



**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*

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#### **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.

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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*

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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	Fiona Kirk (until 2 July 2019)
Jane Ashcroft CBE (from 7 July 2020)	Dame Maura McGowan DBE
David Brooks Wilson	Charles McGregor
Andrew Brown QC	Meredith Pierce Hunter (from 10 February 2020)
Roger Chadwick OBE (from 15 October 2019)	Martin Schwab
Corey Cook	
Hugh Crossley	
Dr Grahame Davies (from 13 May 2019)	
James Douglas	

**THE ADVISORY COUNCIL**

**President**

Graham Ward CBE (from 15 October 2019)	Prof René Weis (until 15 October 2019)
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**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.*

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**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 (from 1<sup>st</sup> July 2019)  
Professor Anton Muscatelli  
Dr Andrew Goddard  
Amanda Pinto QC (from 1<sup>st</sup> January 2020)

Fiona Wilkinson (from 6th July 2019)

Sir Ciaran Devane  
Hon Alexander Downer AC (from 1<sup>st</sup> May 2019)

**Senior Staff**

College Director  
Director of Finance and Resources  
(*Company Secretary; Deputy to the Director*)

Rebecca Matthews  
Richard Barker

Director of Operations  
Director of Development and External Relations  
Dean  
Registrar  
Bursar, The Burn

Janine Binks  
Hannah Du Gray (from 8<sup>th</sup> April 2019)  
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](http://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

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**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

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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.



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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

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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

## **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.

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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 residually 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

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

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

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- 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%

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(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.



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**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

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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 27<sup>th</sup> 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

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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.

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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

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.

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- 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.

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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.



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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,

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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*

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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.

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

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**

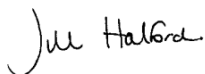
We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with the Acts and relevant regulations made or having effect thereunder.

