



Goodenough College

(A company limited by guarantee)

Annual Report and Financial Statements

for the year ended 31 March 2018

Company Registration No. 246919

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

I am delighted to introduce this Annual Report and Financial Statements for the year ended 31 March 2018, which will be the last full financial year of Andrew Ritchie's time as Director of the College.

During the year, Andrew announced his intention to retire in 2018. Following a wide-ranging search, assisted by Saxton Bampfylde, the Board has chosen Ms Rebecca Matthews as his successor. Andrew will now retire on 30 September and Rebecca will take up her role the following day. Rebecca is currently the Managing Director of the European Capital of Culture Aarhus 2017, a role she has held with great distinction for five years. Her previous roles include being the British Council's Director for New York and Global Partnerships, and Director Government Relations for the Sydney Opera House. Rebecca holds a MA (Distinction) in History of Art from the Courtauld Institute University of London and an MA in Modern and Mediaeval Languages from the University of Cambridge. She was awarded the Knight's Cross Order of the Dannebrog in 2017 by HM Queen Margrethe II for services to Denmark and Danish arts and culture.

In announcing Rebecca's appointment, I commented on her experience of executive management and fundraising, her international outlook and her clearly demonstrated ability to mix easily with all levels of Society and that these were key factors in our choice of Rebecca. I believe that she is someone who embraces change, is entrepreneurial in outlook but also has a strong sense of values and public service. That makes her a wonderful choice to lead the College forward, building on the outstanding achievements of Andrew Ritchie.

Andrew Ritchie leaves behind a magnificent legacy. It is to his vision, drive and energy that the College owes:

- the achievement of a fully refurbished and expanded Estate, which has allowed for a significant increase in the numbers we can accommodate at the College;
- a long-term asset management plan which ensures that long term asset maintenance and replacement are central to our planning and budgeting;
- A much professionalised approach to the management of the Goodenough Club, which has become an important contributor to the College's income as well as reinforcing our links with Universities, Donors and Alumni;
- a transformed balance sheet, following our securing last year a 30-year borrowing at a fixed and lower annual interest cost, which was used to repay the existing borrowings and provide funds for further development;
- a much-improved level of College activity to widen the opportunities available to our Members;
- a completely new high quality executive team;
- a transformed Development activity, providing the foundations for greater connection with alumni, the Universities and historical supporters of the College.

I have been overwhelmed by the warmth, affection and admiration of Andrew in the many responses of alumni, donors and other friends of the College, as well as current Members and staff, to the announcement of his retirement from the College. On behalf of the whole Board, and of all of our stakeholders, I wish to acknowledge Andrew's wonderful contribution which has been sustained over a twelve-year period and leaves the College immeasurably better placed to develop further the delivery of its strategic objectives in the years ahead.

Goodenough College

Chairman's Personal Welcome

for the year ended 31 March 2018

A significant strategic focus of the board for the year under review has been the Government's continued approach to including international student immigration numbers, resulting in undue restrictions on international student numbers. As I made clear last year, this is not only inimical to the long term best interests of the UK but poses a clear threat to the attractiveness of studying in the UK and hence potentially to the diversity of our College membership. We welcomed the Government's request that the Migration Advisory Committee (MAC) should review of the economics of international students in the UK and we made a submission to the MAC highlighting the damage to the UK's soft power abroad being wreaked by the current policies. We also welcome some encouraging remarks on this subject from the recently appointed Home Secretary.

A change in our strategic priorities during the year was the recognition that it was time to invest more in fundraising. Following a review of the Development function and the existing data held there by Fiona Kirk, on behalf of the Board, we agreed to strengthen the office with the appointment of a Deputy Director with responsibility for major gifts. I have joined the Development Advisory Board, [which will be renamed Fundraising and Development committee in the current year] to put extra attention on this area of activity. This change in emphasis is in part to deal with the growing cost of living in London and the slowing rate of University support for post graduate students. To assist our members financially more than at present we must increase the level of funds available for Bursaries and Scholarships. Raiding our long-term asset replacement funds or slashing the offering we make to our Members are not seen as options consistent with the long-term viability of the College and all it stands for.

I also pay tribute to the achievements of the Director of Development, Mark Lewis, who has worked with Andrew to get us to where we are now but has, sadly, had to take extended leave to deal with a series of health issues. I send Mark the Board's best wishes. I also pay tribute to two Board Members, Jonny Polk and Christopher Palmer-Tomkinson, who retired from the Board after long periods of outstanding service to the College. Christopher has become a Fellow of the College and Jonny, along with his fellow Vice Chairman: Mary Fretwell, was made an Emeritus Governor of the College.

My thanks go to the Board and Advisory Council members who have all provided the appropriate support and challenge over the last year and to the Director, Andrew Ritchie, and his team for the way in which so much beyond normal day to day operations has again been so well managed.

I am particularly grateful to the President of the Advisory Council, Professor Rene Weis and to the many Board and Advisory Council members who contributed significantly to the recruitment process resulting in our appointment of Rebecca Matthews to succeed Andrew.

Eric Tracey
Chairman
3 July 2018



Goodenough College

Trustees' Annual Report

for the year ended 31 March 2018

Contents	Page
Goodenough College Chairman's Personal Welcome	
Trustees' Annual Report	
• Company information	2-3
• Structure, governance and management	4-6
• Strategic Report	6
• Objectives and activities	7-8
• Achievements and performance	9-10
• Financial review	11-15
• Plans for future periods	16
• Statement of Trustees' Responsibilities	17-18
Report of the Independent Auditor	19-21
Financial Statements	
• Consolidated statement of financial activities	22
• Balance sheet	23
• Consolidated cashflow statement	24-25
• Charity statement of financial activities	26
• Notes to the Financial Statements	27-46

Goodenough College

Trustees' Annual Report

for the year ended 31 March 2018

The Board of Trustees present their report and audited Financial Statements for the year ended 31 March 2018 under the Charities Act 2011.

COMPANY INFORMATION

PATRON

Her Majesty The Queen

TRUSTEE BOARD

Eric Tracey (Chairman)

Graham Ward CBE (Vice Chairman)

Alex Acland

David Brooks Wilson

Andrew Brown QC

Hugh Crossley

James Douglas (from 18th October 2017)

Fabian French

Fiona Kirk*

Dame Maura McGowan (from 18th October 2017)

Charles McGregor

Christopher Palmer-Tomkinson (until 5th December 2017)

John Polk (until 5th December 2017)

Hon Philip Remnant CBE

Martin Schwab

*Fiona Kirk - Retired as a Trustee and Director on 21st June 2017, reappointed on 1st December 2017

THE ADVISORY COUNCIL

President

Prof René Weis

7

Elected Governors

Alex Acland

Lord Bilimoria CBE

David Brooks Wilson

Andrew Brown QC

Chris Cobb

Corey Cook

Hugh Crossley

Dr Grahame Davies

James Douglas

Fabian French

Sir William Goodenough

Ms Deborah Goodwin (from 18th October 2017)

Constance Jackson

Fiona Kirk

John Lotherington

Dame Judith Mayhew Jonas DBE

Dame Maura McGowan

Charles McGregor

David McCahon

2,8 Dr Bill Palmer (until 5th December 2017)

Christopher Palmer-Tomkinson (until 5th December 2017)

5 John Polk (until 5th December 2017)

3 Hon Philip Remnant CBE

6,9

2 Anni Rowland-Campbell (from 18th October 2017)

4 Martin Schwab

9

5 Deborah Scott

1,7 Maureen Simpson

2,9 Eric Tracey

4,7,8,9

4,7 Graham Ward CBE

2,7,8

2,4 Prof Stuart Ward

5

2,9 Sir David Wootton (from 18th October 2017)

4,6

4

1

Student Governors

7,8 Ms Mary Walker (from 18th October 2017)

1

Ms Rani Suleman (from 18th October 2017)

5,9,10

6

1. Member of Academic Committee

2. Member of Audit Committee

3. Member of Burn Management Committee

4. Member of Development Advisory Board

5. Member of Estates Committee

6. Member of Investment Committee

7. Member of Nominations Committee

8. Member of Remuneration Committee

9. Member of Finance Committee

10. Member of Club Executive Committee

Goodenough College

Trustees' Annual Report

for the year ended 31 March 2018

COMPANY INFORMATION *(continued)*

Ex-Officio Governors

The Vice-Chancellor of the University of Oxford
The Vice-Chancellor of the University of Cambridge
The Vice-Chancellor of the University of London
The Principal of the University of Glasgow
The President of the Royal College of Physicians
The Chairman of the General Council of the Bar of
England & Wales
The President of the Institute of Chartered
Accountants in England and Wales
The Chief Executive of the British Council
The Chairman of the Royal Over-Seas League

