assets is charged so as to write down the value of properties and material components over their expected useful lives, on a straight line basis as follows:

	Life (years)
Freehold buildings	100
Roof work	15-50
Lifts	25-30
Bathrooms, heating, water, electrical and gas systems, and boiler equipment	10-25
CCTV	5-20
Ventilation and fire detection systems and fire stopping works	10-15
Access and telephone system	10
Vehicles	5
Computer and other office equipment	4
Computer software	4
Furniture	8-20
Improvements to Freehold (including room refurbishment)	6-15
Other plant and equipment and other fixtures and fittings	4-15

(j) Heritage Assets

The College has elected to present the deemed cost of its Heritage Assets at the value held at 1 April 2014, as permitted under the FRS102 transitional arrangements. Heritage Assets are not depreciated. The College has reviewed its Heritage Assets and does not consider that any impairment at 31 March 2020 is necessary.

1. ACCOUNTING POLICIES *(continued)*

(k) Investments

Investments are valued at bid value as at the balance sheet date and the surplus or deficit arising from this revaluation is shown within 'net gains / (losses) on investments' on the face of the SOFA. Realised gains and losses represent the difference between the sale proceeds and the opening market value of an investment or cost if purchased during the year and are also shown within this line.

(l) Investment Properties

Investment properties are held initially at cost and subsequently at fair value at the reporting date. Any Gains or Losses are recognised under 'Net gains/ (losses) on investments' on the Statement of Financial Activities. Investment properties are not depreciated.

(m) Stocks

Stocks are stated at the lower of cost and net realisable value and comprise consumable goods.

(n) Operating Leases

Rental costs under operating leases are charged to the SOFA in equal amounts over the period of the lease.

(o) Borrowing Costs

Interest and charges are expensed and charged to the SOFA when incurred.

(p) Pension Accounting Policy

Goodenough College operates a defined contribution pension scheme. Contributions are charged to the SOFA as they become payable. They are analysed across expenditure according to the activity of the scheme members.

Goodenough College**Notes to the Financial Statements** *(continued)**for the year ended 31 March 2020***2 DONATIONS**

	Unrestricted funds 2020 £'000	Restricted funds 2020 £'000	Total funds 2020 £'000	Total funds 2019 £'000
Legacies	-	-	-	-
Donations	55	210	265	376
	<u>55</u>	<u>210</u>	<u>265</u>	<u>376</u>

Of the total funds stated for 2019, £369k was restricted and £7k unrestricted.

Of these donations £40,500 (2019 restated: £2,620) was received from Trustees.

3 INVESTMENT INCOME

	Unrestricted funds 2020 £'000	Restricted funds 2020 £'000	Total funds 2020 £'000	Total funds 2019 £'000
Income from UK listed investments	269	71	340	287
Income from overseas listed investments	113	3	116	99
Rent from property	583	28	611	628
Other interest - short-term deposits	208	-	208	236
	<u>1,173</u>	<u>102</u>	<u>1,275</u>	<u>1,250</u>

Of the total funds stated for 2019, £105k was restricted and £1,145k unrestricted.

4 INCOMING RESOURCES FROM COLLEGE CHARITABLE ACTIVITIES

	Unrestricted funds 2020 £'000	Restricted funds 2020 £'000	Total funds 2020 £'000	Total funds 2019 £'000
College gross accommodation income	7,354	-	7,354	7,151
The Burn income	-	342	342	378
	<u>7,354</u>	<u>342</u>	<u>7,696</u>	<u>7,529</u>

Of the total funds stated for 2019, £378k was restricted and £7,151k was unrestricted.

Goodenough College

Notes to the Financial Statements (continued)

for the year ended 31 March 2020

5 EXPENDITURE FOR CHARITABLE PURPOSES

	Direct Costs 2020 £'000	Support Costs 2020 £'000	Total 2020 £'000	Total 2019 £'000
Attracting outstanding postgraduate students	914	173	1,087	1,016
Transforming College Members	6,355	1,077	7,432	7,181
Raising the College's profile	395	75	470	325
Sustaining the College	<u>2,035</u>	<u>147</u>	<u>2,182</u>	<u>1,959</u>
	<u>9,699</u>	<u>1,472</u>	<u>11,171</u>	<u>10,481</u>

The College has paid £470k (2019: £408k) to College members as scholarships and bursaries, including hardship funds.

