



Goodenough College
(A company limited by guarantee)

Annual Report and Financial Statements
for the 17 months ended 31 August 2021

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

Goodenough College Chairman's Personal Welcome

I am delighted to introduce this Annual Report and Financial Statements for the seventeen months ending 31 August 2021, a period during which we saw the arrival of a new College Director, the Honourable Alice Walpole OBE, to replace Ms Rebecca Matthews. I would like to pay tribute to Ms Matthews for her commitment to the College during her tenure.

Prior to joining us on 12 April 2021, Ms Walpole served as United Nations Assistant Secretary General in Iraq, before which she enjoyed a long and distinguished career with the Foreign and Commonwealth Office. Ms Walpole's skills, energy and enthusiasm are evident in abundance and I look forward to continuing to work with her in steering the College through the challenges imposed by the global COVID pandemic and on to a successful and financially secure future.

During the reporting period, we faced unprecedented challenges. College life was materially restricted by the pandemic and, in common with many other organisations, we had to make difficult decisions in the face of declining income. Our hotel closed; our rental income diminished as a result of significantly reduced Member occupancy; our short stay and sabbatical business was suspended for 2020 and external events were cancelled or postponed.

Despite all of those pressures, our Members maintained an extraordinarily positive attitude, helping each other and our broad community in the best traditions of the College. Given the challenges they faced, they showed remarkable spirit, strong values and visible commitment to facing the daily challenges together and to making the most of the situation they were in. I hope that they consider themselves fortunate to have been at Goodenough College during the pandemic rather than in a less supportive environment.

The impact of the pandemic was also keenly felt by our staff, especially during the lockdown periods. Some agreed to move into the College; some moved to working from home; under the Government's Coronavirus Job Retention Scheme, some were placed on furlough; and we had to make the difficult decision to say farewell to others of our staff who had been employed to manage and operate the now-closed hotel. Throughout this, our employed staff remained admirably focused on what was best for the College and its Members, as did our contracted staff from Holroyd Howe, CBRE and ESS, who, alongside our Reception team, have provided a seamless service to us all.

Our staff ensured that we were able to maintain a safe and comfortable environment for our Members under extremely difficult circumstances. Major achievements included the provision of an exceptional programme of intellectual, cultural and social events largely online; enhanced welfare services; and effective hygiene measures that resulted in a very low incidence of infection.

On behalf of the Board of Trustees, I would like to pay tribute to all our Members and staff for their fortitude during this period, and for their commitment to the College and to each other.

Goodenough College

Trustees' Annual Report and Strategic Report

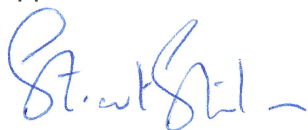
for the 17 months ended 31 August 2021

Use of The Burn, our Scottish academic retreat, was also severely restricted during the reporting period although, later in that period, it proved a valuable amenity for College Members and guests looking to escape the confines of their lockdown location. The Burn remains indebted to its dedicated team of staff for their constructive approach during a difficult trading period, and to the many Scottish universities and their representatives who continue to support the venue and are planning to return soon.

I am happy to report that, following an Equality, Diversity and Inclusion (EDI) review of the College in late 2020, the Board approved the establishment of an EDI Advisory Committee, with broad stakeholder representation, to identify and deliver measures to maximise diversity at the College. We are committed to ensuring that we are able to maintain momentum and progress in this area.

Though the financial impact of the pandemic on the College has been significant, the College's solid financial base has enabled us to maintain liquidity and a stable budgetary position. Reassuringly, occupancy rates for the 2021-22 academic year are at maximum levels. Though substantially poorer post-pandemic, the College's ambitions for future growth and improvement remain. In particular, our plans to renovate 43-47 Mecklenburgh Square will continue to be developed, despite the loss of the funds set aside for this project. We will look to our kind supporters and to the capital markets to realise that ambition once conditions allow.

Finally, I would like to pay warm tribute to my predecessor, Mr Eric Tracey, who stepped down in October 2020 after fifteen years on the Board of the College and a professional association with the College stretching back to 1980. I am delighted that Eric remains with us as Emeritus Governor and continues to be a generous supporter of the College. Eric is a wonderful colleague and his knowledge of the College and his wise counsel have been greatly appreciated.



Stuart Shilson LVO DL
Chair of the Board

25 January 2022

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The Board of Trustees present their Report and audited Financial Statements for the 17 months ended 31 August 2021 under the Charities Act 2011 and the Companies Act 2006.

COMPANY INFORMATION

PATRON

Her Majesty The Queen

TRUSTEE BOARD

Stuart Shilson LVO – Chairman (appointed Chairman from 13 October 2020)
 Eric Tracey – Chairman (until 13 October 2020)
 Dame Maura McGowan DBE – Vice Chair (from 13 October 2020)
 Alex Acland
 Jane Ashcroft CBE (from 7 July 2020 to 28 January 2021)
 David Brooks Wilson (until 13 October 2020)
 Andrew Brown QC
 Roger Chadwick OBE
 Corey Cook
 Hugh Crossley (until 18 February 2021)
 Dr Grahame Davies
 James Douglas
 Charles McGregor (until 20 April 2021)
 Meredith Pierce Hunter
 Martin Schwab

THE ADVISORY COUNCIL

President

Graham Ward CBE

Elected Governors

Alex Acland	2,7	Constance Jackson	5,9
Jane Ashcroft CBE (from 7 July 2020 to 28 January 2021)	4	Gregory Jones QC	4
Lord Bilimoria CBE		Golfam Khoshkhounejad	8,9
David Brooks Wilson (until 13 October 2020)	4	John Lotherington	1
Robert Black		Dame Judith Mayhew Jonas DBE (until 13 October 2020)	6,7
Andrew Brown QC	3	David McCahon	
Roger Chadwick OBE	2	Dame Maura McGowan DBE	1,6,9
Chris Cobb (until 6 December 2020)	2,4	Charles McGregor (until 20 April 2021)	4,5,8
Corey Cook	2	Meredith Pierce Hunter	9
Hugh Crossley		Anni Rowland-Campbell	9
Dr Grahame Davies (Vice President)	1	Martin Schwab	8
Chantal Aimee Doerries	8	Deborah Scott (until 21 September 2021)	
Lindsay Dodsworth (from 13 Nov 2020)	5	Stuart Shilson LVO	4,6,7
James Douglas	5,8	Eric Tracey (until 13 October 2020)	6,7,8
Jane French	2,9	Prof Stuart Ward	1
Alan Gemmell OBE		Fiona Wilkinson BA FCA (from 13 October 2020)	2
Sir William Goodenough		Sir David Wootton	5
Deborah Goodwin (until 20 May 2020)	2,8		

Student Governors

Tess Buckley (from 8 November 2021)	Shouyu Chong (from 8 November 2021)
Jake Bransgrove (from 29 Oct 2020 until 31 July 2021)	Felix Graf (until 21 June 2020)
Beatrice Jambria Canseco (from 7 July 2020 until 27 March 2021)	Ariana Huebner (until 8 November 2021)
	Dimitar (Dimitri) Jakimovski (from 8 November 2021)

1. Member of Academic Committee
2. Member of Audit Committee
3. Member of Burn Management Committee
4. Member of Estates Committee
5. Member of Investment Committee

6. Member of Nominations Committee
7. Member of Remuneration Committee
8. Member of Finance Committee
9. Member Equality, Diversity and Inclusion Advisory Committee

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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
Professor Anton Muscatelli
Dr Andrew Goddard
Amanda Pinto QC

Fiona Wilkinson

Sir Ciaran Devane
Hon Alexander Downer AC

Senior Staff

College Director

The Hon Alice Walpole OBE (from 12 April 2021)
Rebecca Matthews (until 7 December 2020)

Interim College Director

Chris Cobb (7 December 2020 until 12 April 2021)

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

Richard Barker

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

Janine Binks
Hannah Du Gray
The Rev Dr Alan McCormack
Caroline Persaud
David Turner OBE

Address and Registered Office

London House
Mecklenburgh Square
London
WC1N 2AB

Website: www.goodenough.ac.uk

Professional Advisers

Auditor:

BDO LLP
55 Baker Street
London
W1U 7EU

Legal Advisers:

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

Investment Managers:

Rathbone Brothers Plc
8 Finsbury Circus
London
EC2M 7AZ

Bankers:

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

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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 August 2021 there were 30 members (2020: 44 members).

On 1 May 2020 the Advisory Council resolved *"In accordance with Article 25.1 and Article 25.2 of the College's Articles of Association, the Advisory Council determines that, with effect from the passing of this resolution, there shall be no holders of offices that shall be Ex-Officio Governors of Goodenough College and that all current holders of the office of Ex-Officio Governor shall vacate the office of Ex-Officio Governor of Goodenough College at that same time."* There were nine Ex-Officio Governors holding office at the time of the resolution.

The names at the date of this report of all the Governors forming the Advisory Council at the balance sheet date, the Trustees at the balance sheet and of those Trustees held office during the year, together with details of the Senior Staff and Advisers of the College, are given on pages two and three.

The main features of the College governance structure are:

- A Board of 10–15 Board Governors who are legally and financially responsible for the management of College affairs. These are the charity Trustees and the Directors of the company. The Board meets no less than four times per year. One nominated Student Governor attends the College Board.
- A broader College Advisory Council, comprising 20–50 Governors (being Elected Governors, the Chair of the Members' Council of the College and up to two other Student (Member) Governors nominated by resident Members of the College). The Advisory Council is held not less than twice per year.
- The College's Articles of Association allow each Board and elected Advisory Council Governor to serve for up to five terms of three years. At its meeting of 17 September 2019 the Board resolved to make a policy to limit the length of Governor (and Trustee) appointments to a maximum of 12 years.
- Andrew Brown (12) and Martin Schwab (10) have served as Trustees for nine or more years at the balance sheet date.
- The Board believes that the Trustees who have served for nine years or more and who continue to provide substantial skills and contribution towards the governance of the College can be extended. Andrew Brown is specifically welcomed in this regard for his substantial support of, and contribution to, the College's operations at The Burn in Scotland, Martin Schwab currently chairs the College's Finance Committee.

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The Trustees are satisfied that current governance processes enable the College to deal effectively with the financial and administrative challenges it faces. The Trustees consider that they have paid due regard to the Charity Commission's guidance in respect of their duties and obligations as Trustees of Goodenough College.

The Board continues to implement changes to its governance arrangements to comply better with the Charity Governance Code for larger charities. The Board will continue to review the College's governance arrangements during 2021/22.

Election of Governors

The process for the election of Governors and Board Directors is set out within the College's Articles of Association. Board Governors and Elected Advisory Council Governors shall be elected on the recommendation of the Nominations Committee at Annual General Meetings of the College. Board Governors are appointed at Annual General Meetings of the College on the recommendation of the Nominations Committee. The Board, on nomination from the Nominations Committee, may appoint Governors and Directors to fill a casual vacancy or as an additional Elected Governor or Director who shall retire at the next Annual General Meeting but will be eligible for re-election. Nominations may be made to the Nominations Committee at any time.