Professor Louise Richardson
Sir Stephen Toope
Professor Sir Adrian Smith
Professor Anton Muscatelli
Professor Jane Dacre

Andrew Walker QC

Paul Aplin OBE (from 6th June 2018)
Sir Ciaran Devane
Sir David Brewer

Senior Staff

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

Andrew Ritchie CBE
Richard Barker

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

Janine Binks
Mark Lewis
Alan McCormack
Caroline Persaud
David Turner OBE

Address and Registered Office

London House
Mecklenburgh Square
London
WC1N 2AB

Website: www.goodenough.ac.uk

Professional Advisers

Auditor:

BDO LLP
2 City Place
Beehive Ring Road
Gatwick
RH6 0PA

Legal Advisers:

Cripps Harries Hall
Number 22
Mount Ephraim
Tunbridge Wells
Kent
TN4 8AS

Investment Managers:

Rathbone Brothers Plc
8 Finsbury Circus
London
EC2M 7AZ

Bankers:

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

STRUCTURE, GOVERNANCE AND MANAGEMENT

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

The College was formed as a company limited by guarantee without share capital on 28 March 1930, registered company number 246919. It is registered with the Charity Commission, Charity number 312894 (England and Wales) SC039173 (Scotland). The College's purposes are set out in its Memorandum and Articles of Association.

In accordance with the Memorandum of Association, every member is liable to contribute a sum of £1 in the event of the company being wound up. At 31 March 2018 there were 39 members (2017:41 members).

The names at the date of this report of all the Elected and Ex-Officio Governors forming the Advisory Council, the Trustees and of those who held office during the year, together with details of the Senior Staff and Advisers of the College, are given on pages 2 and 3.

The main features of the College governance structure are:

- A Board of 10 - 15 Governors who are legally and financially responsible for the management of College affairs. These are the charity Trustees and the Directors of the company. The Board meets no less than four times per year. One nominated Student Governor attends the College Board.
- A broader College Advisory Council, comprising 20 – 50 Governors (being Elected Governors, Ex-Officio Governors, the Chair of the Members' Council of the College and up to two other Student Governors nominated by resident Members of the College). The Advisory Council is held not less than twice per year.
- Each Board and elected Advisory Council Governor serves for up to five terms of three years each. Four Trustees have served terms greater than nine years.

The Trustees are satisfied that these governance processes enable the College to deal effectively with the financial and administrative challenges it faces. The Trustees consider that they have paid due regard to the Charity Commission's guidance in respect of their duties and obligations as trustees of Goodenough College. The Board has reviewed its compliance with the latest Charity Governance Code for larger charities. Overall, the Trustees are content with the College's current governance arrangements and are considering how best to apply the Code proportionately to the College's particular circumstances.

Election of Governors

The process for the election of Governors and Board Directors is set out within the College's Articles of Association. The aggregate number of the Elected Governors shall at all times be at least one third more in number than the number of Ex-Officio Governors. Elected Governors shall be elected on the recommendation of the Nominations Committee at annual general meetings of the College. Board Governors are appointed at annual general meetings of the College on recommendation of the Nominations Committee. The Board, on nomination from the Nominations Committee, may appoint Governors and Directors to fill a casual vacancy or as an additional Elected Governor or Director who shall retire at the next annual general meeting but will be eligible for re-election. Nominations may be made to the Nominations Committee at any time.

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

Goodenough College

Trustees' Annual Report

for the year ended 31 March 2018

Trustee Board

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

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

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

Committees

Trustees may serve on one or more Board Committees as detailed below:

- Academic Committee
- Audit Committee
- Burn Management Committee
- Development Advisory Board
- Estates Committee
- Finance Committee
- Investment Committee
- Nominations Committee
- Remuneration Committee

Following the completion of the College's debt restructuring in June 2017 the Board established a Finance Committee under agreed terms of reference, including monitoring the College's performance against its long term forecast and its overall financial sustainability.

Details of the composition of each Committee are to be found on page 2.

Management

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

Group Structure and relationships

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

- *Goodenough Club Limited* (Company No. 02684378) provides overnight accommodation. From 1 April 2015 the subsidiary took on responsibility for the provision of 'Short Stay' accommodation in London House and William Goodenough House in addition to the main 'Club' building. Its annual profits are donated to the College under the Gift Aid Scheme; and
- *Goodenough Ventures Limited* (Company No. 09342926) provides events, venue hire and catering. Its annual profits are donated to the College under the Gift Aid Scheme.

Goodenough College

Trustees' Annual Report

for the year ended 31 March 2018

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

Investment powers and policies

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

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

Investment management is delegated to and managed by Rathbones. The Trustees require the managers to pay attention to the standard investment criteria, namely the suitability of the class of investment and the need for diversification insofar as is appropriate to the circumstances of Goodenough College. Any restrictions on the type of investments or markets in which the manager would invest on the client's behalf are set out in writing. The Trustees have agreed investment mandates matching the timing of the College's expected call on those funds.

Stocks which are not quoted on a recognised stock exchange or otherwise actively traded may not be held by the investment manager, without prior approval of the Trustees.

STRATEGIC REPORT

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

The Strategic report comprises of the following sections:

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

OBJECTIVES AND ACTIVITIES

The College opened in 1931 as a residence for students from the then Dominions. Its aim was to improve international tolerance and understanding amongst people on the brink of their careers by providing a forum in which they could interact. It has expanded greatly since that time and now consists of a community of postgraduates from any country worldwide.

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

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

The College's main activities undertaken in relation to those purposes are defined through its mission and ambition.

Mission

- To develop future leaders by providing a welcoming residential community for outstanding international postgraduate students and their families, irrespective of background, where mutual understanding and respect are fostered and intellectual, cultural and social interactions are nurtured.

Ambition

- From its earliest days Goodenough College has sought to transform the lives of those talented students who have lived and worked here. Its success can be measured by the global success of many of our Alumni and by the ties of loyalty and affection which they display towards the College. These strengths can never be taken for granted, and we must continue to ensure that we attract to the College the same quality of postgraduate student, to continue to provide them with an exceptional experience while they are here, and to maintain the closest links with our global Alumni community.

The College has adopted the following strategic goals:

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

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

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

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

The College frames its distinctive domestic paradigm through the vectors of 'commensality' and 'conviviality'- common eating and common living. The experience of College members is framed entirely residentially and in common they negotiate the joys and the trials, the ups and the downs, of life. They engage in many intellectual, social, experiential and developmental activities. 'Port talks' are arranged very frequently where esteemed and internationally renowned individuals lecture and share knowledge and life experience. 'Dean's Seminars' are conducted in various European locations and allow the free exchange of knowledge between College Fellows and College members. A series of 'GoodSkills' weeks is also arranged to refine the non-academic skills base of College members. In short, College members work, play and dine amongst a broad spread of social, national and economic backgrounds developing understanding and empathy across a wide spectrum of experience. An external 'representation' programme is additionally coordinated by the College staff to enable College members to grow their capacity for fluent networking across a range of external institutions in the Cities of London and Westminster. The College seeks to secure and provide an increasing level of scholarships and bursaries to support those who struggle to meet the costs of their accommodation at the College.

The Burn actively supports the majority of Scottish universities and offers its facilities as an academic retreat and holiday centre to national and international students and study groups. Serving to enhance the learning experience, The Burn also plays a key role in supporting the local community and will often organize events to bring the academic and local communities together.

The College is open to the public on a number of occasions, chiefly for concerts, operas, conferences and lectures. A large number of external organisations and individuals use the College's facilities for their own conferences and lectures. The College supports initiatives such as the Queen's Young Leaders, and the Bloomsbury Festival, and works closely with other charitable organisations that share the College's aims.

In 2016 the College commissioned an audit of the possibilities for volunteer engagement in the local area and used the results to fine tune its volunteer activity. Currently there is active participation by both staff and College members in local initiatives through churches and other charitable organisations in the community at large. The College-led "Cultural Bloomsbury", a network comprising local commercial and cultural organisations, further reinforces the College's role in the local community.