6 SUPPORT COSTS

	2020 £'000	2019 £'000
Finance	402	348
IT	610	586
HR	264	257
Governance	48	27
Other General Overheads	<u>357</u>	<u>396</u>
	<u>1,681</u>	<u>1,614</u>

These support costs are split across the following areas:

Raising Funds	209	188
Charitable Activities	<u>1,472</u>	<u>1,426</u>
	<u>1,681</u>	<u>1,614</u>

Goodenough College**Notes to the Financial Statements** *(continued)**for the year ended 31 March 2020***6 SUPPORT COSTS** *(continued)***GOVERNANCE COSTS**

	2020	2019
	£'000	£'000
Support Costs		
Council and Board meeting costs	3	7
Fees payable to the auditors - College	33	21
	36	28
Direct Costs		
Fees payable to the auditors – Subsidiary Companies	12	17
Total Governance Costs	48	45
Fees payable to the Company's auditors		
Statutory audit	33	32
Advisory services	12	6
	45	38

7 NET OUTGOING RESOURCES

	2020	2019
	£'000	£'000
Net outgoing resources for the year are stated after charging :		
Amounts payable to auditors (Group)	45	38
Depreciation of tangible fixed assets	2,253	2,149
Operating lease charge	28	28

8 INFORMATION REGARDING STAFF AND TRUSTEES

	2020	2019
	No.	No.
Average number of employees (full time equivalent) during the year:		
College	64	61
Hotel	11	11
Burn	12	13
	87	85

Goodenough College

Notes to the Financial Statements (continued)

for the year ended 31 March 2020

8 INFORMATION REGARDING STAFF AND TRUSTEES (continued)

	2020 £'000	2019 £'000
Wages and Salaries	3,045	2,881
Social security costs	305	286
Pensions	148	110
	3,498	3,277

The number of senior staff paid over £60,000 during the year (salary plus taxable benefits excluding pension contributions) was:

	2020 No.	2019 No.
£60,001 - £70,000	3	5
£70,001 - £80,000	1	2
£80,001 - £90,000	1	-
£90,001 - £100,000	1	1
£120,001 - £130,000	1	1
£150,001 - £160,000	1	-

Pension contributions for these senior staff were £66,392 (2019: £48,878).

Trustees' Remuneration

Members of the Board of Trustees (who are all directors within the meaning of the Companies Act 2006) receive no remuneration or taxable benefits for their services.

During the year four Trustees were reimbursed or had amounts paid on their behalf for expenses incurred totalling £3,239 (2019: £3,518).

Pension Schemes

The Company operates stakeholder pension schemes administered by Legal and General. The employer's contributions are 10% of pensionable salary for senior staff and are matched to those of the qualifying employees to a maximum of 5% of pensionable salary for other staff and amounted to £148,075 (2019: £109,824). At 31 March 2020 outstanding payments due to the scheme were £19,753 (2019: £16,382).

Key Management Personnel

Key Management Personnel of Goodenough College comprise the Trustees and those employees making up the Executive team, consisting of the Director, the Director of Finance and Resources, the Director of Operations, the Director of Development and External Relations, the Dean, the Registrar and the Bursar to the Burn.

The aggregate compensation (remuneration plus benefits and employer's National Insurance Contributions) paid or payable to 'key management personnel' during this year was: £813,484 (2019: £670,966).

The previous Director of Development and External Relations was unable to fulfil the role in 2018/19 due to long term illness. Services in support of the responsibilities of this post were secured by a consultant during that year, and for this reason no costs for the Director of Development and External Relations were included within Key Management Personnel for that year.

Goodenough College

Notes to the Financial Statements (continued)

for the year ended 31 March 2020

8 INFORMATION REGARDING STAFF AND TRUSTEES (continued)

The Director's salary was increased in August 2019 in line with the percentage increases awarded to other executive staff. Her overall remuneration package was reviewed after one year in post and was rebalanced by reducing the scale of the "on-site" accommodation provided to her as a necessary part of her role and increasing the salary element of her package accordingly. In addition her salary was increased in November 2019, by £4,000 p.a., after a review of her performance and an external benchmarking comparison.