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
<b>Income from:</b>					
Donations and legacies	2	55	210	<b>265</b>	376
Charitable Activities:					
College Community Accommodation	4	7,354	342	<b>7,696</b>	7,529
Trading Activities:					
Commercial Accommodation		3,321	-	<b>3,321</b>	3,261
Catering, Events and Venue Hire		1,274	-	<b>1,274</b>	1,026
Investments	3	1,173	102	<b>1,275</b>	1,250
<b>Total</b>		<b>13,177</b>	<b>654</b>	<b>13,831</b>	13,442
<b>Raising Funds</b>					
Investment Management		145	9	<b>154</b>	132
Fundraising		286	-	<b>286</b>	250
Trading activities	11	2,762	-	<b>2,762</b>	2,501
Charitable Activities:					
Attracting outstanding postgraduate students	5	892	195	<b>1,087</b>	1,016
Transforming College Members	5	6,774	658	<b>7,432</b>	7,181
Raising the College's profile	5	470	-	<b>470</b>	325
Sustaining the College	5	2,143	39	<b>2,182</b>	1,959
<b>Total</b>		<b>13,472</b>	<b>901</b>	<b>14,373</b>	13,364
<b>Net (loss) / income before other (losses) / gains</b>		<b>(295)</b>	<b>(247)</b>	<b>(542)</b>	78
Net (losses) on investments	10	(1,337)	(260)	<b>(1,597)</b>	(194)
<b>Net (expenditure)</b>		<b>(1,632)</b>	<b>(507)</b>	<b>(2,139)</b>	(116)
Transfers between funds	15, 16	(61)	61	-	-
<b>Net Movement in Funds</b>		<b>(1,693)</b>	<b>(446)</b>	<b>(2,139)</b>	(116)
<b>Reconciliation of funds:</b>					
Total funds brought forward		144,324	12,751	<b>157,075</b>	157,191
Net Movement in Funds		(1,693)	(446)	<b>(2,139)</b>	(116)
<b>Total funds carried forward</b>		<b>142,631</b>	<b>12,305</b>	<b>154,936</b>	157,075
<b>Reconciliation of funds for year ended 2019</b>					
Total funds brought forward		144,328	12,863	157,191	156,689
Net Movement in funds		(4)	(112)	(116)	502
<b>Total funds carried forward</b>		<b>144,324</b>	<b>12,751</b>	<b>157,075</b>	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	
<b>FIXED ASSETS</b>							
Tangible assets							
Freehold land and buildings	9a	<b>167,239</b>		157,498	<b>167,239</b>		157,498
Heritage assets	9b	<b>310</b>		310	<b>310</b>		310
Fixtures, fittings plant & equipment	9c	<b>1,366</b>		1,193	<b>1,366</b>		1,193
		<b>168,915</b>		159,001	<b>168,915</b>		159,001
Investments	10b	<b>26,551</b>		37,983	<b>26,551</b>		37,983
Investments in subsidiaries	11	-		-	<b>250</b>		250
		<b>195,466</b>		196,984	<b>195,716</b>		197,234
<b>CURRENT ASSETS</b>							
Stocks		<b>12</b>		24	<b>12</b>		24
Debtors	12	<b>442</b>		346	<b>662</b>		280
Cash at bank and in hand		<b>1,263</b>		1,631	<b>256</b>		1,020
		<b>1,717</b>		2,001	<b>930</b>		1,324
<b>CURRENT LIABILITIES</b>							
Amounts falling due within one year	13	<b>(2,247)</b>		(1,892)	<b>(2,418)</b>		(2,173)
<b>NET CURRENT (LIABILITIES)/ASSETS</b>		<b>(530)</b>		109	<b>(1,488)</b>		(849)
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>194,936</b>		197,093	<b>194,228</b>		196,385
Creditors: amounts falling due after more than one year	14	<b>(40,000)</b>		(40,018)	<b>(40,000)</b>		(40,018)
<b>TOTAL NET ASSETS</b>		<b>154,936</b>		157,075	<b>154,228</b>		156,367
Restricted funds	15	<b>12,305</b>		12,751	<b>12,305</b>		12,751
Designated funds	16	<b>133,460</b>		137,172	<b>133,460</b>		137,172
General funds	16	<b>9,171</b>		7,152	<b>8,463</b>		6,444
<b>TOTAL FUNDS</b>		<b>154,936</b>		157,075	<b>154,228</b>		156,367

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



**CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR  
ENDED 31 MARCH 2020**

	Notes (pages 31 and 32)	<b>2020</b>	2019
		<b>£'000</b>	£'000
<b>Cash flows from operating activities:</b>			
Net cash provided by operating activities	(a)	<b>1,936</b>	2,360
Interest paid on loan		<b>(1,244)</b>	(1,248)
Loan costs		<b>(3)</b>	(8)
<b>Net cash generated from operating activities</b>		<b>689</b>	1,104
<b>Cash flows from investing activities:</b>			
Dividends, interest and rents from investments		<b>1,275</b>	1,250
Purchase of property, plant and equipment		<b>(1,165)</b>	(1,028)
Proceeds from sale of investments		<b>5,274</b>	3,010
Purchase of investments		<b>(6,631)</b>	(3,760)
<b>Net cash (used in) investing activities</b>		<b>(1,247)</b>	(528)
<b>Change in cash and cash equivalents in the reporting period</b>		<b>(558)</b>	576
Cash and cash equivalents at the beginning of the reporting period		<b>4,490</b>	3,914
<b>Cash and cash equivalents at the end of the reporting period</b>	(b)	<b>3,932</b>	4,490
		<b>2020</b>	2019
		<b>£'000</b>	£'000
<b>(a) Reconciliation of net income to net cash inflow from operating activities</b>			
Net (expenditure) for the reporting period		<b>(2,139)</b>	(116)
Adjustments for:			
Depreciation charges		<b>2,253</b>	2,149
Losses on investments		<b>1,597</b>	178
Dividends, interest and rents from investment		<b>(1,275)</b>	(1,250)
Loss on disposal of investments		-	16
Interest payable on loan		<b>1,244</b>	1,248
Loan costs		<b>3</b>	8
Decrease/(increase) in stock		<b>12</b>	(1)
(Increase)/decrease in debtors		<b>(96)</b>	73
Increase in creditors		<b>337</b>	55
<b>Net cash inflow from operating activities</b>		<b>1,936</b>	2,360