ACHIEVEMENTS AND PERFORMANCE

During 2017/18 the College has continued to focus on further enhancing the vibrant and transformative nature of the College experience to members, and to secure the long term financial position of the College. The College considers that through securing £40m of 30 year borrowing at an historically low fixed interest rate in June 2017, supported by its agreement of a 30 year financial plan and the establishment of a Finance Committee, the Board has now put the College on a firm financial footing for the next generation.

The College is now focussing on how to maintain this financial sustainability whilst ensuring appropriate access to all international postgraduate students, including those less able to provide resources of their own. This work has included a new focus on fundraising for scholarships and bursaries; careful consideration of annual Member rent increases; and further exploitation of commercial opportunities available to the College.

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

During 2017/18 £6.9m (2017: £6.6m) was spent against the goal of 'Transforming College Members', reflecting the operating costs of the College buildings (that so influence College life) alongside the influential Dean's programme. The Dean's programme (including member led activities) was developed further, we had over 40 sporting fixtures, 112 cultural, arts and educational events alongside 15 transformative skills based sessions (including the 'Goodskills' programmes) and 3 Dean's seminars to Berlin, Vienna and Gibraltar ..

The activities of the Burn provided a different (but no less important) experience for the students attending activities at this venue, funded from its restricted fund. The College Board approved a revised business plan for the Burn at its meeting on 7th December 2017 showing further development of the Burn towards a truly long term sustainable position. The Burn continues to provide a valuable facility for both national and international university groups and is a useful resource for College members and guests. The number of research groups using The Burn has continued to grow.

The £0.9m costs of 'Attracting outstanding postgraduate students' (2017: £0.9m) reflect the costs of our vital student registry function alongside our bursary and scholarship schemes and marketing activity. The College spent £349k on Bursaries and Scholarships in 2017/18, a 24% increase on the £280k spent in the prior financial year. This further increase continues to reflect the importance to the College in supporting the economic diversity of our Members. The College expects to spend £422k on scholarships and bursaries during the 2018/19 academic year.

The College received three applications for each available place at the College for its 2017/18 academic year intake (2016/17: 2.7). Members come from 77 (2017: 85) countries (UK 12%; Canada 8%; USA 7%; India 6%; Australia 6%); of which 54% (2017: 51%) were from the Commonwealth. They were studying at 45 (2017: 46) academic institutions (UCL 31%; LSE 16%; Kings 8%); with 52% (2017: 52%) undertaking Masters Courses; 39% (2017: 39%) PhD and other research programmes; and 9% (2017: 9%) other forms of postgraduate qualifications. Their academic subject matter was as diverse as their backgrounds. The College experienced a 17% reduction in applications from the EU following the UK's decision to exit the European Union. This was more than compensated for by a 5% increase in more numerous applications from Commonwealth countries.

The College spent £0.3m (2017: £0.3m) in raising the College's profile. The College continued to focus particularly on its profile within the City of London and internationally. The Director represented the College with the Alumni, academic and local communities during a visit to Canada. Members engaged in a large number of representative events and occasions, including the Lord Mayor's Show and a number of events in advance of the Commonwealth Heads of Government Meeting in April. They also attended receptions,

Goodenough College

Trustees' Annual Report

for the year ended 31 March 2018

lectures or seminars at St Paul's Cathedral, Westminster Abbey, the Mansion House, the Guildhall, the Barbican, the Royal College of Defence Studies, the Royal Institute for International Affairs, the Royal United Services Institute, the Royal College of Physicians, many notable City of London Livery Companies and the Embassies of Ireland, Mexico, Canada and Cyprus.

Including the interest costs of the College's debt; the costs of securing the new debt; the impairment costs of The Burn operating assets following the March 2018 valuation; and the costs of supporting the development and the strategic financial management of the College; £2.9m was spent on 'Sustaining the College' during the year (2017: £1.6m). The £2.9m incurred includes £1.1m of loan interest (2017 - £703k), £0.6m in one off costs securing the new debt and £0.3m of Burn fixed asset impairment. With the new debt arrangements interest is no longer payable under an interest rate swap (2017 £0.7m, presented within 'losses on financial instruments'). Excluding loan interest and the debt restructuring and asset impairment costs the College spent £1.0m on sustaining the College (2017 - £0.8m).

During the year the Board disbanded the Financial Planning subcommittee and established a standing Finance Committee to carry on this important work. With the support of the Estates Committee, the College applied capital funds of £1.0m (2017 - £0.6m) in replacements and enhancements to the estate.

The College's fundraising secured £225k in donations and legacies (2017: £253k).

The subsidiary companies have continued to perform well, generating qualifying donations totalling £1.6m (2017: £1.6m). These trading activities provide valuable revenue to the College and provide many opportunities to enhance the experience and opportunities of College Members, Alumni and friends.

FINANCIAL REVIEW

The College generated group revenues of £12.6m (2017: £12.1m) in the year to 31 March 2018. Income from charitable activities (predominantly income generated from rents from Member accommodation) was £7.3m (2017: £7.0m); this increase reflected the Board's approval of a weighted average increase in rents of 2.5% across member accommodation from 1 September 2017.

Consolidated income from trading activities (predominantly the Club, short stays, catering and event and venue hire) was £4.1m (2017: £4.1m). Consolidated revenues from the Goodenough Club Ltd were £3.1m (2017: £3.1m). Goodenough Club operations generated income of £2.3m (2017: £2.3m). Short Stay accommodation income was £0.8m (2017: £0.8m). Goodenough Ventures Ltd generated consolidated revenues of £0.9m (2017: £1.0m).

The College's subsidiary companies' combined surpluses of £1.6m (2017: £1.6m) will be gift aided to the College. The Goodenough Club Ltd created a surplus of £1.4m (2017: £1.5m). Goodenough Ventures Ltd generated a surplus of £0.2m (2017: £0.1m). The Trustees and Directors remain confident of the potential for the subsidiary companies to generate surpluses to be gift aided to the College in future years.

The Consolidated Statement of Financial Activities shows a £1.0m deficit before gains and losses on investment assets and financial instruments (2017: £0.2m, surplus). This reduction of £1.2m included £0.6m of one off costs for the June 2017 debt restructuring exercise. The College bore £1.1m in loan interest charges (2017: £0.7m) and depreciation of £2.1m (2017: £2.0m) and fixed asset impairment of £0.3m (2017: nil) during 2017/18, demonstrating an EBITDA (excluding debt and asset impairment costs) of £3.0m (2017: £2.9m).

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

The College main portfolio includes the College reserve, and is invested for the longer term with a long term performance objective of RPI + 4%. The Burn portfolio is invested on a similar horizon, but reflecting the annual requirement for income and draw down from that fund to support the Burn's operations, it has a long term performance objective of RPI + 3.5%. The total return on the College main fund over the year was 0.7%, the Burn portfolio -0.4% the composite benchmark performance for these funds was 1.6%. These funds have achieved a total return of 41.4% and 41.4% respectively over the last five years, against a composite benchmark of 37.3%. Both funds have exceeded their long term performance objectives over the same period.

The College No.2 portfolio holds funds anticipated to be drawn in the medium term (including the Asset Replacement Reserve), and has a long term performance objective of RPI + 1.5%. The fund was established in 2016 and achieved a total return of -0.3% for the year.

The College No.3 portfolio was established during the reporting period and holds funds anticipated to be required in the shorter term (including Estate Development Reserve Funds). The fund is invested primarily for capital preservation, and achieved a total return of 0.3% in its half year since inception.

The performance of the investment portfolios is reviewed regularly by the College's Investment Committee and the Trustees continue to be satisfied with their management. All investments acquired during the year were in accordance with Trustees' powers. The values of the portfolios at 31 March 2018 are shown in note 10.

Funds and reserves

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

Unrestricted funds total £144,328k (2017: £142,744k), which includes designated reserves of £137,688k (2017: £136,137k), general funds of the charity of £5,935k (2017: £5,899k) and general funds of the subsidiaries of £708k (2017: £708k). See Notes 16 and 17 for further details.

The Trustees have designated the value of the College's non-investment fixed assets (net of funding from the long term loan) as the Tangible Fixed Asset reserve. The value of this reserve is adjusted annually to reflect the net value of these assets and stands at £109.5m at the year-end (2016: £124.1m) reflecting the £12.5m increased borrowing against those assets secured in June 2017 and the transfer of £1.2m of assets identified as investment properties from the March 2018 valuation. The trustees have designated the value of the College's investment properties (recognising the College's strategy to retain investment properties for the benefit of future beneficiaries) as the Investment Property Reserve at £14.3m (2017: £10.6m), reflecting the revaluation of the investment properties at the balance sheet date.