Redundancy Payments

Total payments made during this year in relation to redundancy pay were £34,200 (2019: £22,629). The accounting policy is to recognise termination payment liabilities on communication of redundancy and when quantifiable. Such payments are accounted for as staff costs.

9 TANGIBLE FIXED ASSETS

(a) Freehold properties

Consolidated and company

	College	The Burn	Assets under construction	Total
	£'000	£'000	£'000	£'000
Land and buildings at valuation				
Brought forward valuation or cost at 1 April 2019	154,996	11,048	-	166,044
Additions	444	6	260	710
Transfers	-	5	11,003	11,008
At 31 March 2020	155,440	11,059	11,263	177,762
Depreciation				
Brought forward at 1 April 2019	7,979	567	-	8,546
Charge for the year	1,863	114	-	1,977
At 31 March 2020	9,842	681	-	10,523
Net book value at 31 March 2020	145,598	10,378	11,263	167,239
Net book value at 31 March 2019	147,017	10,481	-	157,498

Freehold properties consisted of student accommodation, the hotel (the Goodenough on Mecklenburgh Square) and The Burn. They were all the subject of independent valuations, for inclusion in the accounts at 31 March 2013, provided by Drivers Jonas Deloitte, Willis Ltd, Ecclesiastical, Bell Ingram and Alpha Browett Taylor.

Assets under construction consist mainly of the properties at 43-46 Mecklenburgh Square, previously held as investment properties. The lease on the properties expired on 26 November 2019 and the intention of the College is to convert them into additional student accommodation. Accordingly they are no longer held as investments and have been transferred to freehold properties at a value of £11,003,000. This is based on a valuation provided by Alpha Browett Taylor included in the accounts at 31 March 2018 and confirmed by them in June 2019. Further work on the project as well as renovations at the hotel and The Burn during the year amount to £260,000. No depreciation is applied to these assets as they are not in operational use.

Goodenough College

Notes to the Financial Statements (continued)

for the year ended 31 March 2020

9 TANGIBLE FIXED ASSETS (continued)

A transfer of £5,058 is included in Burn freehold properties. This was reported as fixtures and fittings assets under construction in 2018/19.

Also included in Freehold Properties are the College's Royal Albert Hall seats, held at historic cost of £350. The seats were purchased by the College in 1967 and are held on a 999 year lease from 1867.

Excluding 43-46 Mecklenburgh Square, the historical cost net book value of the land and buildings if the revaluation had not taken place would be £30,867,000 (2019: £32,129,000). The historical cost of 43-46 Mecklenburgh Square cannot be determined.

One of the College's properties is used by Goodenough Club Ltd, trading as The Goodenough on Mecklenburgh Square, a wholly owned subsidiary of Goodenough College. It is a mixed use property, in that it provides overnight accommodation for businesses and private individuals but also for those involved in College activities, including College Alumni, providing College Alumni the opportunity to be a part of the College community even after they are no longer full time residents.

At 31 March 2020 the net book value of the mixed use property is £14,639k, with accumulated depreciation of £1,134k and an in-year depreciation charge of £254k.

(b) Heritage Assets

Consolidated and company

	College £'000	The Burn £'000	Total £'000
Valuation at 1 April 2019	290	20	310
Additions	-	-	-
At 31 March 2020	<u>290</u>	<u>20</u>	<u>310</u>

Heritage assets comprise paintings and furniture which are available for use and enjoyment of College members, staff and guests throughout the College and Burn.

The Director of Finance and Resources leads on the preservation and management of Heritage assets. The College maintains an asset register which details the location, value and description of the assets and ensures that they are located in an appropriately secure and managed environment.

A valuation of the heritage assets was carried out in 2013. The trustees consider that this remains a fair value at 31 March 2020.

Goodenough College**Notes to the Financial Statements** *(continued)**for the year ended 31 March 2020***9 TANGIBLE FIXED ASSETS** *(continued)***(c) Fixtures, fittings, plant and equipment****Consolidated and company**

	College £'000	The Burn £'000	Assets under construction £'000	Total £'000
Cost at 1 April 2019	2,390	92	-	2,482
Additions	344	-	111	455
Transfers	-	(5)	-	(5)
At 31 March 2020	<u>2,734</u>	<u>87</u>	<u>111</u>	<u>2,932</u>
Depreciation at 1 April 2019	1,219	70	-	1,289
Charge for year	272	5	-	277
At 31 March 2020	<u>1,491</u>	<u>75</u>	<u>-</u>	<u>1,566</u>
Net Book Value at 31 March 2020	<u>1,243</u>	<u>12</u>	<u>111</u>	<u>1,366</u>
Net book value at 31 March 2019	<u>1,171</u>	<u>22</u>	<u>-</u>	<u>1,193</u>

