

Company Registration No. 246919  
Charity No. 312894 (England & Wales) and  
SC039173 (Scotland)

**GOODENOUGH COLLEGE  
A COMPANY LIMITED BY GUARANTEE  
REPORT AND FINANCIAL STATEMENTS  
YEAR ENDED 31 MARCH 2011**

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**GOODENOUGH COLLEGE  
REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2011**

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<b>Contents</b>	<b>Page</b>
Trustees' report	1
Independent auditors' report	11
Consolidated statement of financial activities	13
Balance sheets	14
Consolidated cash flow statement	15
Notes to the financial statements	17

**GOODENOUGH COLLEGE  
TRUSTEES' REPORT  
FOR THE YEAR ENDED 31 MARCH 2011**

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**NAME AND REGISTERED OFFICE OF THE CHARITY**

The full name of the charity is Goodenough College and its registered office and principal operating address is London House, Mecklenburgh Square, London WC1N 2AB

The charity was formed as a company limited by guarantee on 28 March 1930 registered company number 246919, charity number 312894 (England & Wales) SC039173 (Scotland)

**PATRON**

HER MAJESTY THE QUEEN

**THE ADVISORY COUNCIL (at 31 March 2011)**

**President**

The Rt Hon The Lord Fellowes, GCB GCVO QSO 7

**Elected Governors**

Alex Acland 8  
Abhisek Banerjee+  
David Brooks Wilson 5  
Andrew Brown, QC 3  
The Hon Justice Dennis Cowdroy  
Hugh Crossley 5  
Christian Von Drathen\*  
Robert Douglas+  
Sir Anthony Figgis, KCVO CMG+#  
Fabian French 4  
Lady (Mary Ellen Eugenie) Fretwell, OBE 7  
Sir Anthony Goodenough, KCMG  
Sir William Goodenough 2, 4 \*  
Jonathan Hirst, QC 5, 6, 7, 8  
Fiona Kirk 4  
Dr Tidu Maini  
Dame Judith Mayhew Jonas DBE  
Kathleen McCrone\*  
Charles McGregor 5

Mark Mullen +  
Suzy Neubert 1  
Asoka Obeyesekere 5 \*  
Christopher David Palmer-Tomkinson  
Oliver Pawle 2, 8  
Andrew Peake 6, 7  
John Robert Polk 6, 7, 8  
Hon Philip Remnant CBE 2, 6  
Martin Schwab  
Professor John Stopford+ (deceased August 2011)  
Eric Tracey 5  
Davina Jane Walter 6 +  
Graham Ward, CBE 2  
Professor Rene Weis 1 \*\*

**Emeritus Governors**

Sir Ashley Charles Gibbs Ponsonby, Bt, KCVO, MC (deceased June 2010)  
Sir Christopher Wates (elected April 2010)

*No Governor had any financial interest in the charity or any of the group companies*

\* appointed October 2010

\*\* appointed April 2011

+ retired October 2010

# current ex-officio Governor

- 1 Member of Academic Committee
- 2 Member of Audit Committee
- 3 Member of Burn 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

**GOODENOUGH COLLEGE**  
**TRUSTEES' REPORT (Continued)**  
**FOR THE YEAR ENDED 31 MARCH 2011**

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**THE ADVISORY COUNCIL (continued)**

The holders of these offices are shown as at 31 March 2011 (some changes have occurred since that date)

**Ex-Officio Governors**

The Vice-Chancellor of the University of Oxford	Professor Andrew D Hamilton
The Vice-Chancellor of the University of Cambridge	Sir Leszek Borysiewicz
The Vice-Chancellor of the University of London	Professor Geoffrey Crossick
The Principal of the University of Glasgow	Professor Anton Muscatelli
The President of the Royal College of Physicians	Sir Richard Thompson
The Chairman of the Bar Council	Peter Lodder QC
The President of the Institute of Chartered Accountants in England and Wales	Gerald Russell
The Director General of the British Council	Martin Davidson
The Royal Over-Seas League	Sir Anthony Figgis

**The Board (Directors and Trustees)**

Jonathan Hirst QC Chairman	Oliver Pawle
Andrew Brown	Hon Philip Remnant CBE
Fabian French	John Polk (vice Chairman)
Lady Fretwell, OBE (vice Chairman)	Martin Schwab (appointed June 2011)
Fiona Kirk	Eric Tracey
Charles McGregor	Graham Ward CBE
Christopher Palmer-Tomkinson	

**Staff**

Director	Andrew Ritchie, BA CBE
Dean of Students	Roger Llewellyn, MA (Cantab)
Director of Development	Mark Lewis
Director of Finance and Secretary	Paul Darnell, MA (Oxon), FCA
Registrar	Caroline Persaud
Manager, Goodenough Club	Vikki Smith
Bursar, The Burn	David Wood

**GOODENOUGH COLLEGE  
TRUSTEES' REPORT (Continued)  
FOR THE YEAR ENDED 31 MARCH 2011**

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**METHOD OF ELECTION OF GOVERNORS**

Unless and until otherwise determined by the College in General Meeting, the aggregate number at any one time of the Nominated Governors shall not be less than 20 nor more than 50 in number and shall at all times be at least one third more in number than the number of Ex-Officio Governors for the time being. Notice to propose any person for election as an Elected Governor shall be given in writing to the Secretary not less than five or more than 28 days before the meeting at which it is intended to propose him/her. Governors are initially identified by the Nominations Committee prior to election.