**Goodenough College****Consolidated Statement of Cash Flows***for the year ended 31 March 2020*

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<b>(b) Analysis of Cash and Cash Equivalents</b>	<b>2019</b>	<b>Cash flows</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Cash in hand	1,631	(368)	<b>1,263</b>
Notice deposits	2,859	(190)	<b>2,669</b>
<b>Total Cash and cash equivalents</b>	<b>4,490</b>	<b>(558)</b>	<b>3,932</b>
<b>(c) Analysis of changes in net debt</b>	<b>2019</b>	<b>Cash flows</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Cash	1,631	(368)	<b>1,263</b>
Cash equivalents	2,859	(190)	<b>2,669</b>
	<b>4,490</b>	<b>(558)</b>	<b>3,932</b>
Loans falling due after more than one year	(40,000)	-	<b>(40,000)</b>
<b>Total</b>	<b>(35,510)</b>	<b>(558)</b>	<b>(36,068)</b>

**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	<b>Total Funds 2020 £'000</b>	Total Funds 2019 £'000
<b>Income from:</b>					
Donations and legacies		1,827	271	<b>2,098</b>	2,134
Charitable Activities:					
College Community Accommodation	4	7,354	342	<b>7,696</b>	7,529
Trading Activities:					
Catering, Events and Venue Hire		-	-	-	43
Investments	3	1,173	102	<b>1,275</b>	1,250
<b>Total</b>		<b>10,354</b>	<b>715</b>	<b>11,069</b>	10,956
<b>Expenditure on:</b>					
Raising Funds					
Investment Management		145	9	<b>154</b>	132
Fundraising		286	-	<b>286</b>	250
Trading activities		-	-	-	15
Charitable Activities:					
Attracting outstanding postgraduate students	5	892	195	<b>1,087</b>	1,016
Transforming College Members	5	6,774	658	<b>7,432</b>	7,181
Raising the College's profile	5	470	-	<b>470</b>	325
Sustaining the College	5	2,143	39	<b>2,182</b>	1,959
<b>Total</b>		<b>10,710</b>	<b>901</b>	<b>11,611</b>	10,878
<b>Net income/(losses) before other gains / (losses)</b>		<b>(356)</b>	<b>(186)</b>	<b>(542)</b>	78
Net (losses) on investments	10	<b>(1,337)</b>	<b>(260)</b>	<b>(1,597)</b>	(194)
<b>Net (losses)</b>		<b>(1,693)</b>	<b>(446)</b>	<b>(2,139)</b>	(116)
Transfers between funds		-	-	-	-
<b>Net Movement in Funds</b>		<b>(1,693)</b>	<b>(446)</b>	<b>(2,139)</b>	(116)
<b>Reconciliation of funds:</b>					
Total funds brought forward		<b>143,616</b>	<b>12,751</b>	<b>156,367</b>	156,483
Net Movement in Funds		<b>(1,693)</b>	<b>(446)</b>	<b>(2,139)</b>	(116)
<b>Total funds carried forward</b>		<b>141,923</b>	<b>12,305</b>	<b>154,228</b>	156,367