Any Ex-Officio Governor positions may be resolved by the Advisory Council. On 1 May 2020, the Council resolved there to be none.

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

Trustee Board

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

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

New Trustees have induction programmes familiarising them with the College, its objectives and its structure, alongside their roles and responsibilities under legislation and College governance.

Committees

Trustees and Governors may serve on one or more Board Committees as set out below:

- Academic Committee
- Audit Committee
- Burn Management Committee
- Estates Committee
- Equality Diversity and Inclusion Committee
- Finance Committee
- Investment Committee
- Nominations Committee

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Remuneration Committee

Details of the composition of each Committee are to be found on page two.

Management

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

Group structure and relationships

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

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

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

Investment powers and policies

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

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

Investment management is delegated to and managed by Rathbones. The Trustees require the managers to pay attention to the standard investment criteria, namely the suitability of the class of investment and the need for diversification insofar as is appropriate to the circumstances of Goodenough College. Any restrictions on the type of investments or markets

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in which the manager would invest on the client's behalf are set out in writing. The Trustees have normally agreed investment mandates matching the timing of the College's expected call on those funds. In August 2020 the Trustees decided to reduce the exposure to equity investments to reflect possible future calls on funds as a result of COVID-19 in excess of those then expected. Stocks which are not quoted on a recognised stock exchange or otherwise actively traded may not be held by the investment manager, without prior approval of the Trustees.

STRATEGIC REPORT

The Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 require the College to prepare a strategic report.

The Strategic Report comprises the following sections:

- Objectives and activities
- Achievements and performance
- Financial Review
- Plans for future periods

OBJECTIVES AND ACTIVITIES

The history of what is now Goodenough College began in 1930 when Frederick Craufurd Goodenough, Chairman of Barclays Bank, established the first student residence in London for international postgraduate students. Goodenough's then vision was the creation of a hall of residence for male students from Commonwealth countries, offering a collegiate setting in the heart of London to enhance international understanding and prevent students from feeling isolated in the capital. The College has expanded greatly since that time and now consists of a community of postgraduates from any country worldwide.

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

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

Now, looking to the future, we will continue to build upon these strong foundations to achieve our current vision and mission:

Vision

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

Mission

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

Due to the COVID-19 pandemic crisis, the College was forced to delay the implementation of its 2020–2025 Strategic Plan, the key objectives of the plan are to:

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

These three key objectives are underpinned by seven enabling objectives, which will help the College to achieve its ambitions.

As part of the 2020–2025 strategic planning process, a new set of values were agreed for the College, which are **tolerance, respect, understanding, service and togetherness**,

values that have always been part of the Goodenough experience. These values are further articulated by the College's Equality, Diversity and Inclusion Advisory Committee.

The College presents its 2020/21 expenditure in pursuit of the following previously adopted strategic goals:

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

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

The College serves over 40 of the academic and professional institutions in London. It maintains a balance between the broad faculties of medicine and natural sciences, law, business, political and social sciences and the arts and humanities. The College attracts scholars from a wide range of international schemes including Chevening, Fulbright, Commonwealth and Marshall.

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

The College frames its distinctive domestic paradigm through the vectors of 'commensality' and 'conviviality' – common eating and common living. The experience of College Members is framed entirely residentially and together they negotiate the joys and the trials, the ups and the downs, of life. Members engage in many intellectual, social, experiential and developmental activities. 'Port talks' where esteemed and internationally renowned individuals lecture and share knowledge and life experience are a regular feature of the College calendar. A series of 'GoodSkills' weeks also take place to refine the non-academic skills base of College Members. In short, College Members work, play and dine amongst a broad spread of social,

national and economic backgrounds, developing understanding and empathy across a wide spectrum of experience within a rich peer group. An external 'representation' programme is additionally coordinated by the College staff to enable College Members to grow their capacity for fluent networking across a range of external institutions in the Cities of London and Westminster and beyond. The College seeks to secure and provide an increasing level of Scholarships and Bursaries to support those who struggle to meet the costs of their accommodation at the College. The College adapted the application of 'commensality' and 'conviviality' in light of the restrictions of the COVID-19 global pandemic, but our Members who were with us during this time reported that they still felt part of a warm supportive community, albeit much of it virtual.

In normal times The Burn, our Scottish academic retreat and holiday centre actively supports Scottish universities and offers its facilities to national and international students and study groups. Serving to enhance the learning experience, The Burn also and will often organise events to bring the academic and local communities together. The Burn has been closed to the public during much of the pandemic, but has continued to play a key role in supporting the local community through the provision of meals to isolated individuals. As restrictions eased over the summer, the College also took the opportunity to arrange four pastoral trips to The Burn for Members who had been with us throughout the pandemic. The provided a valuable opportunity for them to relax amongst their peers, build friendships and take pleasure in the natural world.

The College is also normally open to the public for concerts, operas, conferences and lectures. A large number of external organisations and individuals also use the College's facilities for their own events and activities, but again much of this has been curtailed during the pandemic. The College also works in partnership with a number of organisations that share the College's aims such as Cara (the Council for At-Risk Academics), Windle International, Chevening and SOAS University of London.

ACHIEVEMENTS AND PERFORMANCE

During the extended 17 month period of 2020/21 College life was materially damaged by the global COVID-19 pandemic. This significantly constrained the College's ability to provide a vibrant and transformative College experience to Members; the primary focus being on securing the wellbeing, health and welfare of the College community that remained on the Square. College Member occupancy reduced to less than 50% of the normal level, and the College programme of physical events was suspended, with resident Members confined to their rooms during the official national lockdown.

Following the initial lockdown in March 2020 all but core staff worked from home, until returning in the majority from September 2021. Core operational and welfare services were maintained on site throughout the pandemic.

After government enforced closure from March 2020 the hotel remained closed until 4 July 2020, re-opened briefly until 5 November, but has since remained closed awaiting a major bedroom refurbishment. Commercial events were predominantly cancelled or postponed, and the short stay and sabbatical business was suspended for 2020, returning to a lesser degree in 2021 generating just 20% of 2019 summer revenue.

This situation severely curtailed the College's ability to deliver its core charitable aims and led to an operating deficit of £3m in the period, a shortfall of £6.4m against normal operations. This has curtailed the College's ability to apply the College Development Reserve in pursuit of its development ambition with a further £3.7m of the £7.6m reserve held at 1st April 2020 diverted to support core operations and contributions to the Asset Replacement Plan.

In common with many other organisations, the College had to make difficult decisions in the face of declining income. To help manage the situation, we made use of the Government's Coronavirus Job Retention Scheme (CJR) and furloughed staff who were not required to run our essential services during this period. In total the College received £492k in payments from the Government CJR Scheme and £81k in other pandemic grants.

The Strategic Plan published in January 2020 was suspended following the pandemic and is now subject to further consideration following the change in College leadership from May 2021. The College's 'Commemorative Biennium' was abandoned in April 2020. The Statement of Financial Activities shows 2020/21 College charitable expenditure against the same strategic goals as prior years.

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

The independent study commissioned by the College in 2019 to quantify the impact of the College's Scholarship and Bursary programme on the Membership concluded that for every £1 invested into the Goodenough College programme and facilities, £2.04 is returned in social value created. This is a healthy return particularly given that part of the investment required to make outcomes happen involves buildings costs as well as programme costs. The report also concludes that overall postgraduate students have an overwhelmingly positive experience and that the College is creating substantial impact for its stakeholders. We will consider how this study may influence our work going forward.

During 2020/21 £10.5m (2020: £7.4m) was spent against the goal of 'Transforming College Members', reflecting the operating costs of the College buildings (that so influence College life) alongside the influential Dean's programme. The increase on the prior year is predominantly due to the extended 17 month period.

The Dean's programme for the full extended 2020/21 academic year delivered (including member led activities) 17 sporting fixtures; 72 cultural, music and arts events, most of them delivered online; 153 evening lecture 'Port Talks', transformative skills based sessions (the 'GoodSkills' programmes) and academic occasions, 112 of them delivered wholly online. As may be seen from the above, the extreme physical restrictions created by the pandemic forced much of the extended Academic year's programme to migrate to the online space, with a consequent drop in Member participation. A restricted physical programme was developed wherever possible and resulted in 50 outdoor educational activities, chiefly a series of 'Dean's Perambulations' around London and the Home Counties. The Dean's Office carried out an extensive and tailored programme of activities to support individual Member wellbeing through the lockdowns.

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During 2020/21 the College maintained its accreditation against the National Code for Assured Accommodation, which demonstrates the College's commitment to the highest standards in delivering its accommodation and supporting its community. The College sought to follow all government guidance throughout the pandemic, and was in regular contact with Public Health England and the London Coronavirus Response Centre. The College received positive feedback on the College's Outbreak Plan and its actions to minimise infections within the College Community.

The activities of The Burn provided a different (but no less important) experience for the students attending activities at this venue, funded from its restricted fund. The Burn's work continued to form ever closer and more effective bonds with Scottish Universities. Though the use of The Burn was severely restricted by the impact of the pandemic, it was well guided by its University stakeholders throughout the period. The Burn provided an ever more valuable facility for College Members and guests, during times when foreign travel was severely restricted. The Burn's operations were delivered in line with specific regulations and advice provided by the Scottish devolved government.

The £1.5m costs of 'Attracting outstanding postgraduate students' (2020: £1.1m) reflect the costs of our vital student registry function alongside our Scholarship and Bursary schemes and marketing activity. The College spent £739k on Scholarships and Bursaries in 2020/21, (£548k in the 2020/21 academic year, a 17% increase on the £470k spent in the prior financial year) with the longer period countered by lower occupancy.

Scholarships, Bursaries and Mecklenburgh (hardship) funds are awarded by the College to individual current and potential College Members, predominantly as reductions in rent, on the basis of financial need, the College saw additional demand for such funding during 2020/21 and responded accordingly. The College recognises the importance of being able to support Members with limited financial means and it was thanks to the generosity of friends and Alumni, who responded to our emergency appeals, that we were able to provide additional emergency funding to Members during the pandemic.

The College received 1,238 applications (2020/21: 937), three applications for each available place at the College for its 2021/22 academic year intake (2020/21: 1.8). During the 2021/22 period Members came from 80 (2020/21: 67) countries (UK 14%; Canada 10%; India 9%; China 6%; USA 5%), of which 50% (2020/21: 44%) were from the Commonwealth. These Members were studying at 37 (2020/21: 33) academic institutions (UCL 25%; LSE 21%; Kings 11%); with 66% (2020/21: 57%) undertaking Masters Courses; 28% (2020/21: 36%) PhD and other research programmes; and 6% (2020/21: 8%) other forms of postgraduate qualifications. Their academic subject matter continued to be as diverse as their backgrounds. Applications from EU countries decreased to 11% (2020/21: 18%) and applications from Commonwealth countries increased to 47% (2020/21: 42%). The College continued to invest in additional marketing and engagement actions to maintain and develop the number of suitable applicants to the College and the appropriate Commonwealth representation.

The College spent £0.5m (2020: £0.5m) in raising the College's profile. The traditional work of the Dean's Office in the City of London was terminated during the extended 2020/21 academic year, with only very sporadic incursions possible.