In accordance with the Articles of Association, the following elected Governors retire by rotation at the next Annual General Meeting and are eligible for re-election.

Dennis Cowdroy  
Tidu Maini  
Christopher Palmer-Tomkinson

Oliver Pawle  
John Polk  
Eric Tracey

Board members are selected by the Nominations Committee and formally elected by the Advisory Council at the Annual General Meeting.

**Auditors**

Crowe Clark Whitehill LLP  
St Bride's House  
10 Salisbury Square  
London EC4Y 8EH

**Bankers**

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

**Investment Managers**

Newton Investment Management  
160 Queen Victoria Street  
London  
EC4V 4LA

**Solicitors**

Cripps Harnes Hall  
Seymour House  
11-13 Mount Ephraim Road  
Tunbridge Wells TN1 1EG

**GOODENOUGH COLLEGE**  
**TRUSTEES' REPORT (Continued)**  
**FOR THE YEAR ENDED 31 MARCH 2011**

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**OBJECTS AND ACTIVITIES**

The College was founded in 1931 as a residential college for students from the 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 600 postgraduates from around 100 countries. The College organises, encourages and assists the education in England of students 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 vision of the College today is

- To provide a home for outstanding international postgraduate students and their families irrespective of background where mutual understanding and respect are fostered across a broad diversity of disciplines and cultures

And its main objectives are

- To promote and sustain a culture and environment that attracts and retains students of the highest calibre from as wide a geographic and academic base as possible
- To provide subsidised accommodation and a safe and friendly environment for College members
- To consistently improve the level of accommodation and support facilities
- To create an active community through a programme which stimulates the minds and expands the horizons of its members
- To educate students in the widest sense by attracting to the College leaders in fields of study represented by its members
- To enable members to build both social and professional networks which will be of value to them in their future lives
- To develop links with the local community and with suitable projects overseas
- To create effective external relations which promote the image and profile of the College
- To exploit partnerships and develop strategic alliances, particularly with Higher Education institutions, whilst maintaining the College's independence
- To achieve a position of long term financial stability having fully provided for the maintenance of the estate
- To provide a cost effective, efficient administrative infrastructure to support the core activities of the College
- To increase development activity in order to encourage more alumni and others to contribute financially and otherwise to the College

The College provides residential, study and recreational facilities. It also runs an extensive extracurricular programme, which includes a conference series aimed at examining subjects of international concern. Its membership includes Goodenough Fellows, who act as advisors to these conferences, and who have a more informal role as mentors and advisors to members.

The College serves all the academic and professional institutions in London. It maintains a balance between the broad faculties of medicine & natural sciences, law, business, political & social sciences and the arts.

It is the first option for scholars from a wide range of international schemes including Chevening, Fulbright, Commonwealth and Marshall.

In Scotland, The Burn House, a property donated to the College in 1947, is used in university term time by Scottish universities as a centre for reading parties and during holiday periods by residents of the College in London and others.

**GOODENOUGH COLLEGE**  
**TRUSTEES' REPORT (Continued)**  
**FOR THE YEAR ENDED 31 MARCH 2011**

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**CONSTITUTION**

At an EGM on 20 April 2004, the College governors passed a Special Resolution which represented the last step in a process by which the College had reviewed and amended its governance structure

The primary objective of the exercise was to resolve the position of those council members who had assumed responsibility and liability but, not being members of the executive body, were without the means to discharge the equivalent authority

The main features of the amended structure are

- (a) A Board of 10-15 Governors, drawn from the Advisory Council, who are legally and financially responsible for the management of College affairs. These are the College Trustees and the directors of the company
- (b) A broader College Advisory Council, comprising 20-50 elected and ex-officio Governors
- (c) The establishment of set tours of duty of 5 terms of 3 years for both bodies
- (d) Governors will retire at the end of their term of office in which they are 70 years old

At the meeting of the Advisory Council in October 2008, it was decided to allocate two places on the Council to College members and two to College alumni. It was also agreed that one of the two College members concerned should be co-opted to attend Board meetings

In 2011 it was agreed by Special Resolution that, in exceptional circumstances, the term of a Governor might be extended beyond 15 years to enable the individual to maintain a significant ongoing contribution to College life

The Trustees are satisfied that these governance processes enable the College to deal more effectively with the financial and administrative challenges facing all similar institutions in the 21st century

**INVESTMENT POWERS AND POLICIES**

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

The Trustees, in delegating their investment management, 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 will be set out in writing

The Trustees have determined that the main College portfolio be managed to produce a total real return of 4.5% over the long term. Reference will be made to a benchmark which comprises 25% Fixed Interest, 50% UK equities, 25% overseas equities, in accordance with the requirement to have the funds managed on a total return basis. Benchmarks and objectives will be subject to regular review. In particular, the real return target will be set on a rolling three year basis and reviewed annually at the September meeting of the Investment Committee

**GOODENOUGH COLLEGE**  
**TRUSTEES' REPORT (Continued)**  
**FOR THE YEAR ENDED 31 MARCH 2011**

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**INVESTMENT POWERS AND POLICIES (Continued)**

A discrete investment portfolio was established in 2008 to accommodate the funds earmarked for the refurbishment of the College estate. The portfolio comprises three elements with varying degrees of risk to match the anticipated cash flow requirements of the College refurbishment programme.

