



Goodenough College
(A company limited by guarantee)

Annual Report and Financial Statements

for the year ended 31 August 2024

Company Registration No. 00246919

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

President's Welcome

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

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

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

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

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

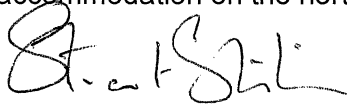
Looking ahead, our main objective for 2024-25 will be to ensure that the College continues to attract high numbers of exceptional students from across the world, who will make the most of their time at the College to build friendships, contacts, knowledge and experiences which will serve them in their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

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

A handwritten signature in black ink, appearing to read 'Stuart Shilson'.

Stuart Shilson LVO DL
Chair of the Board

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

COMPANY INFORMATION

PATRON

King Charles III

TRUSTEE BOARD

Stuart Shilson LVO DL – Chair, President of the College
Dame Maura McGowan DBE - Vice Chair
Andrew Brown KC (until 18 October 2024)
David Bulman
Corey Cook (until 1 March 2024)
Charles Cormack (from 5 September 2024)
Lindsay Dodsworth
James Douglas
John Fitzgerald (from 29 February 2024)
Guy Parsons
Martin Schwab (until 12 January 2024)
Danielle Weese
Fiona Wilkinson

Senior Staff

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

The Hon Alice Walpole OBE
Richard Barker

Janine Binks (until 15 September 2023)
Sarfraz Arfan (from 29 January 2024)
Andrew McGowan
The Rev Dr Alan McCormack
Caroline Persaud
David Turner OBE (until 29 March 2024)
Jan Wallwork Clarke (from 25 March 2024)

Address and Registered Office

London House
Mecklenburgh Square
London
WC1N 2AB

Website: www.goodenough.ac.uk

COMPANY INFORMATION *(continued)*

Professional Advisers

Auditor:

Buzzacott LLP
130 Wood Street
London
EC2V 6DL

Legal Advisers:

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

Bankers: Barclays Bank PLC

1 Churchill Place
Canary Wharf
London
E14 5HP

Investment Managers:

CCLA
One Angel Lane
London
EC4R 3AB

Rathbone Investment Management Ltd

8 Finsbury Circus
London
EC2M 7AZ

Company number 00246919

STRUCTURE, GOVERNANCE AND MANAGEMENT

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

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

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

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

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

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

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

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

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Board of Trustees

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

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

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

Committees

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

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

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

Management

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

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

Group structure and relationships

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

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

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

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

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

Investment powers and policies

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

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

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

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

STRATEGIC REPORT

OBJECTIVES AND ACTIVITIES

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

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

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

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

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

Vision

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

Mission

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

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

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

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

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

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

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

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

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

ACHIEVEMENTS AND PERFORMANCE

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

FINANCIAL REVIEW

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

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

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

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

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

INVESTMENT PERFORMANCE

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

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

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

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

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

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

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

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

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

Funds and reserves

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

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

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

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

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

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

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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 £6m - £9m should be maintained. This range is based on managing to sustain core College activity if there were a fall in Member income of 25% for three years (c£6m) and a loss of 50% of The Goodenough Hotel, London and the College short-stay and sabbatical rooms business net operating surplus for two years (c£2m). In addition, a minimum of £1m is considered necessary to deal with major estate issues, such as a failure of heating, plumbing or electrical services in either House.

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

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

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

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

Borrowings and bank facilities

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

Principal risks and uncertainties

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

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

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

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

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

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

Goodenough College

Trustees' Annual Report and Strategic Report

for the year ended 31 August 2024

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

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

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

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

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

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

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

Fundraising standards

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

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

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

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

PLANS FOR FUTURE PERIODS

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

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

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

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

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

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

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

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

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

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

STATEMENT OF TRUSTEES' RESPONSIBILITIES

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

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

In preparing these financial statements the Trustees are required to:

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

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

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

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

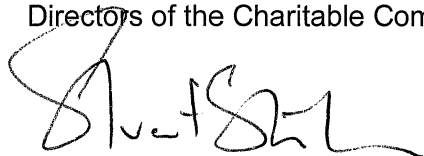
DISCLOSURE OF INFORMATION TO AUDITOR

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

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

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

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



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

Date: 21 January 2025

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

Opinion

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

In our opinion, the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

Other information (continued)

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Use of our report

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



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

Date: 28 January 2025

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

Goodenough College

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

for the year ended 31 August 2024

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

All results derive from continuing operations.

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

Goodenough College

Balance Sheets

as at 31 August 2024

Company Registration No: 00246919

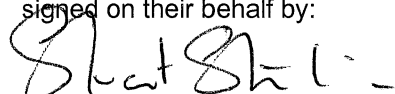
BALANCE SHEETS AS AT 31 AUGUST 2024

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

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

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

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



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

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

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

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

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

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

(b) Analysis of Cash and Cash Equivalents

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

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

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

1. ACCOUNTING POLICIES

(a) Basis of preparation

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

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

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

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

Going Concern

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

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

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

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

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

1. ACCOUNTING POLICIES *(continued)*

(b) Company status

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

(c) Key assumptions and estimates

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

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

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

(d) Income

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

Investment income: Investment income is accounted for when receivable.