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 MARCH 2019**

	Unrestricted Funds	Restricted Funds	Total Funds
	£'000	£'000	2019 £'000
<b>Income from:</b>			
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
<b>Total</b>	<b>12,547</b>	<b>895</b>	<b>13,442</b>
<b>Expenditure on:</b>			
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
<b>Total</b>	<b>12,437</b>	<b>927</b>	<b>13,364</b>
<b>Net income before other (losses) / gains</b>	<b>110</b>	<b>(32)</b>	<b>78</b>
Net (losses) / gains on investments	(242)	48	(194)
<b>Net Income/(expenditure)</b>	<b>(132)</b>	<b>16</b>	<b>(116)</b>
Transfers between funds	128	(128)	-
<b>Net Movement in Funds</b>	<b>(4)</b>	<b>(112)</b>	<b>(116)</b>
<b>Reconciliation of funds:</b>			
Total funds brought forward	144,328	12,863	157,191
Net Movement in Funds	(4)	(112)	(116)
<b>Total funds carried forward</b>	<b>144,324</b>	<b>12,751</b>	<b>157,075</b>

**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.

**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.

**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'.



**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	<b>Total funds 2020 £'000</b>	Total funds 2019 £'000
Legacies	-	-	-	-
Donations	55	210	<b>265</b>	376
	<u>55</u>	<u>210</u>	<u><b>265</b></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	<b>Total funds 2020 £'000</b>	Total funds 2019 £'000
Income from UK listed investments	269	71	<b>340</b>	287
Income from overseas listed investments	113	3	<b>116</b>	99
Rent from property	583	28	<b>611</b>	628
Other interest - short-term deposits	208	-	<b>208</b>	236
	<u>1,173</u>	<u>102</u>	<u><b>1,275</b></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	<b>Total funds 2020 £'000</b>	Total funds 2019 £'000
College gross accommodation income	7,354	-	<b>7,354</b>	7,151
The Burn income	-	342	<b>342</b>	378
	<u>7,354</u>	<u>342</u>	<u><b>7,696</b></u>	<u>7,529</u>

Of the total funds stated for 2019, £378k was restricted and £7,151k was unrestricted.

## **5 EXPENDITURE FOR CHARITABLE PURPOSES**

	Direct Costs 2020 £'000	Support Costs 2020 £'000	<b>Total 2020 £'000</b>	Total 2019 £'000
Attracting outstanding postgraduate students	914	173	<b>1,087</b>	1,016
Transforming College Members	6,355	1,077	<b>7,432</b>	7,181
Raising the College's profile	395	75	<b>470</b>	325
Sustaining the College	<u>2,035</u>	<u>147</u>	<u><b>2,182</b></u>	<u>1,959</u>
	<u>9,699</u>	<u>1,472</u>	<u><b>11,171</b></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**

	<b>2020 £'000</b>	2019 £'000
Finance	402	348
IT	610	586
HR	264	257
Governance	48	27
Other General Overheads	<u>357</u>	<u>396</u>
	<u><b>1,681</b></u>	<u><b>1,614</b></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><b>1,681</b></u>	<u><b>1,614</b></u>

**6 SUPPORT COSTS** *(continued)***GOVERNANCE COSTS**

	<b>2020</b>	2019
	<b>£'000</b>	£'000
<b>Support Costs</b>		
Council and Board meeting costs	<b>3</b>	7
Fees payable to the auditors - College	<b>33</b>	21
	<b>36</b>	28
<b>Direct Costs</b>		
Fees payable to the auditors – Subsidiary Companies	<b>12</b>	17
<b>Total Governance Costs</b>	<b>48</b>	45
 Fees payable to the Company's auditors		
 Statutory audit	<b>33</b>	32
Advisory services	<b>12</b>	6
	<b>45</b>	38

**7 NET OUTGOING RESOURCES**

	<b>2020</b>	2019
	<b>£'000</b>	£'000
Net outgoing resources for the year are stated after charging :		
Amounts payable to auditors (Group)	<b>45</b>	38
Depreciation of tangible fixed assets	<b>2,253</b>	2,149
Operating lease charge	<b>28</b>	28