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.

**ANNUAL REVIEW**

Planning for the major refurbishment of the two core College buildings, London House (LH) and William Goodenough House (WGH), has been the key focus for governors, staff and members during the year. After wide consultation, the design team developed a detailed specification for WGH which formed the basis of a construction contract while negotiations with potential lenders produced an affordable funding package for the work.

Work began at WGH in August 2011 with the building planned to be ready for reoccupation by October 2012. In addition to the complete replacement of the services infrastructure, two extra floors of accommodation will be constructed in order to increase the College membership and generate additional income. It is anticipated that work will begin on site in LH in 2013 with the project being completed during 2014. This is by some way the most demanding and costly project undertaken by the College since the construction of WGH after the Second World War but the work is essential and long overdue. In addition to the significant improvement in the quality of facilities for members it will provide the platform for a financially sustainable College for the foreseeable future.

After comprehensive consultation a new Strategic Plan was confirmed by the Governors in October 2010. The Plan reinforces the College mission and objectives and provides a blueprint for College development over coming decades.

Excellent progress was made in respect of the College development initiative. The consultation over the Strategic Plan provided a springboard for improved communication with College alumni across the globe. Alumni involvement in both the 80<sup>th</sup> anniversary celebrations and the refurbishment project has reinforced those links. In late 2010 a first telephone fundraising campaign produced encouraging results and laid a platform for further projects.

The wide range of member-inspired activity was apparent throughout the year with the musical highlight being the performances of 'Hansel and Gretel' in the Great Hall. The tradition of cultural nights, port talks and sporting activity was upheld by a positive new generation of members. The College was delighted to host the significant 'Koenigswinter Conference' in September 2011 whilst the College conference on 'Ethical Trading' in October attracted a substantial international audience. It will be a challenge to maintain activity levels over the refurbishment period with a reduced membership and facilities but it is one to which our members will rise.

**FINANCIAL REVIEW**

The College generated a surplus before investment gains of £112k after expenditure on the refurbishment project of £899k which was funded by income from its ringfenced investment portfolio. £245k of this expenditure was capitalised since it will generate additional income streams for the College. Expenditure also included estates project costs of £264k in relation to the external works to London House and to the completion of works to the Goodenough Club and 15 Mecklenburgh Square.

The key features of the result for the year were:

- a. an increase in College 'activities' income (Note 4) from £4.1m to £4.2m despite this being the first full year of operation without income from Byron Court. Improvements to the generation of short stay visitor income contributed to this positive result.



**GOODENOUGH COLLEGE  
TRUSTEES' REPORT (Continued)  
FOR THE YEAR ENDED 31 MARCH 2011**

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**FINANCIAL REVIEW (Continued)**

- b 'House expenses' (note 5) reduced from £5.4m to £4.9m with the completion of the estates works noted above
- c The Goodenough Club (note 11) continued to make a significant contribution to College income with increased turnover of £1.952m (2010 £1.795m) and profit of £823k (2010 £652k)

Occupancy level targets were achieved for both College and Club

	Target	Actual
College occupancy	95%	95%
Club occupancy	80%	84%

The performance of both portfolios over the calendar year to 31 December 2010 was reviewed by the Investment Committee. The total return on the main College portfolio over the year was 13.8% (Burn 12.8%) against a benchmark of 13%. The refurbishment portfolio generated a return of 4% over the calendar year against a target of 3%. The College continued to be satisfied with the management of the portfolio. All investments bought during the year were acquired in accordance with the Trustees' powers.

Over the whole period of Newton management (1/4/02 to 31/12/10) the value of the portfolio has increased by 79.9% (Burn 70.5%) against a benchmark of 68.8%.

The values of the managed investment portfolios at 31 March 2011 were

College	£5,971,595 (2010 £5,698,106)
Burn	£1,500,844 (2010 £1,604,714)
Refurbishment	£14,385,635 (2010 £14,777,635)

**POST BALANCE SHEET EVENTS**

At a Board meeting on 27 June 2011 it was agreed that the College should enter into the following agreements in respect of the major refurbishment project:

- a A construction contract with Ardmore Ltd for £13.6m in respect of WGH
- b A loan agreement with Barclays Bank for £20m over a 30 year maturity term in respect of project funding
- c A hedging agreement with Barclays Capital for £18m to mitigate risk on the interest rates in the loan agreement

**PUBLIC BENEFIT**

The Trustees continue to give due regard to the public benefit provided by the College in relation to its charitable purposes and have given due consideration to guidance issued by the Charity Commission on this subject.

The College, through the fulfilment of its objectives, provides a wide public benefit. College members return to their home nations with a broadened perspective of the world and a much expanded knowledge of the cultures and politics of many parts of the globe. This contribution to international tolerance and understanding serves an even greater purpose in today's world of political and economic uncertainty.