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

The Trustees designated the net cash surplus (excluding investment income) of £985k from 2017/18 activity into the ARR. The value of the ARR stands at £2.2m on 31 March 2017 (2017: £1.2m). The Trustees will review the value of this designated fund annually as it accumulates and is utilised for Asset Replacement. The ARR is represented by investment funds with investment mandates (as overseen by the Investment Committee) matching the investment objectives and horizons of this reserve.

Following the completion of the debt restructuring exercise in June 2017 the Trustees designated £11.9m of funds secured in excess of that required to settle the previous long term loan and swap arrangements as the College's Estate Development Reserve (EDR). Working under the guidance of the Finance Committee the Trustees aim to apply these additional funds, secured at an historically low 3.102% interest rate to take opportunities to further enhance the College estate over the coming years. The EDR is represented by investment funds with an investment mandate (as overseen by the Investment Committee) matching the investment objectives and horizons of this reserve. This fund bears the interest cost of this excess borrowing.

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

The College reserve fund was £7.2m on 31 March 2018 (2017: £7.2m). After taking account of other balances within the College's general funds the College's freely available funds stand at £5.9m on 31 March 2018 (see

note 17 for more details). The College has restated £0.2m of funds, previously presented as restricted funds, donated to the College for 'greatest need', as a designated unrestricted fund.

Restricted funds are represented by assets and investments that can only be used or spent for a particular purpose as stated by the donors. The total value at 31 March 2018 was £12,863k (2017: £13,945k). See Note 15 for further details.

Restricted funds include the Burn Fund of £12.4m (2017: £13.5m) and other restricted funds of £0.5m (2017: £0.5m). The Burn fund includes the operating land, building and assets of the site represented by a tangible fixed assets reserve of £10.6m (2017: £11.0m); investment properties of £0.7m and a general restricted fund of £1.1m (2017: £1.2m). The general restricted fund is represented by the Burn investment portfolio along with working capital.

The other restricted funds have been donated to the College for a number of restricted purposes including restricted scholarships and bursaries funds of £370k (2017: £393k). The College has adopted a policy to increase the level of support to its important scholarships and bursaries activity provided through donations.

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% and closed out its interest rate swap arrangements at a cost of £2.1m. On 7 June 2017 the proceeds of the loan were used to repay the outstanding Barclays loan of £25.4m and the swap cost. Excess funds were used to settle the costs associated with securing the debt and provided additional funds for the Board to establish the Estate Development Reserve designated fund. The Rothesay loan is secured against London House and William Goodenough House; the previous security on the same buildings held by Barclays was released on repaying that loan. The College holds a £250,000 overdraft facility with Barclays Bank.

Principal Risks and Uncertainties

To manage risk, all College Governors and staff must understand the nature of risk and accept responsibility for risks associated with their area of authority. The necessary support, assistance and commitment of senior management are provided to ensure that both operational and strategic risk is managed to the best of our ability. The risk management process, therefore, provides reasonable, but not absolute, assurance that the organisation is protected.

We define key strategic and operational risks as those that, without effective and appropriate mitigation, would have a severe impact on our work, our reputation or our ability to achieve our ambitions. These risks are reported to the Trustees through the risk management process, allowing them to challenge any assumptions management have made about risks and understand the context in which decisions are taken. This helps them to ensure that the most serious risks are being managed effectively.

- Revenue shortfall and downturn in member application numbers have been identified as fundamental financial risks in respect of Goodenough College. The promotion of the College through advertising and to educational institutions and scholarship bodies both within London and internationally is given the highest priority in order to mitigate this risk; application numbers are reviewed on a regular basis.
- The maintenance of a diverse College community (including enabling access to those students less able to provide resources of their own) has been recognised as a key area of risk by the Board. The College did see a reduction in applicants from EU countries during 2017 but saw an increase in applications from Commonwealth countries. The College will continue to target marketing at key geographic areas (including the EU) and has further enhanced its own scholarships and bursaries schemes to support less affluent students. The College is applying increased focus on fundraising for scholarships and bursaries.

- The College has previously recognised that securing sufficient funds to implement the identified asset replacement plan represents a key risk to the College. The College considers that it has substantially mitigated that risk through the development of the comprehensive asset replacement plan, long term financial planning and the securing of £40m of 30 year non-amortising debt. The establishment of a Finance Committee has further enhanced the College's ability to secure the required long term financially sustainable performance of the College and appropriate diligence over the application of available funds.
- As the College's main base of operations is in central London, the College recognises that (though the likelihood is low) terrorist activity both locally to the College and worldwide has the potential of a high impact on the College through: restricting access to the College; reducing applications to the College; and directly on the welfare of College Members. The College exercises care in maintaining its access control and security arrangements, holds financial reserves, broad insurance cover, effective business continuity plans and robust welfare systems in order to mitigate that risk.
- The replacement of the previous interest rate hedging arrangements with 30 year fixed interest debt has significantly reduced the College's exposure to variations in debt financing costs. Further details can be found in Note 14.
- In order to maintain the contribution generated by Goodenough Club, the College remains committed to maintain that accommodation to a high standard whilst continuing a proactive sales and marketing policy.

The College continually improves the process by which it reviews, registers and mitigates those risks which may impact on College life and operations. These risks are reviewed by senior staff throughout the College year and, in addition, the Board reviews a Strategic Risks Register on a quarterly basis and risk management oversight is provided by the Audit Committee. The capacity and capability of staff and contractors is regularly reviewed by the Executive and reported to the Board and its committees.

With the majority of the College's income streams generated in year from Member Rents, Club charges and other trading income streams the impact of these trading environments will affect the financial performance of the College. The College is confident that its planning, risk management and operational management activities mitigate these risks adequately.

The College takes safeguarding very seriously. The College considers that it provides a safe and trusted environment and has an organisational culture that prioritises safeguarding. The College considers that it does have adequate safeguarding policies, procedures and measures to protect people. These are reviewed regularly and kept up to date. 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 will continue to apply due diligence; apply, communicate and train its procedures; and monitor and review its position.

Goodenough College has an internal team, with Executive and Board oversight, which has assessed the requirements of the General Data Protection Regulation (GDPR) and planned a programme of work to achieve compliance. We are working internally, with our suppliers and with partner organisations to ensure that this work programme is delivered to enable the College and our subsidiary companies to meet our obligations. The Trustees are content that sufficient progress has been made in complying with the Regulation.

Fundraising standards

The College's fundraising activities are undertaken by its own Development and External Relations team, with oversight by the Board's Development Advisory Committee. Any external consultants or suppliers are employed to support activities rather than lead them. The College is a member of The Council for Advancement and Support of Education (CASE), a professional association serving educational institutions and the professionals who work on their behalf in alumni relations, communications, development, marketing and allied areas. This includes standards and an ethical framework for the profession. The College runs an annual telephone fundraising campaign to its alumni where members of the College are employed as callers. All alumni who might be called are written to in advance and offered the opportunity to opt out of the Call.

Goodenough College is understanding and compassionate towards its supporters and will never exploit vulnerability. We do everything we can in order to assist our supporters to make an informed decision about the support they choose to give to The College. We deal with each donor on a case-by-case scenario and do not accept donations where we have reason to believe that the donor may be experiencing vulnerable circumstances and accepting the donation would be ethically wrong and/or harmful to the donor. We are also in the process of joining the Fundraising Preference Service so that we can be immediately aware of any suppression. No complaints have been received by CASE or by The College directly about its fundraising activities.

PLANS FOR FUTURE PERIODS

In the coming year the College will continue to consolidate progress made under its 'sustain', 'transform' and 'raise its profile' Goals and seek particularly to further develop its work under its 'attract' goal.

With the forthcoming retirement of Major General Andrew Ritchie as Director on 30 September, the College has announced the appointment of Rebecca Matthews as Director from 1 October 2018 to take the College forward for the next phase of its development. The new Director will work with the Board and Executive to review the College's strategic plan and provide a refreshed vision and ambition for the College.

To attract outstanding postgraduate students the College will seek to increase further the provision of Scholarships and Bursaries to Members both entering the College and renewing their Membership respectively. The College will look to its supporters, alumni and funding institutions to expand further the number of scholarships and bursaries provided through donated funds. The College is committed to ensuring that these schemes maintain and develop the accessibility of the College to students across geographic, academic and social bases.