Members engaged minimally in representational events since very few opportunities presented themselves during the period. In summer 2021, with the return of a degree of in-

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person gathering, Members were able to make four trips to The Burn House for four educational retreats subsidised by the College.

Including the £1.8m 2020/21 (17 month) interest costs of the College's debt (2020: £1.2m) and the costs of supporting the development and the strategic financial management of the College, £3.2m was spent on 'Sustaining the College' during the year (2020: £2.2m). Excluding loan interest, the College spent £1.4m on sustaining the College (2020: £1.0m).

The College applied capital funds of £1.6m (2020: £1.2m) in replacements and enhancements to the College estate and IT services.

Fundraising costs were £317k for the 17 months of the 2020/21 period (2020: £286k). The extended period included two emergency fundraising appeals during the pandemic to support Member wellbeing (an online counselling service and additional emergency financial support) and to enhance the Scholarship programme. These appeals raised just under £80K and £118K respectively. We also received a donation of £164k from our Canadian Alumni Association as a result of the completion of a capital fundraising campaign. Fundraising costs decreased across the 17 months, compared to £286k for the 2019/20 12 months period due to planned overseas travel, Alumni and cultivation events not taking place due to the pandemic along with savings in staff costs due to recruitment delays.

The subsidiary companies were severely impacted by the closure of services and the downturn in the market described above. The companies generated combined losses of £659k. These losses have been supported by a combination of historically accumulated assets within Goodenough Club Ltd and the provision of £0.1m of net debt arrangements by the College to Goodenough Ventures Limited. These trading activities previously provided valuable revenue to the College and delivered many opportunities to enhance the experience and opportunities of College Members, Alumni and friends. The College continues to consider its investment in these companies to be beneficial to the future of the College. During the year the College reviewed its governance arrangements for its subsidiary companies and the directors of the subsidiaries regularly reviewed their confidence over their going concern.

FINANCIAL REVIEW

The College generated group revenues of £10.7m in the 17 months to 31st August 2021 (2020: £13.8m). Income from charitable activities (predominantly income generated from rents from Member accommodation, alongside COVID grant funding of £0.5m) was £7.4m (2020: £7.7m); income from Member rents in the 2020/21 academic year was £5.1m, £2.1 down on the £7.2m generated in the 2019/20 financial year due to significantly reduced Member occupancy during the pandemic. Average Member occupancy in the 2020/21 academic year was 62.5% compared to the 92.6% achieved in the pre pandemic year of 2018/19.

Consolidated income from trading activities (predominantly the hotel, short stays, catering and event and venue hire) for the 17 months of 2020/21 was £0.8m (2020: £4.6m) as a result of the hotel closure, lack of commercial events, reduced catering and reduced short stay business as a result of the pandemic. Consolidated revenues from the Goodenough Club Ltd were £0.2m (2020: £3.3m), generating a loss of £536k. Short Stay accommodation income was £0.1m (2020: £0.9m). Goodenough Ventures Limited generated consolidated revenues of £1.2m (2020: £2.1m), with £0.2m generated from Events and Venue Hire (2020: £1.0m); £0.9m from providing catering to College Members (2020: £0.8m) and £0.01m from providing breakfast to hotel guests (2020: £0.2m).

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Due to the losses generated by the College's two subsidiary companies totalling £0.7m over the 17 months (2020: £1.8m surplus) there will be no surplus donation to the College for 2020/21.

The Trustees and Directors remain confident of the potential for the subsidiary companies to generate surpluses to be donated to the College in future years, though did not happen in 2020/21 (and may not happen in 2021/22) the Trustees and the Directors of the subsidiary companies continue to monitor performance of the companies.

On 4 August 2021 the Directors of Goodenough Ventures Limited approved a budget for the 2021/22 financial year showing a break even position and a business plan showing substantial surpluses from 2022/23. On 21 October 2021 the Trustees of Goodenough College approved a temporary loan facility to Goodenough Ventures Limited to cover losses or shortfalls of cash that arise between 1 April 2020 and 31st August 2023 up to a maximum of £500,000. The loan was agreed on the condition that it is repaid by 31 January 2025.

On 4 August 2021 the Directors of Goodenough Club Ltd approved a budget for the 2021/22 financial year showing a £0.1m surplus and a business plan showing substantial surpluses from 2022/23. On 21 October 2021 the Trustees of Goodenough College approved a temporary loan facility to Goodenough Club Ltd to cover losses or shortfalls of cash that arise between 1 April 2020 and 31 August 2023 up to a maximum of £500,000. The loan was agreed on the condition that it is repaid by 31 January 2025.

The Consolidated Statement of Financial Activities for the 17 month period of 2020/21 shows a £7.1m loss before gains and losses on investment assets and financial instruments (2020: £0.5m loss). The College bore £1.7m in loan interest charges (2020: £1.2m) and depreciation of £3.4m (2020: £2.3m) demonstrating an EBITDA loss (excluding debt and asset impairment costs) of £2.0m (2020: £3.0m gain). The loss was caused by the impact of the COVID 19 pandemic on the College's income and operations as set out above. On 20 July 2021 the Trustees approved a consolidated budget for the 2021/22 academic year showing an EBITDA surplus of £0.7m. The Trustees remain confident that the College will return to an operating surplus in 2021/22.

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

The College main portfolio includes the College reserve and the Asset Replacement Reserve and is invested for the longer term with a long-term performance objective of CPI + 5% (net of fees). In August 2020 £4.9m was withdrawn from the main portfolio and was transferred into a low-risk investment strategy (£2.0m was transferred in to the No.2 fund and £2.9m into the No.3 fund) to provide additional availability of short term liquidity should it become required as result of the effects of COVID-19.

The Burn portfolio is invested on a similar horizon but, reflecting the annual requirement for income and draw down from that fund to support The Burn's operations; it has a long-term performance objective of CPI + 3.5% (net of fees). As at 31 August 2021 this fund held £1.5m under investment.

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The total return on the College main fund over the period was a gain of 51.7%, and for The Burn portfolio, a gain of 32.9%; the composite benchmark performance measures for these funds were a gain of 39.7% and 28.3% respectively. These funds have achieved a total return of 56.0% and 36.9% respectively over the last five years, against composite benchmarks of 45.2% and 35.9% respectively. Their long-term performance objectives were 41.2% and 31.4% respectively over the same period. As at 31 August 2021 this fund held £9.7m under investment.

The College No.2 portfolio held funds anticipated to be drawn in the medium term from, the College Development Reserve along with General Funds, and has a long-term performance objective of CPI. The fund was established in 2016 and achieved a total return of 19.3% for the year. As at 31 August 2021 this fund held £6.9m under investment.

The College No.3 portfolio was established in 2017 and holds funds anticipated to be required in the shorter term from the College Development Reserve Funds Reserve and General Funds. The fund is invested primarily for capital preservation and achieved a gain of 5.4% for the year. During 2020/21 £6.6m was withdrawn from this fund to provide cash to support the College's operations during the pandemic. As at 31 August 2021 this fund held £3.7m under investment.

The performance of the investment portfolios and the investment manager is reviewed regularly by the College's Investment Committee and the Trustees continue to be satisfied with their management and the performance of the funds over the long term. All investments acquired during the year were in accordance with Trustees' powers. The value of the portfolio at 31 August 2021 is shown in note 11.

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

Funds and reserves

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

Unrestricted funds total £141.0m (2020: £142.6m), which includes designated reserves of £132.4m (2020: £133.5m), general funds of the charity of £8.5m (2020: £8.5m) and general funds of the subsidiaries of £0.1m (2020: £0.7m). See Notes 16 and 17 for further details.

The Trustees have designated the value of the College's non-investment fixed assets (net of funding from the long-term loan) as the Tangible Fixed Asset reserve. The value of this reserve is adjusted annually to reflect the net value of these assets and stands at £116.8m at the year-end (2020: £118.5m). The Trustees have designated the value of the College's investment properties (recognising the College's strategy to retain investment properties for the benefit of future beneficiaries) as the Investment Property Reserve at £3.5m (2020: £3.2m), reflecting the revaluation of the investment properties at the balance sheet date and the sale of the freehold of 12-13 Mecklenburgh Square under enfranchisement in February 2021.

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

In light of the impact of the COVID-19 pandemic on the College and Hotel financial performance the Trustees designated an additional sum of £1.4m into the ARR, representing the ARR contribution that would have been generated by the College and Hotel under normal operations over the 17 months of 2020/21. After debiting appropriate asset replacement expenditure and accounting for income, gains and losses, the value of the ARR stands at £7.5m on 31 August 2021 (2020: £4.0m). The Trustees will review the value of this designated fund annually as it accumulates and is utilised for Asset Replacement. The ARR is represented by investment funds with investment mandates (as overseen by the Investment Committee) matching the investment objectives and horizons of this reserve.

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

During 2020/21 the Board approved the redirection of funds held within the CDR in support of shortfalls in College surpluses to maintain the value of the College's General Funds (its freely available reserve) and to maintain the previously planned contribution to the Asset Replacement Reserve. Having released £3m of the CDR to the General Funds as at 31 March 2020 (in anticipation of the 'least worst' scenario of the crisis on the College), Trustees undesignated a further £3.7m of the College Development Reserve as at 31 August 2021. With £6.7m of CDR funds redirected for this purpose, the total value of the support provided from the CDR to mitigate the impact of the pandemic fell short of the uppermost scenario anticipated in the 2019/20 accounts of £7.4m. On 4 March 2021 the Board also approved the allocation funds from the College Development Reserve to fund the refurbishment of the hotel's 65 bedrooms planned for 2021/22. On 21 July 2021 the Board approved an allocation of £1.9m to be made from the CDR in support of the budgeted 2021/22 shortfall of College and hotel surpluses against normal operations, to further maintain the value of the College's General Funds (its freely available reserve) and the previously planned contribution to the Asset Replacement Reserve. The value of the CDR stands at £4.3m on 31 August 2021 (2020: £7.6m). On 22 December 2021 the College signed a contract with a contractor to carry out works to refurbish the hotel's bedrooms. The value of the contract remains commercially confidential, but the Trustees are confident that the value of the CDR is in excess of that required to provide for the hotel project and the budgeted 2021/22 shortfall.

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The Trustees have reviewed the College's reserves policy. The policy considers the nature of the income and expenditure streams, the need to match variable income with fixed commitments and the need to provide for known essential estate maintenance expenditure. To allow the College to be managed efficiently and to provide a buffer against interrupted services, the policy requires that general reserves in the range from £5 million - £8 million should be maintained. This range is based on managing to sustain core College activity if there were a fall in Member income of 25% for three years (c£5 million) and a loss of 50% of Goodenough on Mecklenburgh Square net revenue for two years (c£2 million). In addition, a minimum of £1 million is considered necessary to deal with major estate issues, such as a failure of heating, plumbing or electrical services in either House. In light of the financial impact of the COVID 19 pandemic, the Trustees have resolved to seek to secure additional funds to further secure the College from any future pandemic and its activities thereafter. Trustees will balance a target increase in reserves against the developing post pandemic economic environment.