**GOODENOUGH COLLEGE  
TRUSTEES' REPORT (Continued)  
FOR THE YEAR ENDED 31 MARCH 2011**

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**PUBLIC BENEFIT (Continued)**

Locally, all conferences and concerts are open to the public, usually at no cost. A growing number of "College Friends" attend such events, as do visitors using the Goodenough Club. The College is open to the public as part of the London Open House Weekend scheme and the gardens are open as part of London's Garden Squares scheme. A large number of organisations and individuals use the College's facilities for their own conferences and lectures.

The College actively participates in local initiatives through churches, community organisations and Camden Council and is always seeking new opportunities for the members of the College to get involved with the community at large.

The College-led development of the 'Bloomsbury Group', a network of local commercial and cultural bodies, has further reinforced the College's role in the community.

**THE FUTURE**

The next 4 years will be a period of disruption as both William Goodenough House and London House close for refurbishment, with the management of the member recruitment process being a key challenge.

Against this background the College looks to maintain progress in respect of a number of initiatives, including

- a the development of the design for the work on London House which is anticipated to begin in 2013
- b the introduction of an online student application system
- c the review of the Facilities Management contract
- d the refinement and implementation of a development strategy which will reinforce communication with College alumni

**RISK ASSESSMENT**

The College continued to refine the process by which it reviews, registers and mitigates those risks which may impact on any and every aspect of College life. The Risk Register is reviewed on a regular basis by officers throughout the College year and by the Audit Committee before presentation to the Board and the Advisory Council annually as part of the Strategic Policy document. In addition, the Board reviews a financial risk analysis on a quarterly basis.

There are a number of particular risks relating to the refurbishment project where significant delays would have an impact on member recruitment and income. Project management controls have been established to ensure that issues are identified and resolved at the earliest moment.

From an ongoing financial perspective the College is most immediately vulnerable in respect of the income generated by the Goodenough Club. In order to secure income levels, funds have been committed to ensure that the accommodation is maintained to a high standard whilst marketing policy is reviewed on a regular basis. However, the more fundamental risk to the College's financial stability would be the failure to maintain member application numbers.

The promotion of the College to educational institutions and scholarship bodies both within London and internationally has been given the highest priority in order to mitigate this risk. Application numbers are reviewed on a regular basis.

**GOODENOUGH COLLEGE**  
**TRUSTEES' REPORT (Continued)**  
**FOR THE YEAR ENDED 31 MARCH 2011**

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**RISK ASSESSMENT (continued)**

The College is in the process of preparing a detailed Disaster Contingency Plan which will be the subject of ongoing review

**RESERVES**

The Trustees have reviewed the College reserves policy. This review encompassed 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, which will be required during the current planning framework. The review concluded that to allow the College to be managed efficiently and to provide a buffer against interrupted services, general reserves in the range from £5m -£7m should be established and maintained.

This range is based on managing to sustain core College activity despite a fall in member income of 25% for 3 years (£3m) and 50% of Goodenough Club net revenue for 2 years (£750k). In addition, a minimum of £1m is considered necessary to deal with a major estate issue such as a failure of heating, plumbing or electrical services in either House.

At 31 March the College's general reserve was £5,118,736 (2010 £4,917,885). It is the College intention to increase the level of general reserves by £1m over the next decade. This objective takes into account an anticipated period of at least 5 years of significant disruption whilst the College buildings are refurbished.

The charity has a number of other designated and restricted funds which are represented by investments and fixed assets. The purpose of these funds is detailed in notes 15 and 16 in the financial statements. In addition the College has established a new designated reserve from the proceeds of the sale of Byron Court. This reserve will be used to implement a major refurbishment of College facilities and accommodation.

**STATEMENT OF TRUSTEES' RESPONSIBILITIES**

The Directors, as Trustees, are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards) and applicable law.

Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and group and of its net incoming resources for that period. In preparing these financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity and group will continue in business.

The Trustees are responsible for keeping 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 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.

**GOODENOUGH COLLEGE**  
**TRUSTEES' REPORT (Continued)**  
**FOR THE YEAR ENDED 31 MARCH 2011**

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**STATEMENT OF TRUSTEES' RESPONSIBILITIES (Continued)**

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the College website

Insofar as each of the Trustees of the charitable company at the date of approval of this report is aware, there is no relevant audit information (information needed by the charitable company's auditors in connection with preparing the audit report) of which the charitable company's auditors are unaware. Each Trustee has taken all of the steps that he/she should have taken as a trustee in order to make himself/herself aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

By order of the Trustees

P. D. U.  
PAUL DARNELL  
SECRETARY

20 September 2011

## **Independent Auditor's Report to the Members of Goodenough College**

We have audited the financial statements of Goodenough College for the year ended 31 March 2011 which comprise the Group Statement of Financial Activities, the Group and Company Balance Sheets, the Group Cash Flow Statement and the related notes numbered 1 to 20

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

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 section 44(1c) of 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 those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of trustees and auditor**

As explained more fully in the Statement of Trustees' Responsibilities, the trustees (who are also the directors of the charitable company for the purpose of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the Trustees' Annual Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### **Opinion on financial statements**

*In our opinion the financial statements*

- give a true and fair view of the state of the group's and the charitable company's affairs as at 31 March 2011 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and Regulation 8 of the Charities Accounts (Scotland) Regulations 2006.