The College's progress in transforming College members will be further developed through building on the College's increased recognition and engagement in the City of London. The College will seek more ways to develop Members during their stay at College through its intellectual, social, experiential and developmental programme including expanding the 'Dean's Seminars'. The College will continue to support to its Members and staff with a focus on mental health awareness and safeguarding. This will be enhanced by a renewed focus on staff professional and individual development. The College will continue to refine its response to GDPR.

The College will look to settle its strategy for the application of its Estate Development Reserve, aiming to develop opportunities to increase the size of the College estate.

The College will seek to raise its profile further by increasing the number of strategic partnerships within the National and International University and professional sectors and will carry out a review of the role of Ex-Officio Governors on its Advisory Council. The College will conclude its review of compliance with the latest Charity Governance Code for larger charities.

The College is committed to articulating further its impact on individuals and society through the pursuance of its charitable objectives. The College will commence a review and seek to measure and report upon its impact in more detail.

The College remains committed to improving its Environmental sustainability, working through the established joint staff/Member Environmental Panel. This panel will seek to continue and enhance its work to challenge and influence behaviour, consumption and efficiency across the College and build on recent further improvements in matters such as waste recycling and the efficiency of the running of the College estate.

The College remains confident and ambitious in its plans for continuous improvement and development.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

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

Company law requires the Trustees to prepare Financial Statements for each financial year which give a true and fair view of the state of affairs of the Charity and of the incoming resources and application of resources of the Charity for that period. In preparing each of the Group and charitable company Financial Statements the Trustees are required to:

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

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

They are also responsible for safeguarding the assets of the charitable company and group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the UK governing the preparation and dissemination of Financial Statements may differ from legislation in other jurisdictions.

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

This information is given and should be interpreted in accordance with the provisions of the Companies Act 2006 s418.

Disclosure of information to auditor

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

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

Goodenough College

Trustees' Annual Report

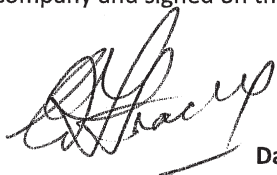
for the year ended 31 March 2018

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

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

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

Eric Tracey
Chairman



Date

3/7/18

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

Opinion

We have audited the financial statements of Goodenough College ("the Parent Charitable Company") and its subsidiaries ("the Group") for the year ended 31 March 2018 which comprise the consolidated statement of financial activities, the consolidated balance sheet, the consolidated cash flow statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's and of the Parent Charitable Company's affairs as at 31 March 2018 and of the Group's incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006, as amended in 2010.

Basis for opinion

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

Conclusions related to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Group or the Parent Charitable Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The other information comprises the information included in the Annual Report and financial statements, other than the financial statements and our auditor's report thereon. The other information comprises Trustees' Annual Report and Goodenough College Chairman's Personal Welcome. The Trustees are responsible for the other information.

Independent Report of the Auditor

for the year ended 31 March 2018

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of Trustees

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

A further description of our responsibilities for the audit of the financial statements is located at the Financial Reporting Council's ("FRC's") website at:

<https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

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



Don Bawtree (Senior Statutory Auditor)

For and on behalf of BDO LLP, Statutory Auditor
Gatwick

Date: 3 July 2018

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

Goodenough College

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

for the year ended 31 March 2018

	Notes	Unrestricted Funds £'000	Restricted Funds £'000	Total Funds 2018 £'000	Total Funds Restated* 2017 £'000
Income from:					
Donations and legacies	2	10	215	225	253
Charitable Activities:					
College Community Accommodation	4	6,935	333	7,268	6,981
Trading Activities:					
Commercial Accommodation		3,078	-	3,078	3,080
Catering, Events and Venue Hire		945	44	989	997
Investments	3	906	109	1,015	838
Total		11,874	701	12,575	12,149
Expenditure on:					
Raising Funds					
Investment Management		72	6	78	57
Fundraising		144	-	144	106
Trading activities	11	2,419	12	2,431	2,473
Charitable Activities:					
Attracting outstanding postgraduate students	5	753	183	936	858
Transforming College Members	5	6,202	654	6,856	6,590
Raising the College's profile	5	269	-	269	292
Sustaining the College	5	2,620	287	2,907	1,554
Total		12,479	1,142	13,621	11,930
Net income before other (losses) / gains		(605)	(441)	(1,046)	219
Net (losses) on financial instruments	14	(25)	-	(25)	(235)
Net gains / (losses) on investments	10	2,121	(548)	1,573	1,334
Net Income/(expenditure)		1,491	(989)	502	1,318
Transfers between funds		93	(93)	-	-
Net Movement in Funds		1,584	(1,082)	502	1,318
Reconciliation of funds:					
Total funds brought forward		142,744	13,945	156,689	155,371
Net Movement in Funds		1,584	(1,082)	502	1,318
Total funds carried forward		144,328	12,863	157,191	156,689

All results derive from continuing operations. All gains and losses recognised in the year are included above.

The surplus for the year for Companies Act purposes, comprising the net income for the year, was £502,000 (surplus in 2017: £1,318,000).

* Balances have been restated due to inclusion of depreciation for reclassified assets. See note 9 for more details.

The notes on pages 27 to 46 form part of these Financial Statements

Goodenough College

Balance Sheet

for the year ended 31 March 2018

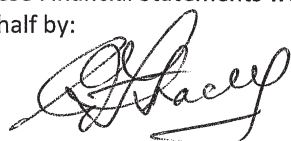
Company Registration No: 246919

		Group		Charity	
	Notes	2018	2017 (restated) *	2018	2017 (restated) *
		£'000	£'000	£'000	£'000
FIXED ASSETS					
Tangible assets for use by Charity					
Freehold land and buildings	9a	158,875	161,387	158,875	161,387
Heritage assets	9b	300	300	300	300
Fixtures, fittings plant & equipment	9c	947	979	947	979
		160,122	162,666	160,122	162,666
Investments	10	37,277	21,920	37,277	21,920
Investments in subsidiaries	11	-	-	250	250
		197,399	184,586	197,649	184,836
CURRENT ASSETS					
Stocks		23	28	23	28
Debtors	12	419	428	1,885	1,998
Cash at bank and in hand		1,205	1,179	601	710
		1,647	1,635	2,509	2,736
CURRENT LIABILITIES					
Amounts falling due within one year	13	(1,800)	(2,630)	(3,620)	(4,689)
NET CURRENT (LIABILITIES)		(153)	(995)	(1,111)	(1,953)
TOTAL ASSETS LESS CURRENT LIABILITIES		197,246	183,591	196,538	182,883
Creditors: amounts falling due after more than one year	14	(40,055)	(26,902)	(40,055)	(26,902)
TOTAL NET ASSETS		157,191	156,689	156,483	155,981
Restricted funds	15	12,863	13,945	12,863	13,945
Unrestricted funds	16	144,328	142,744	143,620	142,036
TOTAL FUNDS		157,191	156,689	156,483	155,981

The notes on pages 27 to 46 form part of these Financial Statements.

* Balances have been restated due to the reclassification of Burn Fixed Assets. See note 9 for more details.

These Financial Statements were approved and authorised for issue by the Trustees on 3 July 2018 and signed on their behalf by:



Eric Tracey

Goodenough College

Consolidated Statement of Cash Flows

for the year ended 31 March 2018

	Notes (Page 25)	2018 £'000	2017 £'000
Cash flows from operating activities:			
Cash from operating activities	(a)	1,815	1,912
Interest paid on loan		(1,123)	(703)
Net cash generated from operating activities		692	1,209
Cash flows from investing activities:			
Dividends, interest and rents from investments		1,015	838
Proceeds from sale of investments		943	1,797
Purchase of property plant and equipment		(1,003)	(565)
Purchase of investments		(11,205)	(2,303)
Net cash used in investing activities		(10,250)	(233)
Cash Flows from financing activities:			
Interest paid on interest rate swap		-	(676)
Repayment of interest rate swap		(2,107)	-
Cash Inflows from new loan		40,000	-
Costs for acquiring new loan		(563)	-
Cash Outflows from repayment of borrowing		(25,426)	(574)
Net cash provided /(used) by financing activities		11,904	(1,250)
Change in cash and cash equivalents in the reporting period		2,346	(274)
Cash and cash equivalents at the beginning of the reporting period		1,568	1,842
Cash and cash equivalents at the end of the reporting period	(b)	3,914	1,568