10 INVESTMENTS HELD AS FIXED ASSETS

	College £'000	The Burn £'000	Total £'000
(a) Investment Properties			
Land and buildings at valuation:			
Carried forward at 1 April 2019	13,961	700	14,661
Transfers	(11,003)	-	(11,003)
Revaluation	254	-	254
At 31 March 2020	<u>3,212</u>	<u>700</u>	<u>3,912</u>

The College Investment properties were the subject of an independent market valuation for inclusion at 31 March 2018 by Alpha Browett Taylor, RICS registered valuer with the necessary knowledge and expertise to provide this valuation. In each of the subsequent years an internal exercise was carried out to assess if the value of similar properties in the local area had changed during the financial year. In 2019/20 the College investment properties were revalued upwards by £254k as a result (2019: reduction of £315k).

As noted earlier the properties at 43-46 Mecklenburgh Square were transferred to freehold properties at a value of £11,003,000.

The Burn investment properties were the subject of an independent market valuation for inclusion at 18 January 2018 by J & E Shepherd, RICS registered valuer with the necessary knowledge and expertise to provide this valuation. An internal exercise was carried out to assess if the market had changed during the financial year, and no change was identified.

Goodenough College**Notes to the Financial Statements** *(continued)**for the year ended 31 March 2020***10 INVESTMENTS HELD AS FIXED ASSETS** *(continued)*

		Consolidated and Company	
		2020	2019
(b) Listed Investments	Notes	£'000	£'000
Market Value at 1 April		20,463	19,522
Additions at cost		6,631	3,760
Proceeds from disposals		(5,274)	(2,935)
Realised (loss)		(22)	(21)
Unrealised (loss)/gain		(1,828)	137
Market Value at 31 March		<u>19,970</u>	<u>20,463</u>
 Listed Investments comprise the following:			
Investments listed on a recognised stock exchange - Equities		9,819	9,762
Investments listed on a recognised stock exchange - Bonds		5,946	6,095
Alternative Funds		4,205	4,606
Market Value at 31 March		<u>19,970</u>	<u>20,463</u>
Investment assets in the United Kingdom		15,143	15,825
Investment assets outside the United Kingdom		4,827	4,638
Market Value at 31 March		<u>19,970</u>	<u>20,463</u>
Cost at 31 March		<u>20,104</u>	<u>18,686</u>
Total Investments			
Listed investments (Market Value)	10b	19,970	20,463
Short term deposits in the portfolio		2,669	2,859
Investment Properties (Market Value)	10a	3,912	14,661
Investments at 31 March		<u>26,551</u>	<u>37,983</u>

Goodenough College

Notes to the Financial Statements (continued)

for the year ended 31 March 2020

11 SUBSIDIARY UNDERTAKINGS

The College owns 100% of the issued capital of the following companies.

Subsidiary Undertaking	Company Investment at Cost £
Goodenough Club Limited	250,000
Goodenough Ventures Limited	2
	<u>250,002</u>

Summarised financial results of Goodenough Club Limited (Company Registration 2684378) are set out below and are included in the consolidated SOFA. All activities relate to continuing operations. The following intercompany transactions are included within the subsidiary results.

The £3,325k (2019: £3,268k) 'Turnover' includes £4k (2019: £7k) for sales to the parent company. Commercial Accommodation income of £3,321k (2019: £3,261k) has been included within the consolidated statement of financial activities in relation to the activities of this subsidiary.

The £1,834k (2019: £1,736k) 'Cost of Sales' includes £315k (2019: £301k) in charges to the subsidiary by the parent company for the use of parent company resources, £4k (2019: £7k) in costs of providing services to the parent company and £215k (2019: £214k) in charges from Goodenough Ventures for the provision of services. Trading activity expenditure of £1,615k (2019: £1,515k) has been included within the consolidated statement of financial activities in relation to the activities of this subsidiary.