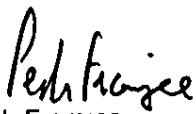
### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Trustees Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements

### **Matters on which we are required to report by exception**

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

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



Pesh Framjee

Senior Statutory Auditor

For and on behalf of

**Crowe Clark Whitehill LLP**

Statutory Auditor

St Bride's House

10 Salisbury Square

London

EC4Y 8EH

Date 29 November 2011

Crowe Clark Whitehill LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES**  
**(INCLUDING THE INCOME AND EXPENDITURE ACCOUNT)**  
**YEAR ENDED 31 MARCH 2011**

	Notes	Unrestricted funds	Restricted funds	Total funds 2011	Total funds 2010
		£	£	£	£
<b>INCOMING RESOURCES</b>					
<i>Incoming resources from generated funds</i>					
Donations		23,631	61,455	85,086	21,792
Investment income	2	678,062	64,087	742,149	685,256
Interest receivable	3	543,557	2,539	546,096	558,068
Activities for generating funds					
Conference facilities and Club Accommodation	11	1,951,633	-	1,951,633	1,794,773
		3,196,883	128,081	3,324,964	3,059,889
<i>Incoming revenues from charitable objectives</i>					
Gross income from College activities	4	4,220,284	240,001	4,460,285	4,306,181
<i>Incoming resources from operations</i>					
Profit on sale of property	9	7,417,167	368,082	7,785,249	7,366,070
		-	127,638	127,638	-
<b>Total Incoming Resources</b>		<b>7,417,167</b>	<b>495,720</b>	<b>7,912,887</b>	<b>7,366,070</b>
<b>RESOURCES EXPENDED</b>					
<i>Cost of generating funds</i>					
Conference facilities and Club Accommodation	11	968,676	-	968,676	981,862
Appeals and publicity		27,488	-	27,488	19,698
Investment managers' fees		30,312	129	30,441	27,492
		1,026,476	129	1,026,605	1,029,052
<i>Charitable activities</i>					
Bursaries and grants payable		28,563	2,470	31,033	39,521
Other expenditure for charitable purposes	5	6,197,895	399,269	6,597,164	7,536,598
<b>Governance costs</b>	6	<b>51,948</b>	<b>-</b>	<b>51,948</b>	<b>47,635</b>
<b>Total charitable activities</b>		<b>6,278,406</b>	<b>401,739</b>	<b>6,680,145</b>	<b>7,623,754</b>
<b>Total Resources Expended</b>		<b>7,304,882</b>	<b>401,868</b>	<b>7,706,750</b>	<b>8,652,806</b>
<b>Net incoming/(outgoing) resources from operations</b>	7	<b>112,285</b>	<b>(33,786)</b>	<b>78,499</b>	<b>(1,286,736)</b>
<b>Net incoming/(outgoing) resources after profit on property sale</b>		<b>112,285</b>	<b>93,852</b>	<b>206,137</b>	<b>(1,286,736)</b>
<i>Other recognised gains and losses</i>					
Net investment gains	10	50,483	50,847	101,330	2,239,156
<b>Net movement in funds</b>		<b>162,768</b>	<b>144,699</b>	<b>307,467</b>	<b>952,420</b>
<b>Total funds brought forward</b>		<b>33,210,304</b>	<b>1,931,850</b>	<b>35,142,154</b>	<b>34,189,734</b>
<b>Total funds carried forward</b>		<b>33,373,072</b>	<b>2,076,549</b>	<b>35,449,621</b>	<b>35,142,154</b>


All results derive from continuing operations. There are no other gains and losses and therefore no statement of total recognised gains and losses is prepared.

The profit for the year for Companies Act purposes comprises the net incoming resources for the year plus realised gains and losses in investments and was £78,499 (2010 outgoing resources £1,286,736)

**GOODENOUGH COLLEGE  
BALANCE SHEETS  
AS AT 31 MARCH 2011**

	Notes	Consolidated 2011 Total £	2010 Total £	Company 2011 Total £	2010 Total £
<b>FIXED ASSETS</b>					
Tangible assets for use by the charity					
Freehold halls of residence	9	6,793,880	6,554,198	6,793,880	6,554,198
Other freehold land and buildings	9	6,934,917	6,875,809	6,934,917	6,875,809
Fixtures, fittings, plant and equipment	9	406,889	432,414	406,889	432,414
		<u>14,135,686</u>	<u>13,862,421</u>	<u>14,135,686</u>	<u>13,862,421</u>
Investments	10	21,858,074	22,080,455	21,858,074	22,080,455
Investment in subsidiaries	11	-	-	250,002	250,002
		<u>35,993,760</u>	<u>35,942,876</u>	<u>36,243,762</u>	<u>36,192,878</u>
<b>CURRENT ASSETS</b>					
Stocks – consumables		29,659	18,681	29,659	18,681
Debtors	12	1,172,921	734,490	1,098,965	690,503
Cash at bank and in hand	13	5,426	208,078	5,426	208,078
		<u>1,208,006</u>	<u>961,249</u>	<u>1,134,050</u>	<u>917,262</u>
<b>CREDITORS amounts falling due within one year</b>	14	<u>(1,752,145)</u>	<u>(1,761,971)</u>	<u>(2,635,903)</u>	<u>(2,675,698)</u>
<b>NET CURRENT LIABILITIES</b>		<u>(544,139)</u>	<u>(800,722)</u>	<u>(1,501,853)</u>	<u>(1,758,436)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>35,449,621</u>	<u>35,142,154</u>	<u>34,741,909</u>	<u>34,434,442</u>
<b>FUNDS</b>					
Restricted funds	15	2,076,549	1,931,850	2,076,549	1,931,850
Unrestricted funds	16				
Designated reserves		28,254,336	28,292,419	28,254,336	28,292,419
General funds		5,118,736	4,917,885	4,411,024	4,210,173
		<u>33,373,072</u>	<u>33,210,304</u>	<u>32,665,360</u>	<u>32,502,592</u>
		<u>35,449,621</u>	<u>35,142,154</u>	<u>34,741,909</u>	<u>34,434,442</u>