Consolidated Statement of Cash Flows

for the year ended 31 March 2018

NOTES TO THE CONSOLIDATED CASHFLOW STATEMENT

	2018	2017 restated
	£'000	£'000
(a) Reconciliation of net income to net cash inflow from operating activities		
Net income	502	1,318
Losses on fair value of financial instrument	25	235
Unrealised gains on investments	(1,667)	(1,276)
Investment income	(912)	(801)
Interest receivable	(103)	(37)
Loss/(gain) on disposal of investments	94	(58)
Depreciation charges	2,080	2,007
Impairment of fixed assets	265	-
Interest payable on loan	1,123	703
Loan costs	563	-
Decrease in stock	5	17
Decrease in debtors	9	67
Decrease in creditors	(169)	(263)
Net cash inflow from operating activities	1,815	1,912

(b) Analysis of Cash and Cash Equivalents

	2017 £'000	Cash flows £'000	2018 £'000
Cash in hand	1,179	26	1,205
Notice deposits	389	2,320	2,709
Total Cash and cash equivalents	1,568	2,346	3,914

Goodenough College

Charity only statement of financial activities

for the year ended 31 March 2018

		Unrestricted Funds £'000	Restricted Funds £'000	Total Funds 2018 £'000	Total Funds (restated)* 2017 £'000
Income from:					
Donations and legacies		1,614	215	1,829	1,846
Charitable Activities:					
College Community Accommodation	4	6,935	333	7,268	6,981
Trading Activities:					
Catering, Events and Venue Hire		-	44	44	35
Investments	3	906	109	1,015	838
Total		9,455	701	10,156	9,700
Expenditure on:					
Raising Funds					
Investment Management		72	6	78	57
Fundraising		144	-	144	106
Trading activities		-	12	12	24
Charitable Activities:					
Attracting outstanding postgraduate students	5	753	183	936	858
Transforming College Members	5	6,202	654	6,856	6,590
Raising the College's profile	5	269	-	269	292
Sustaining the College	5	2,620	287	2,907	1,554
Total		10,060	1,142	11,202	9,481
Net Income before other gains /(losses)		(605)	(441)	(1,046)	219
Net (losses) on financial instruments	14	(25)	-	(25)	(235)
Net gains / (losses) on investments	10	2,121	(548)	1,573	1,334
Net Income		1,491	(989)	502	1,318
Transfers between funds		93	(93)	-	-
Net Movement in Funds		1,584	(1,082)	502	1,318
Reconciliation of funds:					
Total funds brought forward		142,036	13,945	155,981	154,663
Net Movement in Funds		1,584	(1,082)	502	1,318
Total funds carried forward		143,620	12,863	156,483	155,981

* Balances have been restated due to inclusion of depreciation for reclassified assets. See note 9 for more details.

1. ACCOUNTING POLICIES

(a) Key assumptions and estimates

Key assumptions and estimates are summarised in our accounting policies as set out below.

(b) Basis of preparation

The Financial Statements have been prepared under the historical cost convention, as modified by the inclusion of investments at market value.

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 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006 and the Charities Act 2011.

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

The Financial Statements have been prepared on a going concern basis as discussed in the Trustees' report and the Trustees' statement of responsibilities on page 17.

The group statement of financial activities (SOFA) and balance sheet, consolidate the Financial Statements of the Charity and its wholly owned subsidiaries, all of which were made up to 31 March 2018 on a line by line basis.

(c) Company status

The Charity is a company limited by guarantee. The members of the company are the Governors named on pages 2 and 3. The Directors of the Company are the Trustee Board named on page 2. In the event of the Company being wound up, the liability in respect of the guarantee is limited to £1 per member of the Company.

(d) Income

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

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

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

(e) Expenditure

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

1. ACCOUNTING POLICIES (CONTINUED)

(f) Fund accounting

The College maintains various types of funds as follows:

i) Restricted funds

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

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

ii) Unrestricted funds

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

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

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

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

Estate Development Reserve (EDR) was established to hold the funds in excess of those required to settle previous borrowing when the College's debt was restructured in June 2017. These funds have been designated by the trustees to fund the further development of Goodenough College above and beyond the refurbishment and replacement of existing assets as provided for in the Asset Replacement Reserve.

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.

1. ACCOUNTING POLICIES (CONTINUED)

Other financial instruments (including the College's interest rate swap agreement which was settled in June 2017) 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 reclaim is recognised in relation to qualifying donations received.

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

(i) Tangible fixed assets

The College group has elected to present the deemed cost of its freehold assets and its Heritage 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.

Properties held for Investment and Heritage Assets are not depreciated. Depreciation on other 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	50
Lifts	30
Bathrooms, heating, water, electrical and gas systems, and boiler equipment	18-25
CCTV	5-20
Ventilation and fire detection systems	15
Access and telephone system	10
Vehicles	5
Computer and other office equipment	4
Furniture	8-20
Other plant and equipment and other fixtures and fittings	4-8

(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.

2 DONATIONS

	Unrestricted funds 2018 £'000	Restricted funds 2018 £'000	Total funds 2018 £'000	Total funds 2017 £'000
Legacies	-	11	11	-
Donations	10	204	214	253
	<u>10</u>	<u>215</u>	<u>225</u>	<u>253</u>

Of the total funds stated for 2017, £219k was restricted and £34k unrestricted.

Of these donations £1,750 (2017: £23,850) was received from Trustees.

3 INVESTMENT INCOME

	Unrestricted funds 2018 £'000	Restricted funds 2018 £'000	Total funds 2018 £'000	Total funds 2017 £'000
Income from UK listed investments	217	53	270	215
Income from overseas listed investments	54	21	75	78
Rent from property	536	31	567	508
Other interest - short-term deposits	99	4	103	37
	<u>906</u>	<u>109</u>	<u>1,015</u>	<u>838</u>

Of the total funds stated for 2017, £80k was restricted and £758k unrestricted.

4 INCOMING RESOURCES FROM COLLEGE CHARITABLE ACTIVITIES

	Unrestricted funds 2018 £'000	Restricted funds 2018 £'000	Total funds 2018 £'000	Total funds 2017 £'000
College gross accommodation income	6,935	-	6,935	6,603
The Burn income	-	333	333	378
	<u>6,935</u>	<u>333</u>	<u>7,268</u>	<u>6,981</u>

Of the total funds stated for 2017, £378k was restricted and £6,603k was unrestricted.

5 EXPENDITURE FOR CHARITABLE PURPOSES

	Direct Costs 2018 £'000	Support Costs 2018 £'000	Total 2018 £'000	Total 2017 £'000
Attracting outstanding postgraduate students	783	153	936	858
Transforming College Members	5,836	1,020	6,856	6,590
Raising the College's profile	225	44	269	292
Sustaining the College	2,752	155	2,907	1,554
	<u>9,596</u>	<u>1,372</u>	<u>10,968</u>	<u>9,294</u>

6 SUPPORT COSTS

	2018 £'000	2017 £'000
Finance	373	376
IT	597	523
HR	240	255
Governance	26	28
Other General Overheads	326	319
	<u>1,562</u>	<u>1,501</u>

These support costs are split across the following areas:

Raising Funds	190	186
Charitable Activities	1,372	1,315
	<u>1,562</u>	<u>1,501</u>

GOVERNANCE COSTS

	2018 £'000	2017 £'000
Support Costs		
Council and Board meeting costs	5	4
Fees payable to the auditors - College	21	24
	<u>26</u>	<u>28</u>
Direct Costs		
Fees payable to the auditors – Subsidiary Companies	17	12
Total Governance Costs	<u>43</u>	<u>40</u>
 Fees payable to the Company's auditors		
 Statutory audit	33	30
Advisory services	6	13
	<u>39</u>	<u>43</u>

7 NET OUTGOING RESOURCES

	2018 £'000	2017 £'000
Net outgoing resources for the year are stated after charging :		
Amounts payable to auditors (Group)	39	43
Depreciation of tangible fixed assets	<u>2,080</u>	<u>2,007</u>

8 INFORMATION REGARDING STAFF AND TRUSTEES

	2018 No.	2017 No.
Average number of employees (full time equivalent) during the year:		
College	62	57
Club	13	12
Burn	13	13
	<u>88</u>	<u>82</u>

8 INFORMATION REGARDING STAFF AND TRUSTEES (continued)

	2018	2017
	£'000	£'000
Wages and Salaries	2,839	2,797
Social security costs	281	274
pensions	72	72
	3,192	3,143

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

	2018	2017
	No.	No.
£60,001 - £70,000	3	4
£70,001 - £80,000	2	-
£110,001 - £120,000	1	1
£140,000 - £150,000	1	1

Pension contributions for these senior staff were £37,211 (2017: £36,683).