**8 INFORMATION REGARDING STAFF AND TRUSTEES**

	<b>2020</b>	2019
	<b>No.</b>	No.
Average number of employees (full time equivalent) during the year:		
College	<b>64</b>	61
Hotel	<b>11</b>	11
Burn	<b>12</b>	13
	<b>87</b>	85

**8 INFORMATION REGARDING STAFF AND TRUSTEES** *(continued)*

	<b>2020</b>	2019
	<b>£'000</b>	£'000
Wages and Salaries	<b>3,045</b>	2,881
Social security costs	<b>305</b>	286
Pensions	<b>148</b>	110
	<b>3,498</b>	3,277

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

	<b>2020</b>	2019
	<b>No.</b>	No.
£60,001 - £70,000	<b>3</b>	5
£70,001 - £80,000	<b>1</b>	2
£80,001 - £90,000	<b>1</b>	-
£90,001 - £100,000	<b>1</b>	1
£120,001 - £130,000	<b>1</b>	1
£150,001 - £160,000	<b>1</b>	-

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.

**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**

<b>Consolidated and company</b>	<b>College</b>	<b>The Burn</b>	<b>Assets under construction</b>	<b>Total</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Land and buildings at valuation				
Brought forward valuation or cost at 1 April 2019	154,996	11,048	-	<b>166,044</b>
Additions	444	6	260	<b>710</b>
Transfers	-	5	11,003	<b>11,008</b>
<b>At 31 March 2020</b>	<b>155,440</b>	<b>11,059</b>	<b>11,263</b>	<b>177,762</b>
Depreciation				
Brought forward at 1 April 2019	7,979	567	-	<b>8,546</b>
Charge for the year	1,863	114	-	<b>1,977</b>
<b>At 31 March 2020</b>	<b>9,842</b>	<b>681</b>	<b>-</b>	<b>10,523</b>
<b>Net book value at 31 March 2020</b>	<b>145,598</b>	<b>10,378</b>	<b>11,263</b>	<b>167,239</b>
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	290	20	310

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	-	<b>2,482</b>
Additions	344	-	111	<b>455</b>
Transfers	-	(5)	-	<b>(5)</b>
At 31 March 2020	<u>2,734</u>	<u>87</u>	<u>111</u>	<b><u>2,932</u></b>
Depreciation at 1 April 2019	1,219	70	-	<b>1,289</b>
Charge for year	272	5	-	<b>277</b>
At 31 March 2020	<u>1,491</u>	<u>75</u>	<u>-</u>	<b><u>1,566</u></b>
<b>Net Book Value at 31 March 2020</b>	<u>1,243</u>	<u>12</u>	<u>111</u>	<b><u>1,366</u></b>
Net book value at 31 March 2019	<u>1,171</u>	<u>22</u>	<u>-</u>	<b><u>1,193</u></b>

**10 INVESTMENTS HELD AS FIXED ASSETS**

	College £'000	The Burn £'000	Total £'000
<b>(a) Investment Properties</b>			
Land and buildings at valuation:			
Carried forward at 1 April 2019	13,961	700	<b>14,661</b>
Transfers	(11,003)	-	<b>(11,003)</b>
Revaluation	254	-	<b>254</b>
At 31 March 2020	<u>3,212</u>	<u>700</u>	<b><u>3,912</u></b>

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.