The Trustees have therefore resolved to seek additional borrowing to provide replacement funding for the hotel bedrooms refurbishment and to release such funds and any further unallocated balance of the College Development Reserve against the College's freely available funds, as such become available.

The College reserve investment fund was £8.2m on 31 August 2021 (2020: £9.3m). After taking account of other balances within the College's general funds, the College's freely available funds, stand at £8.5m on 31 August 2021 (2020: £8.5m, see note 17 for more details).

The Trustees have assessed the value of reserves and the operations of the College, and the remaining impact of COVID-19, and do not consider that there remain material uncertainties related to these or other events or conditions that cast significant doubt on the College's ability to continue as a going concern. The College remains very financially stable with freely available funds of £8.5m; other unrestricted designated reserve funds of £12.1m and unrestricted investment properties valued at £3.5m.

The Board has recognised that it is no longer able to provide for the refurbishment of 43-47 Mecklenburgh Square from within the College Development Reserve, these funds having been redirected to support operating shortfalls as a result of the pandemic and its ongoing impact. The Board has resolved to seek further borrowing to support its ambition for the site where such ambition cannot be met from the generous contributions from its donors, when such borrowing is available to the College on commercially attractive terms. The ongoing risks of holding 43-46 Mecklenburgh Square as vacant properties over an extended period have been mitigated through arrangements for their occupation by property guardians. The College continues to develop its plans for the site under the guidance of its Steering Committee.

The Trustees have established a designated fund to support the refurbishment of 43-47 Mecklenburgh Square from those funds already generated directly in support of that project. This fund stood at £250k at 31st August 2021.

Other designated reserves include funds donated to the College for 'greatest need' and were fully allocated against College activities during 2020/21.

Restricted funds are represented by assets and investments that can only be used or spent for a particular purpose as stated by the donors. The total value at 31st August 2021 was £12.7m (2020: £12.3m). See Note 16 for further details.

Restricted funds include The Burn Fund of £12.1m (2020: £11.9m) and other restricted funds of £0.6m (2020: £0.4m). The Burn fund includes the operating land, building and assets of the site represented by a tangible fixed assets reserve of £10.3m (2020: £10.4m); investment properties reserve of £0.8m (2020: £0.7m) and a general restricted fund of £1.0m (2020: £0.8m). The general restricted fund is represented by The Burn investment portfolio.

The other restricted funds have been donated to the College for a number of restricted purposes including restricted Scholarships and Bursaries funds of £582k (2020: £306k). The College has adopted a policy to increase the level of support to its important Scholarships and Bursaries activity provided through donations. Expenditure on Scholarships and Bursaries from restricted or designated donated funds rose again to £490k (2020: £214k) in the year.

Borrowings and bank facilities

On 2 June 2017, the College secured a £40m non-amortising 30-year loan with Rothesay Life at a fixed interest rate of 3.102%. The loan is secured against London House and William Goodenough House. During 2020/21 the loan Agent completed a triennial market valuation of the loan security which, due to a 33% in the value of the security, reduced the Loan to Value from 26.4% to 19.8%. The College holds a £250,000 overdraft facility with Barclays Bank.

Principal risks and uncertainties

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

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

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

Application numbers are reviewed on a regular basis and the admissions strategy adjusted on the basis of findings.

- The maintenance of a diverse College community (including enabling access for students with limited financial resources) is recognised by the Trustees as a key area of risk. The College will continue to focus on targeting its outreach on less represented geographic areas and socio-economic groups. It continues to enhance its Scholarships and Bursaries schemes (including developing partnership schemes with other scholarship providers) to support less affluent students. The College maintains its focus on fundraising for Scholarships and Bursaries (including hardship funds allocated as The Mecklenburgh Fund). The College reviews its rent annually and any increases applied are based on sound market information and consultation with the College Member community.
- Since March 2020, the College has recognised the potential impact of the COVID-19 global pandemic on its ability to safeguard its beneficiaries, fulfil its charitable objectives and deliver its financial targets. The College managed its overall response to the pandemic through COVID Management Team meetings, and COVID Recovery Action Planning meetings dealing with the immediate and the medium term response, respectively. In June 2020, the College published a statement confirming its compliance with the Government's guidance on managing the risk of COVID-19. With regard to the safeguarding risks for its Members, the College continued to exercise its duty of care towards Members who remained resident on Mecklenburgh Square during the 'lockdown'. The College applied appropriate measures in line with Government advice, sector best practice and advice from Public Health England. The College received a positive review from Public Health England of its arrangements for cleaning, social distancing and the isolating of 'households'. There were particular challenges in managing arrangements for those Members with shared bathroom and food preparation facilities. The College's caterer, Holroyd Howe, maintained an effective, flexible arrangement for providing food to College Members throughout the crisis.
- A key strategic objective of the College, to deliver an exceptional Member experience, faced unprecedented challenges during the period under review. With Members largely confined to their rooms and severely restricted in their activities through the requirements of social distancing, the College's ability to transform College Members through community, cross-cultural understanding and an exceptional intellectual and social environment was sharply curtailed, with safeguarding taking the higher priority. Although some impact was unavoidable, the College maintained a vigorous online programme throughout the crisis and continued to look for imaginative ways to engage with Members within the law and guidance, reverting to a comprehensive in-person programme of intellectual, cultural, social and sporting activities for the membership as soon as Government regulations relaxed in July 2021. The College implements a rigorous process of risk assessment for all activities, together with impact reviews and ROI assessments of enrichment activities.
- The College has previously recognised that securing sufficient funds to implement its Asset Replacement Plan represents a key risk to the College. The College considers that it has substantially mitigated that risk through development of a comprehensive Asset Replacement Plan, long term financial planning and the securing of £40m of 30-year non-amortising debt. The Finance sub-Committee of the College Board reviews the long-term financially sustainable performance of the College and provides further diligence on the

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application of available funds. The impact of the COVID-19 global pandemic crisis has severely tested the level of the College's reserves and thus its confidence in delivering its Asset Replacement Plan, alongside other estate development ambitions over the longer term. However, the College has demonstrated to itself, through challenging scenarios and stress testing, that it will be able to meet its Asset Replacement Plan for at least the next 15 years.

- The level of the College's unrestricted freely available reserves, combined with its designated funds (see below), provide the College with comfort as to its going concern, in July 2021 the Board approved the application of a further £1.9m College Development Reserve (CDR) funds and enhancement of Asset Replacement Reserve funds.
- The 30-year fixed-interest debt has minimised the College's exposure to variations in debt financing costs. Further details can be found in Note 15.
- As the College's main base of operations is in central London, the College recognises that terrorist activity both local to the College and worldwide has the potential for high impact on the College through restricting physical access to the College; reducing future applications to the College; and directly on the welfare of College Members. The College exercises care in maintaining its access control and security arrangements, holds financial reserves, specific appropriate insurance cover, effective business continuity plans and robust welfare systems in order to mitigate that risk.
- With accommodation at its heart, fire risk management forms a key consideration in the College's operation and development. The College regularly reviews its fire management policies and carries out annual fire risk assessments and complies with with all statutory obligations and best practice.
- To counter the risk of diminishing revenue generated by the College's wholly-owned hotel, The Goodenough on Mecklenburgh Square, the College remains committed to maintaining that accommodation to a market-competitive standard and continuing a proactive sales and marketing policy. As at the balance sheet date the hotel remains closed. The College has commissioned an extensive refurbishment of the hotel's 65 bedrooms in 2021/22, during a downturn in the market. The College is confident of this asset (operated through its subsidiary company) returning to substantial surplus after reopening.

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

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

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

Goodenough College continues to assess the requirements of the General Data Protection Regulations (GDPR) and the Privacy and Electronic Communications Regulations (PECR), building on its previous programme of work to achieve compliance. The Trustees remain content that sufficient progress has been made in complying with the Regulation.

Fundraising standards

The College's fundraising activities are undertaken by its Development and External Relations team. Any external fundraising consultants or suppliers are employed to support activities rather than lead them, ensuring we have full control of all activities.

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

This year the College Donations Advisory Committee also revised and updated its the College's Ethical Fundraising Policy, now referred to as a Gift Acceptance Policy. This Donations Advisory Committee will meet at least annually to review large gifts and any considerations around gift acceptance.

One of the core fundraising campaigns is the College's Annual Appeal to Alumni and friends, which is now run through digital means. Those contacts who are deemed to have a legitimate interest in Goodenough College are encouraged to give but those who have opted out of fundraising appeals are exempted from this programme of activity. Above and beyond securing a donation, we seek always to put the needs of the individual first, and to help supporters to reengage and reconnect as well as making an informed decision about supporting the College financially. We do not accept donations where we have reason to believe that the donor may be vulnerable and/or accepting the donation would be ethically wrong or cause harm to the donor.

To help inform our approach, we use the Fundraising Regulator's Code of Practice and the Chartered Institute of Fundraising's statement on vulnerable donors. We frequently review industry standards to ensure we are meeting requirements. This year, no complaints have been received by CASE, the Charity Commission, the Fundraising Regulator or by the College about its fundraising activities.

PLANS FOR FUTURE PERIODS

As the College moves forward into the 2021/22 academic year, the business and academic environments in which we function are far less predictable than they were before the global pandemic, whose impact on our operations remains considerable. Nonetheless, plans for the

future of the College, including the Strategic Plan, the Asset Replacement Plan, the Governance Review and the College investment plans, remain largely on track. Member occupancy has returned close to pre-pandemic levels; and the intellectual, social and cultural enrichment programme for Members is the most ambitious ever delivered by the College. College staff are physically back working on College premises.

The long-term impact of the COVID-19 crisis on the College has primarily been in the financial domain, as detailed in the Financial Review section of this report, with College reserves significantly depleted, a continuing lack of income from the hotel, which remains closed, and the events, short stay and sabbatical businesses still substantively affected by the reduction in travel and socialising. The College's Scottish estate, The Burn, has seen its business hosting Scottish university groups evaporate; there is every indication that such business will not start to rally until 2022 at the earliest.

In the immediate future, the College will consider how to mitigate this loss of income relating to the pandemic. We will make use of the hotel closure to refurbish its bedroom and prepare an energetic relaunch in Spring 2022. We will work to raise the profile and profitability of our events business. The Burn management team is exploring innovative ways of attracting a new clientele and marketing a broader range of events.

We will develop the College's estate, including exploiting the opportunity to expand our Member accommodation offer presented by our re-acquisition of Houses 43-46 Mecklenburgh Square. We are currently looking at how we might secure philanthropic investment from our Alumni and friends to help fund the redevelopment of these properties. We will continue to seek to identify sufficient funds to ensure that the College's Asset Replacement Reserve is sufficient to maintain the College's assets in perpetuity.

As the effects of the pandemic slowly diminish, keeping our community safe and well remains our priority. Consistently guided by UK Government advice, we are continuing a phased resumption of business, involving gradual, incremental changes matched with careful monitoring of the changing situation. We will continue to focus on mental health awareness and safeguarding for both Members and staff and on staff professional and individual development.