	2020	2019
	£'000	£'000 Restated
Turnover	3,325	3,268
Cost of sales	(1,834)	(1,736)
	1,491	1,532
Qualifying distribution under deed of covenant	(1,491)	(1,532)
Profit	-	-
Assets	1,119	1,289
Liabilities	(161)	(331)
Shareholders' funds	958	958

Assets and liabilities in 2019 have been restated to include a balance due to or from each of the other group companies, consistent with 2020.

Goodenough College

Notes to the Financial Statements (continued)

for the year ended 31 March 2020

11 SUBSIDIARY UNDERTAKINGS (continued)

Goodenough Ventures Limited (Company Registration 09342926) is an events and venue hire business which commenced trading in October 2015.

Summarised financial results of Goodenough Ventures Limited are set out below and are included in the consolidated SOFA. All activities relate to continuing operations. The following intercompany transactions are included within the subsidiary results.

The £2,059k (2019: £1,789k) 'Turnover' includes £570k (2019: £593k) for sales to the parent company, and £215k (2019: £214k) for sales to other group entities. Catering Events and Venue Hire income of £1,274k (2019: £983k) has been included within the consolidated statement of financial activities in relation to the activities of this subsidiary.

The £1,717k (2019: £1,563k) 'Cost of Sales' includes £170k (2019: £141k) in charges to the subsidiary by the parent company for the use of parent company resources and £570k (2019: £593k) in costs of providing catering supplies for the parent company. Trading activity expenditure of £1,147k (2019: £971k) has been included within the consolidated statement of financial activities in relation to the activities of this subsidiary.

	2020	2019
	£'000	£'000
		Restated
Turnover	2,059	1,789
Cost of sales	(1,717)	(1,563)
	342	226
Qualifying distribution under deed of covenant	(342)	(226)
Profit	-	-
Assets	621	254
Liabilities	(621)	(254)
Shareholders' funds	-	-

Assets and liabilities in 2019 have been restated to include a balance due to or from each of the other group companies, consistent with 2020.

Goodenough College

Notes to the Financial Statements (continued)

for the year ended 31 March 2020

12 DEBTORS

	Consolidated		Company	
	2020	2019	2020	2019
	£'000	£'000	£'000	£'000
				Restated
Trade debtors	206	193	88	79
Amount due from subsidiary undertaking	-	-	359	34
Other debtors	40	27	39	27
Taxes recoverable	95	36	95	51
Prepayments and accrued Income	101	90	81	89
	<u>442</u>	<u>346</u>	<u>662</u>	<u>280</u>

The amounts presented above are net of provision for doubtful recoverability and foreseeable losses.

The amount due from the subsidiary undertaking to the Charity represents the amount due from Goodenough Ventures Ltd. The 2019 figure has been restated accordingly.

13 CREDITORS: amounts falling due within one year

	Consolidated		Company	
	2020	2019	2020	2019
	£'000	£'000	£'000	£'000
				Restated
Trade creditors	1,303	1,042	1,020	635
Amounts due to subsidiary undertaking	-	-	479	743
Taxation and social security	86	128	86	128
Other creditors	129	121	129	121
Accruals	704	449	679	398
Deferred income	7	115	7	111
Other deferred discount	18	37	18	37
	<u>2,247</u>	<u>1,892</u>	<u>2,418</u>	<u>2,173</u>

The amount due to the subsidiary undertaking from the Charity represents the amount due to Goodenough Club Ltd. The 2019 figure has been restated accordingly.

Deferred income consists entirely of commercial rent received from tenants in advance. Prior year deferred income related in full to income recognised in 2019. A reconciliation is set out below:

Movement in deferred income in year

	Consolidated		Company	
	2020	2019	2020	2019
	£'000	£'000	£'000	£'000
Balance brought forward	115	105	111	105
Released:	(115)	(105)	(111)	(105)
Added	7	115	7	111
Balance carried forward	<u>7</u>	<u>115</u>	<u>7</u>	<u>111</u>

Goodenough College

Notes to the Financial Statements *(continued)*

for the year ended 31 March 2020

14 CREDITORS: amounts falling due in greater than one year

	2020	2019
	£'000	£'000
Bank Borrowing		
Falling due in more than 5 years	40,000	40,000
Other Deferred Discount		
Falling due between 1 and 2 years	-	18
Falling due between 2 and 5 years	-	-
Total	40,000	40,018

Bank Borrowing

On 2 June 2017 the College secured a £40m non amortising 30 year loan with Rothesay Life at a fixed interest rate of 3.102%. This loan is repayable in full in June 2047. The Rothesay loan is secured against London House and William Goodenough House.