**10 INVESTMENTS HELD AS FIXED ASSETS** *(continued)*

		<b>Consolidated and Company</b>	
		<b>2020</b>	<b>2019</b>
<b>(b) Listed Investments</b>	<b>Notes</b>	<b>£'000</b>	<b>£'000</b>
Market Value at 1 April		<b>20,463</b>	19,522
Additions at cost		<b>6,631</b>	3,760
Proceeds from disposals		<b>(5,274)</b>	(2,935)
Realised (loss)		<b>(22)</b>	(21)
Unrealised (loss)/gain		<b>(1,828)</b>	137
<b>Market Value at 31 March</b>		<b>19,970</b>	20,463
<b>Listed Investments comprise the following:</b>			
Investments listed on a recognised stock exchange - Equities		<b>9,819</b>	9,762
Investments listed on a recognised stock exchange - Bonds		<b>5,946</b>	6,095
Alternative Funds		<b>4,205</b>	4,606
<b>Market Value at 31 March</b>		<b>19,970</b>	20,463
Investment assets in the United Kingdom		<b>15,143</b>	15,825
Investment assets outside the United Kingdom		<b>4,827</b>	4,638
<b>Market Value at 31 March</b>		<b>19,970</b>	20,463
<b>Cost at 31 March</b>		<b>20,104</b>	18,686
<b>Total Investments</b>			
Listed investments (Market Value)	10b	<b>19,970</b>	20,463
Short term deposits in the portfolio		<b>2,669</b>	2,859
Investment Properties (Market Value)	10a	<b>3,912</b>	14,661
<b>Investments at 31 March</b>		<b>26,551</b>	37,983

**11 SUBSIDIARY UNDERTAKINGS**

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

<b>Subsidiary Undertaking</b>	<b>Company Investment at Cost £</b>
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.

	<b>2020</b>	<b>2019</b>
	<b>£'000</b>	<b>£'000</b>
		<b>Restated</b>
Turnover	<b>3,325</b>	3,268
Cost of sales	<b>(1,834)</b>	(1,736)
	<b>1,491</b>	1,532
Qualifying distribution under deed of covenant	<b>(1,491)</b>	(1,532)
Profit	<b>-</b>	-
Assets	<b>1,119</b>	1,289
Liabilities	<b>(161)</b>	(331)
Shareholders' funds	<b>958</b>	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.

**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.

	<b>2020</b> <b>£'000</b>	2019 £'000 Restated
Turnover	<b>2,059</b>	1,789
Cost of sales	<b>(1,717)</b>	(1,563)
	<b>342</b>	226
Qualifying distribution under deed of covenant	<b>(342)</b>	(226)
Profit	<b>-</b>	-
Assets	<b>621</b>	254
Liabilities	<b>(621)</b>	(254)
Shareholders' funds	<b>-</b>	-

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.

**12 DEBTORS**

	Consolidated		Company	
	2020	2019	2020	2019
	£'000	£'000	£'000	£'000
				Restated
Trade debtors	<b>206</b>	193	<b>88</b>	79
Amount due from subsidiary undertaking	-	-	<b>359</b>	34
Other debtors	<b>40</b>	27	<b>39</b>	27
Taxes recoverable	<b>95</b>	36	<b>95</b>	51
Prepayments and accrued Income	<b>101</b>	90	<b>81</b>	89
	<b>442</b>	346	<b>662</b>	280

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	<b>1,303</b>	1,042	<b>1,020</b>	635
Amounts due to subsidiary undertaking	-	-	<b>479</b>	743
Taxation and social security	<b>86</b>	128	<b>86</b>	128
Other creditors	<b>129</b>	121	<b>129</b>	121
Accruals	<b>704</b>	449	<b>679</b>	398
Deferred income	<b>7</b>	115	<b>7</b>	111
Other deferred discount	<b>18</b>	37	<b>18</b>	37
	<b>2,247</b>	1,892	<b>2,418</b>	2,173

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	<b>115</b>	105	<b>111</b>	105
Released:	<b>(115)</b>	(105)	<b>(111)</b>	(105)
Added	<b>7</b>	115	<b>7</b>	111
Balance carried forward	<b>7</b>	115	<b>7</b>	111