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

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

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

1. ACCOUNTING POLICIES (*continued*)

(e) Expenditure

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

(f) Fund accounting

The College maintains various types of funds as follows:

i) Restricted funds

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

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

ii) Endowment Funds

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

iii) Unrestricted funds

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

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

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

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

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

1. ACCOUNTING POLICIES (*continued*)

iii) Unrestricted funds (*continued*)

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

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

(g) Financial instruments

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

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

(h) Taxation

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

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

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

1. ACCOUNTING POLICIES *(continued)*

(i) Tangible fixed assets

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

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

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

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

(i) Heritage Assets

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

(j) Investments

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

1. ACCOUNTING POLICIES *(continued)*

(k) Investment properties

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

(l) Stocks

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

(m) Operating leases

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

(n) Borrowing costs

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

(o) Pension accounting policy

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

(p) Cashflow statement

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

2 DONATIONS AND LEGACIES

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

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

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

3 INVESTMENT INCOME

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

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

4 TRADING INCOME

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

5 INCOME FROM COLLEGE CHARITABLE ACTIVITIES

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

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

6 EXPENDITURE FOR CHARITABLE PURPOSES

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

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

Goodenough College

Notes to the Financial Statements

For the year ended 31 August 2024

7 SUPPORT COSTS

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

These support costs are split across the following areas:

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

GOVERNANCE COSTS

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

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

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

Goodenough College**Notes to the Financial Statements (continued)***for the year ended 31 August 2024***8 NET INCOME**

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

9 INFORMATION REGARDING STAFF AND TRUSTEES

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

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

9 INFORMATION REGARDING STAFF AND TRUSTEES *(continued)*

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

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

Trustees' remuneration

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

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

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

Pension schemes

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

Key management personnel

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

9 INFORMATION REGARDING STAFF AND TRUSTEES *(continued)*

Key management personnel *(continued)*

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

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

Redundancy and termination payments

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

10 TANGIBLE FIXED ASSETS

(a) Freehold properties

Consolidated and company

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

10 TANGIBLE FIXED ASSETS *(continued)*

(a) Freehold properties *(continued)*

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

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

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

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

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

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

Goodenough College**Notes to the Financial Statements (continued)***for the year ended 31 August 2024***10 TANGIBLE FIXED ASSETS (continued)****(b) Heritage assets****Consolidated and company**

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

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

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

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

(c) Fixtures, fittings, plant and equipment**Consolidated and company**

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

11 INVESTMENTS HELD AS FIXED ASSETS

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

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

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

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

11 INVESTMENTS HELD AS FIXED ASSETS (continued)

(b) Listed investments (continued)

Listed investments comprise the following:

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

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

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

Total investments

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

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

12 SUBSIDIARY UNDERTAKINGS

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

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

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

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

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

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

12 SUBSIDIARY UNDERTAKINGS *(continued)*

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

Goodenough Ventures Limited

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

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

Goodenough College**Notes to the Financial Statements** *(continued)**for the year ended 31 August 2024***13 DEBTORS**

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

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

14 CREDITORS: amounts falling due within one year

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

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

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

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

Movement in deferred income in year

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

15 CREDITORS: amounts falling due in greater than one year

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

Bank borrowing

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

Financial instruments

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

Other deferred discount

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

Goodenough College

Notes to the Financial Statements (continued)

for the year ended 31 August 2024

16 RESTRICTED FUNDS

	1 Sep'23	Transfer	Income	Gains / losses	Expenditure	31 Aug'24
Consolidated and Charity 2023/24	£'000	£'000	£'000	£'000	£'000	£'000
Burn Fund						
General fund	970	144	438	57	(670)	939
Specific donations	2	-	5	-	(2)	5
Investment property reserve	878	-	-	(7)	-	871
Tangible fixed asset reserve	10,065	(118)	-	-	-	9,947
Total Burn Fund	11,915	26	443	50	(672)	11,762
Other restricted funds						
Scholarships and Bursaries	363	-	363	-	(308)	418
43-47 Mecklenburgh Square	-	-	180	-	-	180
Specific donations	11	-	17	-	(18)	10
Total other restricted funds	374	-	560	-	(326)	608
Total restricted funds	12,289	26	1,003	50	(998)	12,370

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

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

Goodenough College

Notes to the Financial Statements (continued)

for the year ended 31 August 2024

16 RESTRICTED FUNDS (continued)

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

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

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

17 UNRESTRICTED FUNDS

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

Goodenough College

Notes to the Financial Statements *(continued)*

for the year ended 31 August 2024

17 UNRESTRICTED FUNDS *(continued)*

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

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

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

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

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

18 ANALYSIS OF ASSETS AND LIABILITIES BETWEEN FUNDS OF THE GROUP

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

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

19 LEASING COMMITMENTS

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

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

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

20 CAPITAL COMMITMENTS

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

21 RELATED PARTY TRANSACTIONS

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

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