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

Through our Alumni engagement and fundraising strategies, we are looking at ways in which we can reconnect the College's Alumni, wherever they may be based in the world, using channels such as digital communications, events and volunteering. On the back of this engagement and reconnection, we aim to increase voluntary income to enable as many postgraduate students as possible, irrespective of background, to have a chance to join the College community. Voluntary income will also support the provision of our emergency financial assistance fund (The Mecklenburgh Fund), student wellbeing (online counselling service) and other College capital projects.

Our digital Alumni networking website, Goodenough Global, was successfully launched in May 2021. So far, we are out performing other Higher Education establishments in terms of sign ups, likes, shares and active posts. Most users are between the ages of 25-39 so it is

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likely that this platform will be an important tool through which we can keep younger, more recent Alumni engaged with the College until such times as when they are able to give back financially. Going forward we plan to market the site further through a postcard campaign. We also need to ensure a steady stream of unique content to keep those already signed up coming back to the site and to encourage as much of it as possible to be Alumni rather than College-led.

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

The College remains extremely grateful to its Governors, Fellows and other stakeholders who continue to offer their time, expertise and financial support to enhance our College community. Without their engagement and commitment, the College would not continue to thrive.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees (who are also directors of the College for the purposes of company law) are responsible for preparing the Annual Report, incorporating the Strategic Report, and the Financial Statements in accordance with the Companies Act 2006, including (The Strategic Report and Directors' Report) Regulations 2013 and the Charities (Accounts and Reports) Regulations 2008, the Charities and Trustee Investment (Scotland) Act 2005 and for being satisfied that the Financial Statements give a true and fair view. The Trustees are also responsible for preparing the Financial Statements in accordance with United Kingdom Accounting Standards (UK Generally Accepted Accounting Practice).

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

- Select suitable accounting policies and then apply them consistently;
- Make judgements and accounting estimates that are reasonable and prudent;
- State whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity and group will continue in business.

The Trustees are responsible for keeping adequate and proper accounting records that are sufficient to show and explain the charitable company's transactions and which disclose with reasonable accuracy at any time the financial position of the charitable company and group and to enable them to ensure that the accounts comply with the Companies Act 2006 and the Charities and Trustee Investment (Scotland) Act 2005.

They are also responsible for safeguarding the assets of the charitable company and group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

The Trustees have the authority conferred by the memorandum and articles of association to invest as they think fit any of the College's money that is not immediately required. They delegate day-to-day management of the College to the College Director, Officers and senior staff.

Disclosure of information to auditor

In the case of each of the persons who are directors of the company at the date when this report was approved:

- So far as each of the directors is aware, there is no relevant audit information (as defined in the Companies Act 2006) of which the company's auditors are unaware; and

Goodenough College

Trustees' Annual Report and Strategic Report

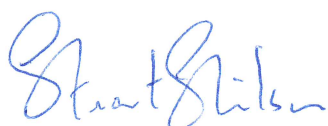
for the 17 months ended 31 August 2021

- Each of the directors has taken all the steps that he/she ought to have taken as a director to make himself/herself aware of any relevant audit information (as defined) and to establish that the company's auditors are aware of that information.

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

BDO have signified their willingness to provide audit services for the coming year. Auditors are appointed at the College AGM.

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



Stuart Shilson
Chairman

25 January 2022

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

Opinion

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's and of the Parent Charitable Company's affairs as at 31 August 2021 and of the Group's incoming resources and application of resources for the 17 month period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006, as amended in 2010.

We have audited the financial statements of Goodenough College ("the Parent Charitable Company") and its subsidiaries ("the Group") for the 17 month period ended 31 August 2021 which comprise the consolidated statement of financial activities (incorporating an income and expenditure account), the Group and Charity balance sheet, the consolidated cash flow statement, the charity statement of financial activities and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remain independent of the Group and Parent Charitable Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions related to going concern

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

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

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

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Annual Report and financial statements, other than the financial statements and our auditor's report thereon. The other information comprises Trustees' Annual Report and Strategic Report and the Goodenough College Chairman's Personal Welcome. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Report, which includes the Directors' Report and the Strategic report prepared for the purposes of Company Law, for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and the Directors' Report, which are included in the Trustees' Report, have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Group and the Parent Charitable Company and its environment obtained in the course of the audit, we have not identified material misstatement in the Strategic report or the Trustees' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and the Charities and Trustee Investment (Scotland) Act 2005 requires us to report to you if, in our opinion;

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

Responsibilities of Trustees

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

Extent to which the audit was capable of detecting irregularities, including fraud

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

As part of the audit we gained an understanding of the legal and regulatory framework applicable to the Group and the sector in which it operates, and considered the risk of acts by the Group that were contrary to applicable laws and regulations, including fraud. We considered the Group's own assessment of the risks that irregularities may occur either as a result of fraud or error, the Group's compliance with laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006, Charities Act 2011, the Charities and Trustee Investment (Scotland) Act 2005 and other laws and regulations applicable to the group such as employment law, taxation legislation, data protection, health and safety legislation. We considered financial performance, key performance indicators and other performance targets. We also considered the risks of non-compliance with requirements imposed by the Charity Commission, and other regulators, and we considered the extent to which non-compliance might have a material effect on the group financial statements.

We also communicated relevant identified laws and regulations, potential fraud risks and that there were no known matters of significant non-compliance with laws and regulations, to all engagement

team members including internal specialists audit teams, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

We considered management's incentives and opportunities for fraudulent manipulation of the financial statements (including revenue recognition and the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to manipulate financial results and management bias in accounting estimates.

Our tests included:

- Reviewing the financial statement disclosures and tested to supporting documentation to assess compliance with relevant laws and regulations discussed above;
- We made enquiries of the Audit Committee and Senior Management Team;
- Review of minutes of meetings of those charged with governance;
- Reviewing correspondence with HMRC;
- Challenging assumptions made by management in relation to the recognition of grant and donation income ;
- Enquiries of third parties, where information from that third party has been used by the Group in the preparation of the financial statements;
- reviewed any Serious Incident Reports submitted to the Charity Commission and other correspondence with the Charity Commission;
- performed audit procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; considered completeness of related party transactions; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business; and
- We challenged assumptions made by management in their significant accounting estimates in particular in relation to the assumptions related to the valuation of investment properties as this is where management may feel pressure to meet loan to value covenants.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities for the audit of the financial statements is located at the Financial Reporting Council's ("FRC's") website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Charitable Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the Charitable Company's trustees, as a body, in accordance with the Charities and Trustee Investment (Scotland) Act 2005. Our audit work has been undertaken so that we might state to the Charitable Company's members and trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than

Goodenough College

Independent Report of the Auditor (*continued*)

for the 17 months ended 31 August 2021

the Charitable Company, the Charitable Company's members as a body and the Charitable Company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:

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Jill Halford (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
London, UK

Date: 26 January 2022

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Goodenough College

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

for the 17 months ended 31 August 2021

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES FOR THE 17 MONTHS ENDED 31 AUGUST 2021

	Notes	Unrestricted Funds 17 months 2021 £'000	Restricted Funds 17 months 2021 £'000	Total Funds 17 months 2021 £'000	Total Funds Year to 2020 £'000
Income from:					
Donations and legacies	2	113	550	663	265
Charitable activities:					
College community accommodation	5	7,296	138	7,434	7,696
Trading activities:	4				
Commercial accommodation		281	-	281	3,321
Catering, Events and Venue Hire		536	-	536	1,274
Investments	3	1,318	138	1,456	1,275
Other income		257	-	257	-
Total		9,801	826	10,627	13,831
Raising funds					
Investment management		164	13	177	154
Fundraising		317	-	317	286
Trading activities	11	1,476	-	1,476	2,762
Charitable activities:					
Attracting outstanding postgraduate students	6	1,294	233	1,527	1,087
Transforming College Members	6	10,007	499	10,506	7,432
Raising the College's profile	6	487	-	487	470
Sustaining the College	6	2,944	277	3,221	2,182
Total		16,689	1,022	17,711	14,373
Net (loss) before other gains / (losses)		(6,888)	(196)	(7,084)	(542)
Net gains / (losses) on investments	11	5,223	618	5,841	(1,597)
Net (expenditure) / income		(1,665)	422	(1,243)	(2,139)
Transfers between funds	16, 17	(15)	15	-	-
Net movement in funds		(1,680)	437	(1,243)	(2,139)
Reconciliation of funds:					
Total funds brought forward		142,631	12,305	154,936	157,075
Net movement in funds		(1,680)	437	(1,243)	(2,139)
Total funds carried forward		140,951	12,742	153,693	154,936
Reconciliation of funds for year ended 2020					
Total funds brought forward		144,324	12,751	157,075	157,191
Net movement in funds		(1,693)	(446)	(2,139)	(116)
Total funds carried forward		142,631	12,305	154,936	157,075

All results derive from continuing operations. All gains and losses recognised in the period are included above. The notes on pages 37 to 58 form part of these Financial Statements.

Goodenough College

Balance Sheet

as at 31 August 2021

Company Registration No: 00246919

BALANCE SHEET AS AT 31 AUGUST 2021

	Notes	31 August 2021 £'000	Group 31 March 2020 £'000	31 August 2021 £'000	Charity 31 March 2020 £'000
FIXED ASSETS					
Tangible assets					
Freehold land and buildings	10a	165,495	167,239	165,495	167,239
Heritage assets	10b	310	310	310	310
Fixtures, fittings plant & equipment	10c	1,322	1,366	1,322	1,366
		167,127	168,915	167,127	168,915
Investments	11b	26,112	26,551	26,112	26,551
Investments in subsidiaries	12	-	-	250	250
		193,239	195,466	193,489	195,716
CURRENT ASSETS					
Stocks		10	12	10	12
Debtors	13	1,313	442	1,531	662
Cash at bank and in hand		2,201	1,263	1,945	256
		3,524	1,717	3,486	930
CURRENT LIABILITIES					
Amounts falling due within one year	14	(3,070)	(2,247)	(3,331)	(2,418)
NET CURRENT ASSETS/(LIABILITIES)		454	(530)	155	(1,488)
TOTAL ASSETS LESS CURRENT LIABILITIES		193,693	194,936	193,644	194,228
Creditors: amounts falling due after more than one year	15	(40,000)	(40,000)	(40,000)	(40,000)
TOTAL NET ASSETS		153,693	154,936	153,644	154,228
Restricted funds	16	12,742	12,305	12,742	12,305
Designated funds	17	132,431	133,460	132,431	133,460
General funds	17	8,520	9,171	8,471	8,463
TOTAL FUNDS		153,693	154,936	153,644	154,228

The deficit for the period for Companies Act purposes, comprising the net expenditure for the period, was £1,243,000 (2020: £2,139,000).

The notes on pages 37 to 58 form part of these Financial Statements.