Trustees' Remuneration

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

During the year four Trustees were reimbursed or had amounts paid on their behalf for expenses incurred totalling £1,494.27 (2017: £589.93).

Pension Schemes

The Company operates stakeholder pension schemes administered by Legal and General. The employer's contributions are matched to those of the qualifying employees to a maximum of 10% of pensionable salary for senior staff and 5% of pensionable salary for other staff and amounted to £71,778 (2017: £71,842). At 31 March 2018 outstanding payments due to the scheme were £9,853 (2017: £9,861).

Key Management Personnel

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

The aggregate compensation (remuneration plus benefits and employers National Insurance Contributions) paid or payable to 'key management personnel' during this year was: £705,236 (2017: £696,980).

9 TANGIBLE FIXED ASSETS

(a) Freehold properties:

**Consolidated and
company**

Land and buildings at valuation	College £'000	The Burn (Restated) £'000	Total £'000
Brought forward valuation or cost at 1 April 2017	154,901	10,053	164,954
Reclassification of assets *	-	1,260	1,260
Restated Valuation or cost at 1 April 2017	154,901	11,313	166,214
Additions	795	-	795
Assets under construction	9	-	9
Transfer	(1,239)	-	(1,239)
Impairment	-	(265)	(265)
At 31 March 2018	154,466	11,048	165,514
Depreciation			
Brought forward at 1 April 2017	4,479	309	4,788
Reclassification of depreciation*	-	39	39
Restated at 1 April 2017	4,479	348	4,827
Charge for the year	1,733	116	1,849
Transfer	(37)	-	(37)
At 31 March 2018	6,175	464	6,639
Net book value at 31 March 2018	148,291	10,584	158,875
Net book value at 31 March 2017	150,422	10,965	161,387

Freehold properties consisted of student accommodation, the Club 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.

The Burn opening valuation at 1st April 2017 has been restated following an internal review which reclassified three properties as operating assets from investment assets. Prior year opening balances and the SOFA have been adjusted to reflect this. The impairment reflects the March 2018 market valuation obtained on two of these assets. The impairment of £265k is recognised within Charitable Activities, 'Sustaining the College' within the SoFA.

The transfers reflect College properties previously included within operational assets, following the College obtaining separate valuations for these two investment properties.

The historical cost net book value of the land and buildings if the revaluation had not taken place would be £32,833,000 (2017 restated: £33,113,000).

9 TANGIBLE FIXED ASSETS (continued)

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

At 31 March 2018 the net book value of the mixed use property is £14,984k, with accumulated depreciation of £434k and in year depreciation charge of £200k.

(b) Heritage Assets

Consolidated and company

	College £'000	The Burn £'000	Total £'000
Valuation at 1 April 2017	280	20	300
At 31 March 2018	280	20	300

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

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

(c) Fixtures, fittings, plant and equipment

	College £'000	The Burn £'000	Total £'000
Cost at 1 April 2017	1,708	87	1,795
Additions	199	-	199
At 31 March 2018	1,907	87	1,994
Depreciation at 1 April 2017	770	46	816
Charge for year	219	12	231
At 31 March 2018	989	58	1,047
Net Book Value at 31 March 2018	918	29	947
Net book value at 31 March 2017	938	41	979

10 INVESTMENTS HELD AS FIXED ASSETS

	College	The Burn (Restated)	Total
(a) Investment Properties			
Land and buildings at valuation:	£'000	£'000	£'000
Carried forward at 1 April 2017	10,566	2,455	13,021
Reclassification of assets*	-	(1,285)	(1,285)
Opening value at 1 April 2017	10,566	1,170	11,736
Transfers	1,202	-	1,202
Revaluation	2,578	(470)	2,108
At 31 March 2018	<u>14,346</u>	<u>700</u>	<u>15,046</u>

The College Investment properties were the subject of an independent market valuation for inclusion at 31 March 2018 by Alpha Browett Taylor, RICS registered valuer with the necessary knowledge and expertise to provide this valuation.

The Burn investment properties were the subject of an independent market valuation for inclusion at 18 January 2018 by J & E Shepherd, RICS registered valuer with the necessary knowledge and expertise to provide this valuation.

* The Burn opening value has been restated as three properties previously treated as investment assets are now included in operational assets and now appear in Note 9.

The transfers reflect College properties previously included within operational assets, following the College obtaining separate valuations for these two investment properties.

10 INVESTMENTS HELD AS FIXED ASSETS (continued)

		Consolidated and Company	
		2018	2017
(b) Listed Investments	Notes	£'000	£'000
Market Value at 1 April		9,795	7,964
Additions at cost		11,205	2,294
Proceeds from disposals		(943)	(1,797)
Realised gain		(94)	58
Unrealised (loss)/gain		(441)	1,276
Market Value at 31 March		19,522	9,795
Listed Investments comprise the following:			
Investments listed on a recognised stock exchange - Equities		7,577	7,544
Investments listed on a recognised stock exchange - Bonds		5,875	1,377
Alternative Funds		6,070	874
Market Value at 31 March		19,522	9,795
Investment assets in the United Kingdom		16,260	6,816
Investment assets outside the United Kingdom		3,262	2,979
Market Value at 31 March		19,522	9,795
Cost at 31 March		20,551	7,614
Total investments			
Listed Investments (Market Value)	10b	19,522	9,795
Short term deposits		2,709	389
Investment Properties (Market Value)	10a	15,046	11,736
Investments at 31 March		37,277	21,920

11 SUBSIDIARY UNDERTAKINGS

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

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

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

The £3,084k (2017: £3,087k) 'Turnover' includes £6k (2017: £7k) for sales to the parent company. Commercial Accommodation income of £3,078k (2017: £3,080k) has been included within the consolidated statement of financial activities in relation to the activities of this subsidiary.

The £1,651k (2017: £1,623k) 'Cost of Sales' includes £285k (2017: £263k) in charges to the subsidiary by the parent company for the use of parent company resources, £6k (2017: £7k) in costs of providing services to the parent company and £186k (2017: £183k) in charges from Goodenough Ventures for the provision of services. Trading activity expenditure of £1,459k (2017: £1,433k) has been included within the consolidated statement of financial activities in relation to the activities of this subsidiary.

	2018	2017
	£'000	£'000
Turnover	3,084	3,087
Cost of sales	1,651	1,623
	<u>1,433</u>	<u>1,464</u>
Gift aid payment	1,433	1,464
Profit	<u>-</u>	<u>-</u>
Assets	2,664	2,736
Liabilities	(1,706)	(1,778)
Shareholders' funds	<u>958</u>	<u>958</u>

11 SUBSIDIARY UNDERTAKINGS (continued)

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

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

The £1,695k (2017: £1,719k) 'Turnover' includes £563k (2017: £574k) for sales to the parent company, and £186k (2017: £183k) for sales to other group entities. Catering Events and Venue Hire income of £945k (2017: £962k) has been included within the consolidated statement of financial activities in relation to the activities of this subsidiary.

The £1,524k (2017: £1,590k) 'Cost of Sales' includes £134k (2017: £131k) in charges to the subsidiary by the parent company for the use of parent company resources and £563k (2017: £574k) in costs of providing catering supplies for the parent company. Trading activity expenditure of £961k (2017: £1,016k) has been included within the consolidated statement of financial activities in relation to the activities of this subsidiary.