These financial statements were approved and authorised for issue by the Trustees on 20 September 2011 and signed on their behalf

  
Jonathan Hind  
CHAIRMAN OF THE BOARD



**GOODENOUGH COLLEGE**  
**CONSOLIDATED CASH FLOW STATEMENT**  
**YEAR ENDED 31 MARCH 2011**

	Notes	2011 £	2010 £
Net cash outflow from operating activities	1	(1,149,421)	(1,870,201)
Returns on investment and servicing of finance	2	926,680	888,313
Capital expenditure and financial investment	3	(1,244,310)	800,093
Net cash outflow before use of liquid resources		(1,467,051)	(181,795)
Management of liquid resources	4	1,264,399	(777,034)
<b>Decrease in cash in the year</b>		<b>(202,652)</b>	<b>(958,829)</b>

**Reconciliation of net cash flow to movement in net funds (Note 5)**

	2011 £	2010 £
Decrease in cash	(202,652)	(958,829)
Cash from management of liquid resources	(1,264,399)	777,034
Change in net funds	(1,467,051)	(181,795)
Net funds at 31 March 2010	1,615,479	1,797,274
<b>Net funds at 31 March 2011</b>	<b>148,428</b>	<b>1,615,479</b>

**Notes to the cash flow statement**

**1 Reconciliation of net incoming /(outgoing) resources to net cash (outflow) from operating activities**

	2011 £	2010 £
Net incoming/(outgoing) resources	206,137	(1,286,736)
Investment income (excluding rent from property)	(380,584)	(330,245)
Interest receivable	(546,096)	(558,068)
Profit on disposal of tangible fixed assets	(127,638)	(38,472)
Depreciation – fixed assets	157,998	140,231
(Increase)/decrease in stock	(10,978)	7,942
(Increase)/decrease in debtors	(438,431)	42,010
(Decrease)/increase in creditors	(9,829)	153,137
<b>Net cash outflow from operating activities</b>	<b>(1,149,421)</b>	<b>(1,870,201)</b>

**GOODENOUGH COLLEGE**  
**CONSOLIDATED CASH FLOW STATEMENT (Continued)**  
**YEAR ENDED 31 MARCH 2011**

<b>2</b>	<b>Returns on investments and servicing of finance</b>		<b>2011</b>	<b>2010</b>
			<b>£</b>	<b>£</b>
	Investment income received (excluding rent from property)		<b>380,584</b>	<b>330,245</b>
	Interest received		<b>546,096</b>	<b>558,068</b>
	<b>Cash inflow from returns on investments and servicing of Finance</b>		<b>926,680</b>	<b>888,313</b>
<b>3</b>	<b>Capital expenditure and financial investment</b>			
	Purchase of tangible fixed assets		<b>(436,579)</b>	<b>(231,196)</b>
	Proceeds from sale of tangible fixed assets		<b>132,956</b>	<b>38,472</b>
	Purchase of fixed asset investments		<b>(9,446,533)</b>	<b>(10,256,857)</b>
	Proceeds from sale of fixed asset investments		<b>8,505,846</b>	<b>11,249,674</b>
	<b>Net cash (outflow)/inflow from capital expenditure and financial investment</b>		<b>(1,244,310)</b>	<b>800,093</b>
<b>4</b>	<b>Management of liquid resources</b>			
	(Decrease)/increase in short term deposits		<b>(1,264,399)</b>	<b>777,034</b>
	<b>Net cash (outflow)/inflow from management of liquid resources</b>		<b>(1,264,399)</b>	<b>777,034</b>
<b>5</b>	<b>Analysis of change in net funds</b>	<b>2010</b>	<b>Cash flows</b>	<b>2011</b>
		<b>£</b>	<b>£</b>	<b>£</b>
	Cash	<b>208,078</b>	<b>(202,652)</b>	<b>5,426</b>
	Short term deposits	<b>1,407,401</b>	<b>(1,264,399)</b>	<b>143,002</b>
	<b>Total</b>	<b>1,615,479</b>	<b>(1,467,051)</b>	<b>148,428</b>

**GOODENOUGH COLLEGE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 MARCH 2011**

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**1 ACCOUNTING POLICIES**

The financial statements are prepared in accordance with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 and they comply with applicable accounting standards. They also comply with the Statement of Recommended Practice on Accounting and Reporting by Charities (SORP 2005). The particular accounting policies adopted by the Trustees are described below.