These Financial Statements were approved and authorised for issue by the Trustees on 25 January 2022 and signed on their behalf by:



Stuart Shilson
Chairman

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE 17 MONTHS ENDED 31 AUGUST 2021

	Notes (pages 33 and 34)	17 months 2021 £'000	Year to 2020 £'000
Cash flows from operating activities:			
Net cash provided by operating activities	(a)	(3,954)	1,936
Interest paid on loan		(1,241)	(1,244)
Loan costs		(18)	(3)
Net cash (outflow)/ inflow generated from operating activities		(5,213)	689
Cash flows from investing activities:			
Dividends, interest and rents from investments		1,456	1,275
Purchase of property, plant and equipment		(1,583)	(1,165)
Proceeds from sale of investments		12,858	5,274
Purchase of investments		(6,192)	(6,631)
Net cash generated from / (used in) investing activities		6,539	(1,247)
Change in cash and cash equivalents in the reporting period		1,326	(558)
Cash and cash equivalents at the beginning of the reporting period		3,932	4,490
Cash and cash equivalents at the end of the reporting period	(b)	5,258	3,932
		17 months 2021 £'000	Year 2020 £'000
(a) Reconciliation of net income to net cash (outflow) / inflow from operating activities			
Net (expenditure) for the reporting period		(1,243)	(2,139)
Adjustments for:			
Depreciation charges		3,372	2,253
Losses (gains) on investments		(5,841)	1,597
Dividends, interest and rents from investment		(1,456)	(1,275)
Interest payable on loan		1,761	1,244
Loan costs		18	3
Decrease in stock		2	12
(Increase) in debtors		(871)	(96)
Increase in creditors		304	337
Net cash (outflow) / inflow from operating activities		(3,954)	1,936

Goodenough College**Consolidated Statement of Cash Flows***for the 17 months ended 31 August 2021*

(b) Analysis of Cash and Cash Equivalents	31 March 2020 £'000	Cash flows £'000	31 August 2021 £'000
Cash in hand	1,263	938	2,201
Notice deposits	2,669	388	3,057
Total Cash and cash equivalents	3,932	1,326	5,258

(c) Analysis of changes in net debt	31 March 2020 £'000	Cash flows £'000	31 August 2021 £'000
Cash	1,263	938	2,201
Cash equivalents	2,669	388	3,057
	3,932	1,326	5,258
Loans falling due after more than one year	(40,000)	-	(40,000)
Total	(36,068)	1,326	(34,742)

Goodenough College**Charity only statement of financial activities***for the 17 months ended 31 August 2021***CHARITY ONLY STATEMENT OF FINANCIAL ACTIVITIES**

	Note	Unrestricted Funds 17 months 2021 £'000	Restricted Funds 17 months 2021 £'000	Total Funds 17 months 2021 £'000	Total Funds Year to 2020 £'000
Income from:					
Donations and legacies		113	550	663	2,098
Charitable activities:					
College community accommodation	5	7,296	138	7,434	7,696
Investments	3	1,318	138	1,456	1,275
Other income		257	-	257	-
Total		8,984	826	9,810	11,069
Expenditure on:					
Raising funds					
Investment management		164	13	177	154
Fundraising		317	-	317	286
Charitable activities:					
Attracting outstanding postgraduate students	6	1,294	233	1,527	1,087
Transforming College Members	6	10,007	499	10,506	7,432
Raising the College's profile	6	487	-	487	470
Sustaining the College	6	2,944	277	3,221	2,182
Total		15,213	1,022	16,235	11,611
Net (losses before other gains / (losses))		(6,229)	(196)	(6,425)	(542)
Net gains / (losses) on investments	11	5,223	618	5,841	(1,597)
Net (losses) / income		(1,006)	422	(584)	(2,139)
Transfers between funds		(15)	15	-	-
Net movement in funds		(1,021)	437	(584)	(2,139)
Reconciliation of funds:					
Total funds brought forward		141,923	12,305	154,228	156,367
Net movement in funds		(1,021)	437	(584)	(2,139)
Total funds carried forward		140,902	12,742	153,644	154,228

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 MARCH 2020

	Unrestricted Funds	Restricted Funds	Total Funds
	£'000	£'000	2020 £'000
Income from:			
Donations and legacies	55	210	265
Charitable activities:			
College community accommodation	7,354	342	7,696
Trading activities:			
Commercial accommodation	3,321	-	3,321
Catering, Events and Venue Hire	1,274	-	1,274
Investments	1,173	102	1,275
Total	13,177	654	13,831
Expenditure on:			
Raising funds			
Investment management	145	9	154
Fundraising	286	-	286
Trading activities	2,762	-	2,762
Charitable activities:			
Attracting outstanding postgraduate students	892	195	1,087
Transforming College Members	6,774	658	7,432
Raising the College's profile	470	-	470
Sustaining the College	2,143	39	2,182
Total	13,472	901	14,373
Net (losses) before other (losses)	(295)	(247)	(542)
Net (losses) on investments	(1,337)	(260)	(1,597)
Net (expenditure)	(1,632)	(507)	(2,139)
Transfers between funds	(61)	61	-
Net movement in funds	(1,693)	(446)	(2,139)
Reconciliation of funds:			
Total funds brought forward	144,324	12,751	157,075
Net movement in funds	(1,693)	(446)	(2,139)
Total funds carried forward	142,631	12,305	154,936

1. ACCOUNTING POLICIES

(a) Basis of preparation

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

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

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

The Trustees reviewed the College's plans in July 2021 and were content that these plans were affordable and that the accounts should be prepared on a going concern basis.

However, given the impact of the COVID-19 outbreak and its financial effect, the Executive team and Trustees continue to review financial plans for the next 12 months to ensure that the College can continue its business-critical activities and remain a going concern.

The lockdown has had a significant effect on the College's financial situation. This is across all areas of income, including member rents as well as the hotel and commercial events. There have been some consequential reductions in costs and the furlough scheme has enabled the recovery of an element of staff salaries, but the net losses against the budget for 2020/21 were £7.4m. In July 2021 the Board of Trustees approved a cautious budget showing the College returning to a consolidated operating surplus in 2021/22.

There has been a high volume of applications for places in the College for the 2021/22 academic year, with occupancy levels exceeding budget. The hotel remains closed for the refurbishment project until May 2022 however commercial event bookings have been strong. Due to the Hotel closure budgeted total income remains significantly lower than it would otherwise have been. Business performance is being carefully monitored against budget and financial stability reviewed as matters progress. Current 2021/22 financial performance is ahead of budget.

Excluding 43-46 Mecklenburgh Square, the College holds in excess of £23m in unrestricted funds not representing current operating assets, of which £3.5m is in investment property and just under £20m in liquid investments managed through our investment managers. The invested portfolio includes in excess of £11m invested in short and medium term funds where capital preservation is the key investment strategy. In total these reserves are well in excess of the annual turnover and annual cash flow requirements of the College.

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

Further detail on the availability of unrestricted funds and the potential financial impact of COVID-19 can be found on p15 of the Trustees' Report. The impact of the COVID-19 crisis is reviewed extensively in the Report.

1. ACCOUNTING POLICIES (*continued*)

The group statement of financial activities (SOFA) and balance sheet, consolidate the Financial Statements of the Charity and its wholly owned subsidiaries, all of which were made up to 31 August 2021 on a line by line basis.

(b) Company status

The Charity is a company limited by guarantee. The members of the company are the Governors named on pages two and three. The Directors of the Company are the Trustee Board named on page two. In the event of the Company being wound up, the liability in respect of the guarantee is limited to one guinea per member of the Company.

(c) Key assumptions and estimates

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

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

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

(d) Income

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

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

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

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

(e) Expenditure

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

1. ACCOUNTING POLICIES (*continued*)

(f) Fund accounting

The College maintains various types of funds as follows:

i) Restricted funds

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

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

ii) Unrestricted funds

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

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

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

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

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

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

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

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

(g) Financial instruments

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

Goodenough College

Notes to the Financial Statements (*continued*)

for the 17 months ended 31 August 2021

1. ACCOUNTING POLICIES (*continued*)

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

(h) Taxation

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

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

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

(i) Tangible fixed assets

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

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

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

(j) Heritage Assets

The College has elected to present the deemed cost of its Heritage Assets at the value held at 1 April 2014, as permitted under the FRS102 transitional arrangements. Heritage Assets are not depreciated. The College has reviewed its Heritage Assets and does not consider that any impairment at 31 August 2021 is necessary.

1. ACCOUNTING POLICIES *(continued)*

(k) Investments

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

(l) Investment properties

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

(m) Stocks

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

(n) Operating leases

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

(o) Borrowing costs

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

(p) Pension accounting policy

Goodenough College operates a defined contribution pension scheme. Contributions are charged to the SOFA as they become payable. They are analysed across expenditure according to the activity of the scheme members.

Goodenough College

Notes to the Financial Statements (*continued*)

for the 17 months ended 31 August 2021

2 DONATIONS

	Unrestricted funds 17 months to 2021 £'000	Restricted funds 17 months to 2021 £'000	Total funds 17 months to 2021 £'000	Total funds Year to 2020 £'000
Donations	113	550	663	265
	<u>113</u>	<u>550</u>	<u>663</u>	<u>265</u>

Of the total funds stated for 2020, £210k was restricted and £55k unrestricted.

Of these donations £69,990 (2020 : £40,500) was received from Trustees.

3 INVESTMENT INCOME

	Unrestricted funds 17 months to 2021 £'000	Restricted funds 17 months to 2021 £'000	Total funds 17 months to 2021 £'000	Total funds Year to 2020 £'000
Income from UK listed investments	216	59	275	340
Income from overseas listed investments	81	29	110	116
Rent from property	807	50	857	611
Other interest - short-term deposits	214	-	214	207
	<u>1,318</u>	<u>138</u>	<u>1,456</u>	<u>1,275</u>

Of the total funds stated for 2020, £102k was restricted and £1,173k unrestricted.

4 TRADING INCOME

Trading income comprises income arising from the College's two trading subsidiaries as detailed in note 12. Included within trading income is £41,000 arising from Coronavirus related business grants received by Goodenough Club Limited.

5 INCOMING RESOURCES FROM COLLEGE CHARITABLE ACTIVITIES

	Unrestricted funds 17 months to 2021	Restricted funds 17 months to 2021	Total funds 17 months to 2021	Total funds Year to 2020
	£'000	£'000	£'000	£'000
College gross accommodation income	7,296	-	7,296	7,354
The Burn income	-	138	138	342
	<u>7,296</u>	<u>138</u>	<u>7,434</u>	<u>7,696</u>

Included within incoming resources from college charitable activities for the period is £492,000 relating to the Coronavirus Job Retention Scheme and £40,000 relating to other coronavirus grant funding. Of the total funds stated for 2020, £342k was restricted and £7,354k was unrestricted.

6 EXPENDITURE FOR CHARITABLE PURPOSES

	Direct Costs 17 months to 2021	Support Costs 17 months to 2021	Total 17 months to 2021	Total Year to 2020
	£'000	£'000	£'000	£'000
Attracting outstanding postgraduate students	1,273	254	1,527	1,087
Transforming College Members	8,832	1,674	10,506	7,432
Raising the College's profile	405	82	487	470
Sustaining the College	<u>2,978</u>	<u>243</u>	<u>3,221</u>	<u>2,182</u>
	<u>13,488</u>	<u>2,253</u>	<u>15,741</u>	<u>11,171</u>

The College has paid £760k (2020: £470k) to College members as scholarships and bursaries, including hardship funds.