	2018 £'000	2017 £'000
Turnover	1,695	1,719
Cost of sales	1,524	1,590
	171	129
Gift aid payment	171	129
Profit	-	-
Assets	351	467
Liabilities	(351)	(467)
Shareholders' funds	-	-

12 DEBTORS

	Consolidated		Company	
	2018	2017	2018	2017
	£'000	£'000	£'000	£'000
Trade debtors	227	188	93	54
Amounts due from subsidiary undertaking	-	-	1,604	1,685
Other debtors	55	49	56	28
Taxes recoverable	-	52	-	94
Prepayments and accrued Income	137	139	132	137
	419	428	1,885	1,998

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

13 CREDITORS:

Amounts falling due within one year

	Consolidated		Company	
	2018	2017	2018	2017
	£'000	£'000	£'000	£'000
Trade creditors	1,188	1,270	813	834
Amounts due to subsidiary undertaking	-	-	2,255	2,552
Taxation and social security	116	80	81	80
Other creditors	94	99	93	88
Accruals	260	345	236	299
Deferred income	105	100	105	100
Other deferred discount	37	37	37	37
Bank Borrowings due within one year	-	699	-	699
	1,800	2,630	3,620	4,689

Deferred income consists entirely of commercial rent received from tenants in advance. Prior year deferred income related in full to income recognised in 2018

14 CREDITORS: amounts falling due in greater than one year

	2018	2017
	£'000	£'000
Bank Borrowing		
Falling due between 1 and 2 years		811
Falling due between 2 and 5 years		10,908
Falling due in more than 5 years	40,000	13,008
	40,000	24,727
Financial Instrument		
Falling due between 2 and 5 years	-	2,082
Other Deferred Discount		
Falling due between 1 and 2 years	37	38
Falling due between 2 and 5 years	18	55
Total	40,055	26,902

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. On 7 June 2017 the proceeds of the loan were used to repay the outstanding Barclays loan of £25.4m and the interest rate swap at a cost of £2.1m. The Rothesay loan is secured against London House and William Goodenough House.

Financial Instrument

At the balance sheet date the College held no complex financial instruments. The prior year complex financial instrument balance relates to financial instruments in the form of interest rate swaps entered into to fix the interest on the majority of the Barclays loan. The financial instrument was included in the accounts as at 31 March 2017 at a fair value of £2.1m.

Other Deferred Discount

During 2015/16, the College entered into a new 5 year catering contract. The terms of the contract included the supplier refurbishing the College's catering outlets at a cost of £184,980. The value of the works has been treated as a discount to the contract which will be applied equally to each year of the 5 year term.

15 RESTRICTED FUNDS

	31 Mar'17 (restated)	Transfer	Income	Gains / losses	Expenditure	31 Mar'18
	£'000	£'000	£'000	£'000	£'000	£'000
2017/18						
Burn Fund						
General fund	1,197	393	468	(63)	(932)	1,063
Specific Donations	8	-	1	-	(3)	6
Investment Property reserve	1,170	-	-	(470)	-	700
Tangible fixed asset reserve	11,026	(393)	-	-	-	10,633
Total Burn Fund	13,401	-	469	(533)	(935)	12,402
Other Restricted Funds						
Scholarships and Bursaries	393	10	140	(11)	(162)	370
Specific donations	151	(103)	92	(4)	(45)	91
Total Other Restricted Funds	544	(93)	232	(15)	(207)	461
Total Restricted Funds	13,945	(93)	701	(548)	(1,142)	12,863

	31 Mar'16 (restated)	Transfer	Income	Gains / losses	Expenditure	31 Mar'17 (restated)
	£'000	£'000	£'000	£'000	£'000	£'000
2016/17						
Burn fund						
General fund	1,039	152	493	178	(665)	1,197
Specific Donations	9	(5)	4	-	-	8
Investment Property reserve	1,170	-	-	-	-	1,170
Tangible fixed asset reserve	11,139	(113)	-	-	-	11,026
Total Burn Fund	13,357	34	497	178	(665)	13,401
Other Restricted Funds						
Scholarships and Bursaries	331	8	135	32	(113)	393
Specific donations	151	(56)	80	-	(24)	151
Total Other Restricted Funds	482	(48)	215	32	(137)	544
Total Restricted Funds	13,839	(14)	712	210	(802)	13,945

- *Burn fund* represents donations given to meet expenditure incurred towards the running and maintenance of The Burn. Income from investments held in these funds, together with other income relating to The Burn, is disclosed on the face of the SOFA as restricted income.
- *Scholarships and Bursaries* are donations specifically made for providing scholarships and bursaries to qualifying members.
- *Specific donations* are those to support specific aspects of College activity and projects.

'Other Restricted Funds' have been restated to exclude £196k which was incorrectly classified as restricted instead of designated funds. The designated funds have been restated to reflect this change.

16 UNRESTRICTED FUNDS

	31 Mar'17 (restated)	Transfer	Income	Gains/losses	Expenditure	31 Mar'18
	£'000	£'000	£'000	£'000	£'000	£'000
2017/18						
Tangible fixed asset	151,640	(2,149)	-	-	-	149,491
Long term loan	(27,509)	(12,491)	-	-	-	(40,000)
Tangible fixed asset reserve	124,131	(14,640)	-	-	-	109,491
Investment property reserve	10,566	1,202	-	2,578	-	14,346
Asset Replacement reserve	1,244	985	7	(20)	(3)	2,213
Estate Development Reserve	-	11,878	101	(220)	(317)	11,442
Other Designated Reserves	196	-	6	-	(6)	196
Total designated reserves	136,137	(575)	114	2,338	(326)	137,688
General funds of the Charitable Company	5,899	668	11,760	(242)	(12,153)	5,932
Total funds of the charitable company	142,036	93	11,874	2,096	(12,479)	143,620
General funds of the subsidiaries	708	-	-	-	-	708
Total consolidated unrestricted funds	142,744	93	11,874	2,096	(12,479)	144,328

	31 Mar'16 (restated)	Transfer	Income	Gains/losses	Expenditure	31 Mar'17 (restated)
	£'000	£'000	£'000	£'000	£'000	£'000
2016/17						
Tangible fixed asset	152,969	(1,329)	-	-	-	151,640
Long term loan incl interest rate swap	(26,000)	(1,509)	-	-	-	(27,509)
Tangible fixed asset reserve	126,969	(2,838)	-	-	-	124,131
Investment property reserve	-	10,566	-	-	-	10,566
Asset Replacement reserve	-	1,242	-	2	-	1,244
Capital replacement reserve	2,599	(2,599)	-	-	-	-
Other Designated reserves	196	-	29	-	(29)	196
Total designated reserves	129,764	6,371	29	2	(29)	136,137
General funds of the Charitable Company	11,060	(6,357)	11,408	887	(11,099)	5,899
Total funds of the charitable company	140,824	14	11,437	889	(11,128)	142,036
General funds of the subsidiaries	708	-	-	-	-	708
Total consolidated unrestricted funds	141,532	14	11,437	889	(11,128)	142,744

The designated reserves are further discussed in the financial review on page 11.

17 ANALYSIS OF ASSETS AND LIABILITIES BETWEEN FUNDS OF THE CHARITY

2017/18	Restricted Funds – The Burn £'000	Restricted Funds - Other £'000	Designated reserves £'000	General Funds £'000	Charity Total £'000
Tangible fixed assets	10,633	-	149,489	-	160,122
Investments	1,352	461	13,171	7,247	22,231
Investment properties	700	-	14,346	-	15,046
Investments in subsidiaries	-	-	-	250	250
Amounts due to subsidiaries	-	-	-	(651)	(651)
Other current assets	28	-	276	-	304
Cash at bank and in hand	74	-	406	121	601
Current and long term liabilities	(385)	-	(40,000)	(1,035)	(41,420)
	12,402	461	137,688	5,932	156,483

2016/17	Restricted Funds – The Burn £'000	Restricted Funds - Other £'000	Designated reserves £'000	General Funds £'000	Charity Total £'000
Tangible fixed assets	11,026	-	151,640	-	162,666
Investments	1,464	544	1,026	7,150	10,184
Investment properties	1,170	-	10,566	-	11,736
Investments in subsidiaries	-	-	-	250	250
Amounts due to subsidiaries	-	-	-	(867)	(867)
Other current assets	20	-	-	321	341
Cash at bank and in hand	30	-	414	266	710
Current and long term liabilities	(309)	-	(27,509)	(1,221)	(29,039)
	13,401	544	136,137	5,899	155,981

Further details of the analysis between each material fund are provided in Notes 15 and 16.

18 LEASING COMMITMENTS

At 31 March 2018 the charitable company had the following total commitments for equipment under non-cancellable operating leases.

	2018	2017
	£'000	£'000
Operating leases which expire in 5 years	<u>90</u>	<u>118</u>

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

19 CAPITAL COMMITMENTS

As at 31 March 2018 the College had no capital commitments.

20 RELATED PARTY TRANSACTIONS

During the year one Trustee, Fiona Kirk, retired as a Trustee and Director on 21st June 2017 and was re-appointed on 1st December 2017 and during that period carried out consultancy work for the College through 'Marts and Lundy', a company of which she is a Managing Director. The College made payments to Marts and Lundy of £26,100 (including VAT).

There have been no other related party transactions during the year other than those disclosed in notes 8, 11, 12 and 13.