**Going concern**

After making enquiries, the trustees have a reasonable explanation that the charity has adequate resources to continue its activities for the foreseeable future. Accordingly they continue to adopt the going concern basis in preparing the financial statements as outlined in the Statement of Trustees responsibilities on page 9.

**Accounting convention**

The financial statements are prepared under the historical cost convention as modified by the revaluation of investments and certain properties.

**Basis of consolidation**

The consolidated financial statements of the group incorporate the accounts of the company and its subsidiary undertakings, Mecklenburgh Health and Fitness Limited and Goodenough Enterprises Limited.

**Incoming resources**

All income is recognised in the statement of financial activities when the conditions for receipt have been met, that there is reasonable assurance of receipt and that the amount can be quantified with reasonable accuracy. Investment income is accounted for when receivable and includes the related tax recoverable.

**Allocation of costs**

The company's operating costs include staff costs, maintenance, catering and other related costs. Such costs are allocated between charitable activities, appeals and publicity, and governance costs. Staff costs are allocated according to the costs of staff working directly in the relevant departments. Other costs are allocated to the property or activity involved.

**Resources expended**

*Appeals and publicity*

Appeals and publicity costs represent expenditure in relation to fund-raising and publicity costs.

*Bursaries and grants payable*

Bursaries and grants payable are accounted for when the Trustees have created an obligation to make the grant to individuals.

*Other expenditure for charitable purposes*

Other expenditure for charitable purposes comprises the costs of providing the accommodation and activities undertaken by the College and is accounted for when incurred.

**Governance costs**

Governance costs represent expenditure incurred in general management, trustee related costs, audit costs and legal fees.

**GOODENOUGH COLLEGE**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**YEAR ENDED 31 MARCH 2011**

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**1. ACCOUNTING POLICIES (Continued)**

**Fund accounting**

The College maintains various types of funds as follows

*Restricted funds*

*Restricted funds* include donations received which were allocated by the donor for the upkeep of The Burn, a Scottish holiday and study centre for students and graduates. In addition other donations which are earmarked for particular purposes are treated as restricted funds

*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 tangible fixed assets, excluding those of The Burn, which are restricted

*College refurbishment reserve* has been established to fund a major refurbishment of the main College Houses and the improvement of the facilities therein

*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 both working capital and capital investment

**Tangible fixed assets**

Freehold properties are stated in the balance sheet at cost or valuation. Freehold properties are not depreciated. This is because they are maintained in such a condition that the value taken as a whole is not impaired by the passage of time. The Trustees are of the opinion that their residual value is such that any depreciation is negligible and that they are worth at least their book value

Replacement furniture is charged to revenue as refurbishment. The boilers are depreciated over seven years on a straight line basis and the telephone system is depreciated over 10 years on a straight line basis. Computers are depreciated over four years and vehicles over 5 years, both on a straight line basis. Other fixtures and fittings, plant and equipment are written off over 4 years, on a straight line basis

**Investments**

Investments are stated at market value, except for the investment in the subsidiary undertakings which is shown at cost less provision for any impairment in value

Current asset investments and short term deposits in total are stated at the lower of cost and market value

**Stocks**

Stocks are stated at the lower of cost and net realisable value

**Operating Leases**

Rental costs under operating leases are charged to the Statement of Financial Activities in equal amounts over the period of the lease

**GOODENOUGH COLLEGE**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED 31 MARCH 2011**

**2. INVESTMENT INCOME**

	2011 £	2010 £
<b>College</b>		
Income from UK listed investments	293,082	236,841
Income from overseas listed investments	23,416	25,050
Rent from property	<u>361,564</u>	<u>355,011</u>
	<u>678,062</u>	<u>616,902</u>
<b>The Burn</b>		
Income from UK listed investments	51,270	54,684
Income from overseas listed investments	<u>12,817</u>	<u>13,670</u>
	<u>64,087</u>	<u>68,354</u>
<b>Total investment income</b>	<u>742,149</u>	<u>685,256</u>

**3 INTEREST RECEIVABLE**

<b>College</b>		
Bank deposit interest	-	883
Other interest - short term deposits	<u>546,027</u>	<u>557,127</u>
	<u>546,027</u>	<u>558,010</u>
<b>The Burn</b>		
Other interest - short term deposits	<u>69</u>	<u>58</u>
	<u>69</u>	<u>58</u>
<b>Total interest receivable</b>	<u>546,096</u>	<u>558,068</u>

**4. GROSS INCOME FROM COLLEGE ACTIVITIES**

<b>College</b>		
Gross house income	<u>4,220,284</u>	<u>4,104,526</u>
<b>The Burn</b>		
Burn income	<u>240,001</u>	<u>201,655</u>
<b>Total gross income from College activities</b>	<u>4,460,285</u>	<u>4,306,181</u>