Goodenough College

Notes to the Financial Statements (continued)

For the 17 months ended 31 August 2021

7 SUPPORT COSTS

	17 months to 2021 £'000	Year to 2020 £'000
Finance	524	402
IT	820	610
HR	331	264
Governance	64	48
Other general overheads	619	357
	2,358	1,681

These support costs are split across the following areas:

Raising funds	105	209
Charitable activities	2,253	1,472
	2,358	1,681

GOVERNANCE COSTS

	17 months to 2021 £'000	Year to 2020 £'000
Support costs		
Council and Board meeting costs	-	3
Fees payable to the auditors - College	35	33
	35	36
Direct costs		
Fees payable to the auditors – Subsidiary Companies	29	12
Total governance costs	64	48

Fees payable to the Company's auditors:

Statutory audit	40	33
Advisory services	24	12
	64	45

Goodenough College**Notes to the Financial Statements** *(continued)**for the 17 months ended 31 August 2021***8 NET OUTGOING RESOURCES**

	17 months to 2021 £'000	Year to 2020 £'000
Net outgoing resources for the year are stated after charging :		
Amounts payable to auditors (Group)(note 7)	64	45
Depreciation of tangible fixed assets	3,372	2,253
Operating lease charge	38	28

9 INFORMATION REGARDING STAFF AND TRUSTEES

	2021 No.	2020 No.
Average number of employees (full time equivalent) during the period:		
College	62	64
Hotel	6	11
The Burn	11	12
	79	87

	2021 No.	2020 No.
Average number of employees (headcount) during the period:		
College	71	80
Hotel	6	11
The Burn	23	22
	100	113

	2021 £'000	2020 £'000
Wages and salaries	4,199	3,045
Social security costs	431	305
Pensions	202	148
	4,832	3,498

Goodenough College

Notes to the Financial Statements (continued)

For the 17 months ended 31 August 2021

9 INFORMATION REGARDING STAFF AND TRUSTEES (continued)

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

	17 months to 2021	Year to 2020
	No.	No.
£60,001 - £70,000	6	3
£70,001 - £80,000	3	1
£80,001 - £90,000	2	1
£90,001 - £100,000	1	1
£100,001 - £110,000	1	-
£110,001 - £120,000	1	-
£120,001 - £130,000	1	1
£140,001 - £150,000	1	-
£150,001 - £160,000	-	1
£170,001 - £180,000	2	-

Whilst the above table is required for disclosure purposes, the 17 month period means that staff are included in bandings in excess of where they would be in a comparable 12 month financial period.

If the table were presented with the current financial year calculated on the basis of the 12 months to 31 August 2021 it would show the following comparison.

	Year to 2021	Year to 2020
	No.	No.
£60,001 - £70,000	3	3
£70,001 - £80,000	1	1
£80,001 - £90,000	1	1
£90,001 - £100,000	-	1
£100,001 - £110,000	2	-
£120,001 - £130,000	1	1
£150,001 - £160,000	-	1

Trustees' remuneration

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

During the year three (2020: four) Trustees were reimbursed or had amounts paid on their behalf for sundry Board expenses incurred totalling £321 (2020: £3,239 relating to travel and sundry Board expenses).

Pension schemes

The Company operates stakeholder pension schemes administered by Legal and General. The employer's contributions are 10% of pensionable salary for senior staff and are matched to those of the qualifying employees to a maximum of 5% of pensionable salary for other staff and amounted to £201,837 (2020: £148,075). At 31 August 2021 outstanding payments due to the scheme were £21,170 (2020: £19,753).

Goodenough College

Notes to the Financial Statements (continued)

for the 17 months ended 31 August 2021

9 INFORMATION REGARDING STAFF AND TRUSTEES (continued)

Key management personnel

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

The aggregate compensation (remuneration plus benefits and employer's National Insurance Contributions) paid or payable to 'key management personnel' during this reporting period was: £1,160,175 (2020: £813,484).

Redundancy payments

Total payments made during this year in relation to redundancy pay were £37,878 (2020: £34,200). The accounting policy is to recognise termination payment liabilities on communication of redundancy and when quantifiable. Such payments are accounted for as staff costs.

10 TANGIBLE FIXED ASSETS

(a) Freehold properties

Consolidated and company

	College	The Burn	Assets under construction	Total
Land and buildings at deemed cost	£'000	£'000	£'000	£'000
Brought forward deemed cost at 1 April 2020	155,440	11,059	11,263	177,762
Additions	661	35	443	1,139
Transfers	41	10	(51)	-
At 31 August 2021	156,142	11,104	11,655	178,901
Depreciation				
Brought forward at 1 April 2020	9,842	681	-	10,523
Charge for the year	2,727	156	-	2,883
At 31 August 2021	12,569	837	-	13,406
Net book value at 31 August 2021	143,573	10,267	11,655	165,495
Net book value at 31 March 2020	145,598	10,378	11,263	167,239

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

Goodenough College

Notes to the Financial Statements (continued)

for the 17 months ended 31 August 2021

10 TANGIBLE FIXED ASSETS (continued)

Assets under construction consist mainly of the properties at 43-46 Mecklenburgh Square, previously held as investment properties. The lease on the properties expired on 26 November 2019 and the intention of the College is to convert them into additional student accommodation. Accordingly they are no longer held as investments and were transferred to freehold properties at a value of £11,003,000 in the year ended 31 March 2020 and are treated as being at deemed cost. This is based on a valuation provided by Alpha Browett Taylor included in the accounts at 31 March 2018 and confirmed by them in June 2019. Further work on the project as well as renovations at the hotel and other ongoing works at the college premises during the year amount to £443,000. No depreciation is applied to these assets as they are not in operational use.

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

Excluding 43-46 Mecklenburgh Square, the historical cost net book value of the land and buildings if the revaluation had not taken place would be £30,235,000 (2020: £30,867,000). The historical cost of 43-46 Mecklenburgh Square cannot be determined.

One of the College's properties is used by Goodenough Club Ltd, trading as The Goodenough on Mecklenburgh Square, a wholly owned subsidiary of Goodenough College. It is a mixed use property, in that it provides overnight accommodation for businesses and private individuals but also for those involved in College activities, including College Alumni, providing College Alumni the opportunity to be a part of the College community even after they are no longer full time residents.

At 31 August 2021 the net book value of the mixed use property is £14,279k, with accumulated depreciation of £1,494k and an in-year depreciation charge of £360k.

(b) Heritage assets

Consolidated and company

	College £'000	The Burn £'000	Total £'000
Deemed cost at 1 April 2020	290	20	310
Additions	-	-	-
At 31 August 2021	<u>290</u>	<u>20</u>	<u>310</u>

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

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

A valuation of the heritage assets was carried out in 2013 and is treated as deemed cost. The Trustees do not consider that any impairment at 31 August 2021 is necessary.

Goodenough College**Notes to the Financial Statements (continued)***for the 17 months ended 31 August 2021***10 TANGIBLE FIXED ASSETS (continued)****(c) Fixtures, fittings, plant and equipment****Consolidated and company**

	College £'000	The Burn £'000	Assets under construction £'000	Total £'000
Cost at 1 April 2020	2,734	87	111	2,932
Additions	409	-	36	445
Transfers	108	-	(108)	-
At 31 August 2021	<u>3,251</u>	<u>87</u>	<u>39</u>	<u>3,377</u>
Depreciation at 1 April 2020	1,491	75		1,566
Charge for year	484	5	-	489
At 31 August 2021	<u>1,975</u>	<u>80</u>	<u>-</u>	<u>2,055</u>
Net book value at 31 August 2021	<u>1,276</u>	<u>7</u>	<u>39</u>	<u>1,322</u>
Net book value at 31 March 2020	<u>1,243</u>	<u>12</u>	<u>111</u>	<u>1,366</u>

11 INVESTMENTS HELD AS FIXED ASSETS

	College £'000	The Burn £'000	Total £'000
(a) Investment properties			
Land and buildings at valuation:			
Carried forward at 1 April 2020	3,212	700	3,912
Disposals	(49)	-	(49)
Revaluation	357	110	467
At 31 August 2021	<u>3,520</u>	<u>810</u>	<u>4,330</u>

The College investment properties were the subject of an independent market valuation for inclusion at 31 March 2018 by Alpha Browett Taylor, RICS registered valuer with the necessary knowledge and expertise to provide this valuation. In each of the subsequent years an internal exercise was carried out to assess if the value of similar properties in the local area had changed during the financial year. In 2020/21 the College investment properties were revalued upwards by £357k as a result (2020: £254k).

The Burn investment properties were the subject of an independent market valuation for inclusion at 18 January 2018 by J & E Shepherd, RICS registered valuer with the necessary knowledge and expertise to provide this valuation. An internal exercise was carried out to assess if the market had changed during the financial year, and the properties were revalued upwards by £110k (2020: no change was identified).

11 INVESTMENTS HELD AS FIXED ASSETS *(continued)*

		Consolidated and Company		
		31 August 2021	31 March 2020	
(b)	Listed investments	Notes	£'000	£'000
	Market Value at 1 April		19,970	20,463
	Additions at cost		6,192	6,631
	Proceeds from disposals		(12,802)	(5,274)
	Realised gain/(loss)		136	(22)
	Unrealised gain/(loss)		5,229	(1,828)
	Market value at 31 August		18,725	19,970
Listed investments comprise the following:				
	Investments listed on a recognised stock exchange - Equities		10,293	9,819
	Investments listed on a recognised stock exchange - Bonds		1,429	5,946
	Alternative Funds		7,003	4,205
	Market value at 31 August		18,725	19,970
	Investment assets in the United Kingdom		13,564	15,143
	Investment assets outside the United Kingdom		5,161	4,827
	Market value at 31 August		18,725	19,970
	Cost at 31 August		14,199	20,104
Total investments				
	Listed investments (market value)	11b	18,725	19,970
	Short term deposits in the portfolio		3,057	2,669
	Investment properties (market value)	11a	4,330	3,912
	Investments at 31 August		26,112	26,551

Goodenough College

Notes to the Financial Statements (*continued*)

for the 17 months ended 31 August 2021

12 SUBSIDIARY UNDERTAKINGS

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

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

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

The £281k (2020: £3,325k) 'Turnover' includes £89 (2020: £4k) for sales to the parent company. Commercial accommodation income of £281k (2020: £3,321k) has been included within the consolidated statement of financial activities in relation to the activities of this subsidiary.

The £817k (2020: £1,834k) 'Cost of Sales' includes £174k (2020: £315k) in charges to the subsidiary by the parent company for the use of parent company resources, £89 (2020: £4k) in costs of providing services to the parent company and £10k (2020: £215k) in charges from Goodenough Ventures for the provision of services. Trading activity expenditure of £807k (2020: £1,615k) has been included within the consolidated statement of financial activities in relation to the activities of this subsidiary.