Financial Instruments

At the balance sheet date the College held no complex financial instruments.

Other Deferred Discount

During 2015/16, the College entered into a new 5 year catering contract. The terms of the contract included the supplier refurbishing the College's catering outlets at a cost of £184,980. The value of the works has been treated as a discount to the contract which will be applied equally to each year of the 5 year term. This will expire in 2020/21.

Goodenough College

Notes to the Financial Statements *(continued)*

for the year ended 31 March 2020

15 RESTRICTED FUNDS

	31 Mar'19	Transfer	Income	Gains / losses	Expenditure	31 Mar'20
	£'000	£'000	£'000	£'000	£'000	£'000
2019/20						
Burn Fund						
General fund	1,060	169	443	(197)	(664)	811
Specific Donations	6	(6)	-	-	-	-
Investment Property reserve	700	-	-	-	-	700
Tangible fixed asset reserve	10,523	(102)	-	-	-	10,421
Total Burn Fund	12,289	61	443	(197)	(664)	11,932
Other Restricted Funds						
Scholarships and Bursaries	354	-	197	(48)	(197)	306
Specific donations	108	-	14	(15)	(40)	67
Total Other Restricted Funds	462	-	211	(63)	(237)	373
Total Restricted Funds	12,751	61	654	(260)	(901)	12,305

	31 Mar'18	Transfer	Income	Gains / losses	Expenditure	31 Mar'19
	£'000	£'000	£'000	£'000	£'000	£'000
2018/19						
Burn fund						
General fund	1,063	110	516	31	(660)	1,060
Specific Donations	6	-	-	-	-	6
Investment Property reserve	700	-	-	-	-	700
Tangible fixed asset reserve	10,633	(110)	-	-	-	10,523
Total Burn Fund	12,402	-	516	31	(660)	12,289
Other Restricted Funds						
Scholarships and Bursaries	370	-	178	14	(208)	354
Specific donations	91	(128)	201	3	(59)	108
Total Other Restricted Funds	461	(128)	379	17	(267)	462
Total Restricted Funds	12,863	(128)	895	48	(927)	12,751

The Burn Fund represents the assets and liabilities of The Burn, including a tangible fixed assets reserve, an investment property reserve and a general restricted fund. A transfer of £102k has been made from the tangible fixed assets reserve to the general restricted fund representing the movement in the net book value of fixed assets in the year. A transfer of £61k has been made from the Charity's general funds to The Burn general restricted fund representing the element of profit from Goodenough Ventures Ltd that was generated at The Burn. £6k of donations previously classed as restricted have been transferred to general funds.

Scholarships and Bursaries are donations specifically made for providing scholarships and bursaries to qualifying members.

Specific donations are those to support specific aspects of College activity and projects.

Goodenough College

Notes to the Financial Statements *(continued)*

for the year ended 31 March 2020

16 UNRESTRICTED FUNDS

	31 Mar'19	Transfer	Income	Gains/ (losses)	Expenditure	31 Mar'20
	£'000	£'000	£'000	£'000	£'000	£'000
2019/20						
Tangible fixed asset	148,478	10,017	-	-	-	158,495
Long term loan	(40,000)	-	-	-	-	(40,000)
Tangible fixed asset reserve	108,478	10,017	-	-	-	118,495
Investment property reserve	13,961	(11,003)	-	254	-	3,212
Asset Replacement reserve	3,365	1,038	104	(472)	(24)	4,011
College Development Reserve	11,172	(3,209)	274	(155)	(433)	7,649
Other Designated Reserves	196	(94)	55	(31)	(33)	93
Total designated reserves	137,172	(3,251)	433	(404)	(490)	133,460
General funds of the Charitable Company	6,444	3,190	12,744	(932)	(12,983)	8,463
Total funds of the charitable company	143,616	(61)	13,177	(1,336)	(13,473)	141,923
General funds of the subsidiaries	708	-	-	-	-	708
Total consolidated unrestricted funds	144,324	(61)	13,177	(1,336)	(13,473)	142,631
	31 Mar'18	Transfer	Income	Gains/ (losses)	Expenditure	31 Mar'19
	£'000	£'000	£'000	£'000	£'000	£'000
2018/19						
Tangible fixed asset	149,491	(1,013)	-	-	-	148,478
Long term loan incl interest rate swap	(40,000)	-	-	-	-	(40,000)
Tangible fixed asset reserve	109,491	(1,013)	-	-	-	108,478
Investment property reserve	14,346	(70)	-	(315)	-	13,961
Asset Replacement reserve	2,213	1,135	50	(27)	(6)	3,365
Capital replacement reserve	11,442	70	262	(183)	(419)	11,172
Other Designated reserves	196	-	4	-	(4)	196
Total designated reserves	137,688	122	316	(525)	(429)	137,172
General funds of the Charitable Company	5,932	6	12,231	283	(12,008)	6,444
Total funds of the charitable company	143,620	128	12,547	(242)	(12,437)	143,616
General funds of the subsidiaries	708	-	-	-	-	708
Total consolidated unrestricted funds	144,328	128	12,547	(242)	(12,437)	144,324