**14 CREDITORS: amounts falling due in greater than one year**

	<b>2020</b>	<b>2019</b>
	<b>£'000</b>	<b>£'000</b>
<b>Bank Borrowing</b>		
Falling due in more than 5 years	<b>40,000</b>	40,000
<b>Other Deferred Discount</b>		
Falling due between 1 and 2 years	-	18
Falling due between 2 and 5 years	-	-
<b>Total</b>	<b>40,000</b>	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
<b>2019/20</b>						
<b>Burn Fund</b>						
General fund	<b>1,060</b>	169	443	(197)	(664)	<b>811</b>
Specific Donations	<b>6</b>	(6)	-	-	-	<b>-</b>
Investment Property reserve	<b>700</b>	-	-	-	-	<b>700</b>
Tangible fixed asset reserve	<b>10,523</b>	(102)	-	-	-	<b>10,421</b>
<b>Total Burn Fund</b>	<b>12,289</b>	<b>61</b>	<b>443</b>	<b>(197)</b>	<b>(664)</b>	<b>11,932</b>
<b>Other Restricted Funds</b>						
Scholarships and Bursaries	<b>354</b>	-	197	(48)	(197)	<b>306</b>
Specific donations	<b>108</b>	-	14	(15)	(40)	<b>67</b>
<b>Total Other Restricted Funds</b>	<b>462</b>	<b>-</b>	<b>211</b>	<b>(63)</b>	<b>(237)</b>	<b>373</b>
<b>Total Restricted Funds</b>	<b>12,751</b>	<b>61</b>	<b>654</b>	<b>(260)</b>	<b>(901)</b>	<b>12,305</b>

	31 Mar'18	Transfer	Income	Gains / losses	Expenditure	31 Mar'19
	£'000	£'000	£'000	£'000	£'000	£'000
<b>2018/19</b>						
<b>Burn fund</b>						
General fund	<b>1,063</b>	110	516	31	(660)	<b>1,060</b>
Specific Donations	<b>6</b>	-	-	-	-	<b>6</b>
Investment Property reserve	<b>700</b>	-	-	-	-	<b>700</b>
Tangible fixed asset reserve	<b>10,633</b>	(110)	-	-	-	<b>10,523</b>
<b>Total Burn Fund</b>	<b>12,402</b>	<b>-</b>	<b>516</b>	<b>31</b>	<b>(660)</b>	<b>12,289</b>
<b>Other Restricted Funds</b>						
Scholarships and Bursaries	<b>370</b>	-	178	14	(208)	<b>354</b>
Specific donations	<b>91</b>	(128)	201	3	(59)	<b>108</b>
<b>Total Other Restricted Funds</b>	<b>461</b>	<b>(128)</b>	<b>379</b>	<b>17</b>	<b>(267)</b>	<b>462</b>
<b>Total Restricted Funds</b>	<b>12,863</b>	<b>(128)</b>	<b>895</b>	<b>48</b>	<b>(927)</b>	<b>12,751</b>