	17 months to 31 August 2021	Year to 31 March 2020
	£'000	£'000
Turnover	240	3,325
Cost of sales	<u>(817)</u>	<u>(1,834)</u>
	(577)	1,491
Other income	41	
Qualifying distribution under deed of covenant	-	(1,491)
(Loss)/profit	<u>(536)</u>	<u>-</u>
Assets	516	1,119
Liabilities	<u>(95)</u>	<u>(161)</u>
Shareholders' funds	<u>421</u>	<u>958</u>

12 SUBSIDIARY UNDERTAKINGS *(continued)*

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

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

The £1,179k (2020: £2,059k) 'Turnover' includes £633k (2020: £570k) for sales to the parent company, and £10k (2020: £215k) for sales to other group entities. Catering Events and Venue Hire income of £536k (2020: £1,274k) has been included within the consolidated statement of financial activities in relation to the activities of this subsidiary.

The £1,302k (2020: £1,717k) 'Cost of Sales' includes £104k (2020: £170k) in charges to the subsidiary by the parent company for the use of parent company resources and £633k (2020: £570k) in costs of providing catering supplies for the parent company. Trading activity expenditure of £669k (2020: £1,147k) has been included within the consolidated statement of financial activities in relation to the activities of this subsidiary.

The net liabilities of the subsidiary are covered by an interest bearing loan (0.1%) from the parent charity, which is repayable by September 2023.

	17 Months to 31 August 2021 £'000	Year to 31 March 2020 £'000
Turnover	1,179	2,059
Cost of sales	(1,302)	(1,717)
	(123)	342
Qualifying distribution under deed of covenant	-	(342)
(Loss)/profit	(123)	-
Assets	405	621
Liabilities	(528)	(621)
Shareholders' funds	(123)	-

13 DEBTORS

	Consolidated		Company	
	31		31	
	August	31 March	August	31 March
	2021	2020	2021	2020
	£'000	£'000	£'000	£'000
Trade debtors	519	206	436	88
Amount due from subsidiary undertaking	-	-	359	359
Other debtors	15	40	15	39
Taxes recoverable	224	95	181	95
Prepayments and accrued Income	555	101	540	81
	1,313	442	1,531	662

The amounts presented above are net of provision for doubtful recoverability and foreseeable losses.

The amount due from the subsidiary undertaking to the Charity represents the amount due from Goodenough Ventures Limited. Included within this is an amount due after more than one year of £123k.

14 CREDITORS: amounts falling due within one year

	Consolidated		Company	
	31		31	
	August	31 March	August	31 March
	2021	2020	2021	2020
	£'000	£'000	£'000	£'000
Trade creditors	1,823	1,303	1,703	1,020
Amounts due to subsidiary undertaking	-	-	451	479
Taxation and social security	77	86	77	86
Other creditors	129	129	124	129
Accruals	999	704	934	679
Deferred income	42	7	42	7
Other deferred discount	-	18	-	18
	3,070	2,247	3,331	2,418

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

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

Deferred income consists entirely of commercial rent received from tenants in advance. Prior year deferred income related in full to income recognised in 2020. A reconciliation is set out below:

Movement in deferred income in year

	Consolidated		Company	
	31 August 2021	31 March 2020	31 August 2021	31 March 2020
	£'000	£'000	£'000	£'000
Balance brought forward	7	115	7	111
Released:	(7)	(115)	(7)	(111)
Added	42	7	42	7
Balance carried forward	42	7	42	7

15 CREDITORS: amounts falling due in greater than one year

	31 August 2021	31 March 2020
	£'000	£'000
Bank borrowing		
Falling due in more than 5 years	40,000	40,000
Total	40,000	40,000

Bank borrowing

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

Financial instruments

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

Goodenough College

Notes to the Financial Statements (continued)

for the 17 months ended 31 August 2021

16 RESTRICTED FUNDS

	1 Apr'20	Transfer	Income	Gains / losses	Expenditure	31 Aug'21
	£'000	£'000	£'000	£'000	£'000	£'000
2020/21						
Burn Fund						
General fund	811	142	272	325	(508)	1,042
Specific donations	-	-	-	-	-	-
Investment property reserve	700	-	-	110	-	810
Tangible fixed asset reserve	10,421	(127)	-	-	-	10,294
Total Burn Fund	11,932	15	272	435	(508)	12,146
Other restricted funds						
Scholarships and Bursaries	306	-	362	150	(236)	582
Specific donations	67	-	192	33	(278)	14
Total other restricted funds	373	-	554	183	(514)	596
Total restricted funds	12,305	15	826	618	(1,022)	12,742
	1 Apr'19	Transfer	Income	Gains / losses	Expenditure	31 Mar'20
	£'000	£'000	£'000	£'000	£'000	£'000
2019/20						
Burn fund						
General fund	1,060	169	443	(197)	(664)	811
Specific donations	6	(6)	-	-	-	-
Investment property reserve	700	-	-	-	-	700
Tangible fixed asset reserve	10,523	(102)	-	-	-	10,421
Total Burn Fund	12,289	61	443	(197)	(664)	11,932
Other restricted funds						
Scholarships and Bursaries	354	-	197	(48)	(197)	306
Specific donations	108	-	14	(15)	(40)	67
Total other restricted funds	462	-	211	(63)	(237)	373
Total restricted funds	12,751	61	654	(260)	(901)	12,305

The Burn Fund represents the assets and liabilities of The Burn, including a tangible fixed assets reserve, an investment property reserve and a general restricted fund. A transfer of £127k has been made from the tangible fixed assets reserve to the general restricted fund representing the movement in the net book value of fixed assets in the year. A transfer of £15k has been made from the Charity's general funds to The Burn general restricted fund representing the element of profit from Goodenough Ventures Limited activity that was generated at The Burn.

Scholarships and Bursaries are donations specifically made for providing scholarships and bursaries to qualifying members.

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

Goodenough College

Notes to the Financial Statements (continued)

for the 17 months ended 31 August 2021

17 UNRESTRICTED FUNDS

	1 Apr'20	Transfer	Income	Gains/ (losses)	Expenditure	31 Aug'21
	£'000	£'000	£'000	£'000	£'000	£'000
2020/21						
Tangible fixed asset	158,495	(1,662)	-	-	-	156,833
Long term loan	(40,000)	-	-	-	-	(40,000)
Tangible fixed asset reserve	118,495	(1,662)	-	-	-	116,833
Investment property reserve	3,212	(49)	-	357	-	3,520
Asset Replacement reserve	4,011	1,430	144	1,969	(37)	7,517
College Development Reserve	7,649	(3,743)	40	774	(409)	4,311
43-47 Mecklenburgh Square Reserve	-	250	-	-	-	250
Other designated reserves	93	-	117	46	(256)	-
Total designated reserves	133,460	(3,774)	301	3,146	(702)	132,431
General funds of the Charitable Company	8,463	3,759	8,683	2,077	(14,511)	8,471
Total funds of the charitable company	141,923	(15)	8,984	5,223	(15,213)	140,902
General funds of the subsidiaries	708	-	817	-	(1,476)	49
Total consolidated unrestricted funds	142,631	(15)	9,801	5,223	(16,689)	140,951
	1 Apr'19	Transfer	Income	Gains/ (losses)	Expenditure	31 Mar'20
	£'000	£'000	£'000	£'000	£'000	£'000
2019/20						
Tangible fixed asset	148,478	10,017	-	-	-	158,495
Long term loan	(40,000)	-	-	-	-	(40,000)
Tangible fixed asset reserve	108,478	10,017	-	-	-	118,495
Investment property reserve	13,961	(11,003)	-	254	-	3,212
Asset Replacement reserve	3,365	1,038	104	(472)	(24)	4,011
College Development reserve	11,172	(3,209)	274	(155)	(433)	7,649
Other designated reserves	196	(94)	55	(31)	(33)	93
Total designated reserves	137,172	(3,251)	433	(404)	(490)	133,460
General funds of the Charitable Company	6,444	3,190	12,744	(932)	(12,983)	8,463
Total funds of the charitable company	143,616	(61)	13,177	(1,336)	(13,473)	141,923
General funds of the subsidiaries	708	-	-	-	-	708
Total consolidated unrestricted funds	144,324	(61)	13,177	(1,336)	(13,473)	142,631

Goodenough College

Notes to the Financial Statements (continued)

for the 17 months ended 31 August 2021

17 UNRESTRICTED FUNDS (continued)

The designated reserves are further discussed in the financial review on pages 15 to 17.

The transfer of £1,661k to the tangible fixed assets reserve represents the movement in the net book value of tangible fixed assets during the year.

The transfer of £1,430k to the Asset Replacement Reserve represents the cash surplus for the year excluding investment income and the element of loan interest charged to the College Development Reserve.

£3m has been transferred from the College Development Reserve. This aims to ensure that the College maintains sufficient Freely Available Funds after the impact of the 'least worst' scenario of the Covid-19 crisis on the College. A further transfer of £209k has been made to support the preparatory work on the renovation of 43-46 Mecklenburgh Square as well as the refurbishment of the hotel.

The Trustees also transferred £250k into a fund for the support of the 43-47 Mecklenburgh Square project.

18 ANALYSIS OF ASSETS AND LIABILITIES BETWEEN FUNDS OF THE CHARITY

2020/21	Restricted Funds – The Burn £'000	Restricted Funds - other £'000	Designated reserves £'000	General Funds £'000	Charity Total £'000
Tangible fixed assets	10,294	-	156,833	-	167,127
Investments	1,520	246	11,828	8,188	21,782
Investment properties	810	-	3,520	-	4,330
Investments in subsidiaries	-	-	-	250	250
Amounts due to subsidiaries	-	-	-	(92)	(92)
Other current assets	28	-	250	904	1,182
Cash at bank and in hand	78	350	-	1,517	1,945
Current and long term liabilities	(584)	-	(40,000)	(2,296)	(42,880)
	12,146	596	132,431	8,471	153,644

2019/20	Restricted Funds – The Burn £'000	Restricted Funds - other £'000	Designated reserves £'000	General Funds £'000	Charity Total £'000
Tangible fixed assets	10,420	-	158,495	-	168,915
Investments	1,198	373	11,753	9,315	22,639
Investment properties	700	-	3,212	-	3,912
Investments in subsidiaries	-	-	-	250	250
Amounts due to subsidiaries	-	-	-	(120)	(120)
Other current assets	102	-	-	213	315
Cash at bank and in hand	12	-	-	244	256
Current and long term liabilities	(500)	-	(40,000)	(1,439)	(41,939)
	11,932	373	133,460	8,463	154,228

Goodenough College

Notes to the Financial Statements (*continued*)

for the 17 months ended 31 August 2021

19 LEASING COMMITMENTS

At 31 August 2021 the charitable company had the following amounts payable for equipment under non-cancellable operating leases.

	2021 £'000	2020 £'000
Operating leases which expire within one year	19	28
Operating leases which expire between one and five years	74	7
	<u>93</u>	<u>35</u>

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

19 CAPITAL COMMITMENTS

As at 31 August 2021 the College had no capital commitments.

20 RELATED PARTY TRANSACTIONS

Christopher Cobb was appointed Interim Director of Goodenough College between December 2020 and April 2021. As part of this role he also served as a director of Goodenough Club and Goodenough Ventures Limited. During this period, transactions totalling £26,500 relating to his service as Interim Director of the College took place between Goodenough College and Cobbco Ltd, a company of which Christopher Cobb has been a director since August 2020.

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