Goodenough College

Notes to the Financial Statements (continued)

for the year ended 31 March 2020

16 UNRESTRICTED FUNDS (continued)

The designated reserves are further discussed in the financial review on pages 14 to 16.

The transfer of £10,017k to the tangible fixed assets reserve represents the movement in the net book value of tangible fixed assets during the year, including the transfer of £11,003k from the investment property reserve arising from the reclassification of 43-46 Mecklenburgh Square as investment properties.

The transfer of £1,038k to the Asset Replacement Reserve represents the cash surplus for the year excluding investment income and the element of loan interest charged to the College Development Reserve.

£3m has been transferred from the College Development Reserve. This aims to ensure that the College maintains sufficient Freely Available Funds after the impact of the 'least worst' scenario of the Covid-19 crisis on the College. A further transfer of £209k has been made to support the preparatory work on the renovation of 43-46 Mecklenburgh Square as well as the refurbishment of the hotel.

The trustees also transferred £94k of designated funds generated from accumulated unrestricted donations to general funds, to recognise support for the College's Scholarships and Bursaries and other programme activities.

17 ANALYSIS OF ASSETS AND LIABILITIES BETWEEN FUNDS OF THE CHARITY

2019/20	Restricted Funds – The Burn £'000	Restricted Funds - Other £'000	Designated reserves £'000	General Funds £'000	Charity Total £'000
Tangible fixed assets	10,420	-	158,495	-	168,915
Investments	1,198	373	11,753	9,315	22,639
Investment properties	700	-	3,212	-	3,912
Investments in subsidiaries	-	-	-	250	250
Amounts due to subsidiaries	-	-	-	(120)	(120)
Other current assets	102	-	-	213	315
Cash at bank and in hand	12	-	-	244	256
Current and long term liabilities	(500)	-	(40,000)	(1,439)	(41,939)
	11,932	373	133,460	8,463	154,228

2018/19	Restricted Funds – The Burn £'000	Restricted Funds - Other £'000	Designated reserves £'000	General Funds £'000	Charity Total £'000
Tangible fixed assets	10,523	-	148,478	-	159,001
Investments	1,391	462	13,846	7,623	23,322
Investment properties	700	-	13,961	-	14,661
Investments in subsidiaries	-	-	-	250	250
Amounts due to subsidiaries	-	-	-	(709)	(709)
Other current assets	15	-	255	-	270
Cash at bank and in hand	90	-	632	298	1,020
Current and long term liabilities	(430)	-	(40,000)	(1,018)	(41,448)
	12,289	462	137,172	6,444	156,367

Goodenough College

Notes to the Financial Statements *(continued)*

for the year ended 31 March 2020

18 LEASING COMMITMENTS

At 31 March 2020 the charitable company had the following total commitments for equipment under non-cancellable operating leases.

	2020	2019
	£'000	£'000
Operating leases which expire in 5 years	<u>35</u>	<u>62</u>

These leases provide printers and photocopiers to support the College's operations.

19 CAPITAL COMMITMENTS

As at 31 March 2020 the College had no capital commitments.

20 RELATED PARTY TRANSACTIONS

There have been no other related party transactions during the year other than those disclosed with group entities in notes 11, 12 and 13.