*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
<b>2019/20</b>						
Tangible fixed asset	<b>148,478</b>	10,017	-	-	-	<b>158,495</b>
Long term loan	<b>(40,000)</b>	-	-	-	-	<b>(40,000)</b>
Tangible fixed asset reserve	<b>108,478</b>	10,017	-	-	-	<b>118,495</b>
Investment property reserve	<b>13,961</b>	(11,003)	-	254	-	<b>3,212</b>
Asset Replacement reserve	<b>3,365</b>	1,038	104	(472)	(24)	<b>4,011</b>
College Development Reserve	<b>11,172</b>	(3,209)	274	(155)	(433)	<b>7,649</b>
Other Designated Reserves	<b>196</b>	(94)	55	(31)	(33)	<b>93</b>
<b>Total designated reserves</b>	<b>137,172</b>	(3,251)	433	(404)	(490)	<b>133,460</b>
General funds of the Charitable Company	<b>6,444</b>	3,190	12,744	(932)	(12,983)	<b>8,463</b>
<b>Total funds of the charitable company</b>	<b>143,616</b>	(61)	13,177	(1,336)	(13,473)	<b>141,923</b>
General funds of the subsidiaries	<b>708</b>	-	-	-	-	<b>708</b>
<b>Total consolidated unrestricted funds</b>	<b>144,324</b>	<b>(61)</b>	<b>13,177</b>	<b>(1,336)</b>	<b>(13,473)</b>	<b>142,631</b>
	31 Mar'18	Transfer	Income	Gains/ (losses)	Expenditure	31 Mar'19
	£'000	£'000	£'000	£'000	£'000	£'000
<b>2018/19</b>						
Tangible fixed asset	<b>149,491</b>	(1,013)	-	-	-	<b>148,478</b>
Long term loan incl interest rate swap	<b>(40,000)</b>	-	-	-	-	<b>(40,000)</b>
Tangible fixed asset reserve	<b>109,491</b>	(1,013)	-	-	-	<b>108,478</b>
Investment property reserve	<b>14,346</b>	(70)	-	(315)	-	<b>13,961</b>
Asset Replacement reserve	<b>2,213</b>	1,135	50	(27)	(6)	<b>3,365</b>
Capital replacement reserve	<b>11,442</b>	70	262	(183)	(419)	<b>11,172</b>
Other Designated reserves	<b>196</b>	-	4	-	(4)	<b>196</b>
<b>Total designated reserves</b>	<b>137,688</b>	122	316	(525)	(429)	<b>137,172</b>
General funds of the Charitable Company	<b>5,932</b>	6	12,231	283	(12,008)	<b>6,444</b>
<b>Total funds of the charitable company</b>	<b>143,620</b>	128	12,547	(242)	(12,437)	<b>143,616</b>
General funds of the subsidiaries	<b>708</b>	-	-	-	-	<b>708</b>
<b>Total consolidated unrestricted funds</b>	<b>144,328</b>	<b>128</b>	<b>12,547</b>	<b>(242)</b>	<b>(12,437)</b>	<b>144,324</b>



**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**

<b>2019/20</b>	Restricted Funds – The Burn £'000	Restricted Funds - Other £'000	Designated reserves £'000	General Funds £'000	<b>Charity Total £'000</b>
Tangible fixed assets	10,420	-	158,495	-	<b>168,915</b>
Investments	1,198	373	11,753	9,315	<b>22,639</b>
Investment properties	700	-	3,212	-	<b>3,912</b>
Investments in subsidiaries	-	-	-	250	<b>250</b>
Amounts due to subsidiaries	-	-	-	(120)	<b>(120)</b>
Other current assets	102	-	-	213	<b>315</b>
Cash at bank and in hand	12	-	-	244	<b>256</b>
Current and long term liabilities	(500)	-	(40,000)	(1,439)	<b>(41,939)</b>
	<b>11,932</b>	<b>373</b>	<b>133,460</b>	<b>8,463</b>	<b>154,228</b>
<b>2018/19</b>	Restricted Funds – The Burn £'000	Restricted Funds - Other £'000	Designated reserves £'000	General Funds £'000	<b>Charity Total £'000</b>
Tangible fixed assets	10,523	-	148,478	-	<b>159,001</b>
Investments	1,391	462	13,846	7,623	<b>23,322</b>
Investment properties	700	-	13,961	-	<b>14,661</b>
Investments in subsidiaries	-	-	-	250	<b>250</b>
Amounts due to subsidiaries	-	-	-	(709)	<b>(709)</b>
Other current assets	15	-	255	-	<b>270</b>
Cash at bank and in hand	90	-	632	298	<b>1,020</b>
Current and long term liabilities	(430)	-	(40,000)	(1,018)	<b>(41,448)</b>
	<b>12,289</b>	<b>462</b>	<b>137,172</b>	<b>6,444</b>	<b>156,367</b>

**Goodenough College****Notes to the Financial Statements** *(continued)**for the year ended 31 March 2020*

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**18 LEASING COMMITMENTS**

At 31 March 2020 the charitable company had the following total commitments for equipment under non-cancellable operating leases.

	<b>2020</b>	2019
	<b>£'000</b>	£'000
Operating leases which expire in 5 years	<u><b>35</b></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.