**GOODENOUGH COLLEGE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 MARCH 2011**

**5 OTHER EXPENDITURE FOR CHARITABLE PURPOSES**

	2011 £	2010 £
<b>College</b>		
House expenses	4,605,569	5,422,353
Property expenses	-	8,920
Depreciation		
Halls' fixed assets	156,774	139,007
Administration salaries and wages	848,913	935,082
Other	586,639	668,100
	<u>6,197,895</u>	<u>7,173,462</u>
<b>The Burn</b>		
Burn house expenses		
– depreciation	1,224	1,224
– other	342,411	307,788
– College salaries	55,634	54,124
	<u>399,269</u>	<u>363,136</u>
<b>Total other expenditure for charitable purposes</b>	<u>6,597,164</u>	<u>7,536,598</u>
<b>Support Costs</b>		
College expenditure includes support costs of		
Administrative Staff (allocated on time basis)	483,345	515,338
IT costs (allocated on usage basis)	95,000	107,000
	<u>578,345</u>	<u>622,338</u>
<b>Total</b>		

**6 GOVERNANCE COSTS**

	Unrestricted funds £	Restricted funds £	Total 2011 £	Total 2010 £
Professional fees and salaries	40,816	-	40,816	33,150
Staff related costs	11,132	-	11,132	14,485
	<u>51,948</u>	<u>-</u>	<u>51,948</u>	<u>47,635</u>
<b>Support costs</b>				
Governance expenditure includes				
support costs				
Administrative staff (time basis)	6,000	-	6,000	6,000

**GOODENOUGH COLLEGE**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED 31 MARCH 2011**

<b>7. NET INCOMING RESOURCES</b>	<b>2011</b>	<b>2010</b>
	<b>£</b>	<b>£</b>
Net incoming resources for the year are stated after charging		
Fees payable to the company's auditors		
For the audit of the company's annual accounts	<b>30,000</b>	29,500
Non-audit fees for the provision of tax services	<b>2,500</b>	2,500
	<b><u>32,500</u></b>	<b><u>32,000</u></b>
Depreciation of tangible fixed assets		
Owned assets	<b><u>157,998</u></b>	<b><u>140,231</u></b>

The fee payable for the company's audit includes £2,000 for the statutory audit of the subsidiary, Mecklenburgh Heath and Fitness Limited

<b>8 INFORMATION REGARDING EMPLOYEES AND TRUSTEES</b>	<b>2011</b>	<b>2010</b>
	<b>No</b>	<b>No.</b>
Average number of employees (full time equivalent) during the year		
House	<b>49</b>	47
Administration	<b>16</b>	16
	<b><u>65</u></b>	<b><u>63</u></b>
	<b>£</b>	<b>£</b>
Staff costs comprise		
Wages and salaries	<b>1,776,438</b>	1,742,568
Social security costs	<b>174,448</b>	163,713
	<b><u>1,950,886</u></b>	<b><u>1,906,281</u></b>
The number of senior staff paid over £60,000 during the year (salary plus taxable benefits excluding pension contributions) was	<b>No.</b>	<b>No</b>
£ 70,001 - £ 80,000	<b>1</b>	2
£100,001 - £110,000	<b><u>1</u></b>	<b><u>1</u></b>

During the year one trustee resigned as a trustee and as a director in order to take up a paid consultancy role with the College as Major Project Director. Permission for this was obtained from the Chantry Commissioners. Fees and expenses of £44,144 were paid to the former trustee in the year to 31 March 2011.

No other trustee or person related or connected by business to them, has received any remuneration from the company during the year. During the year, one trustee received expense payments totalling £420 (2010: four trustees, £2,620). These represented reimbursed travelling expenses.

**GOODENOUGH COLLEGE**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED 31 MARCH 2011**

**9 TANGIBLE FIXED ASSETS FOR USE BY THE CHARITY**

Freehold properties	Consolidated and company		
	College	The Burn	Total
	£	£	£
<b>Halls of residence</b>			
Freehold land and buildings at cost			
At 1 April 2010	6,209,009	345,189	6,554,198
Additions	245,000	-	245,000
Disposal	-	(5,318)	(5,318)
At 31 March 2011	<u>6,454,009</u>	<u>339,871</u>	<u>6,793,880</u>

In March 2011 a cottage on the perimeter of the Burn estate was sold for £132,956 in order to fund the refurbishment of the Burn House

Other freehold land and buildings – properties shown at valuation plus subsequent cost			
	£	£	£
Value included in balance sheet			
At 1 April 2010	6,875,809	-	6,875,809
Additions	59,108	-	59,108
At 31 March 2011	<u>6,934,917</u>	<u>-</u>	<u>6,934,917</u>
Original value on acquisition	<u>6,378,902</u>	<u>-</u>	<u>6,378,902</u>

The valuation was made on an open market basis by the Finance and General Purposes Committee in 1982 after taking advice from independent qualified valuers. The transitional rules applying on the adoption of Financial Reporting Standard 15 have been applied and these values have not been updated.

**Fixtures, fittings, plant and equipment**

	Consolidated and Company		
	College	The Burn	Total
	£	£	£
<b>Cost</b>			
At 1 April 2010	2,947,213	52,521	2,999,734
Additions	132,472	-	132,472
At 31 March 2011	<u>3,079,685</u>	<u>52,521</u>	<u>3,132,206</u>
<b>Depreciation</b>			
At 1 April 2010	2,517,246	50,073	2,567,319
Charge for the year	156,774	1,224	157,998
At 31 March 2011	<u>2,674,020</u>	<u>51,297</u>	<u>2,725,317</u>
<b>Net book value</b>			
At 31 March 2011	<u>405,665</u>	<u>1,224</u>	<u>406,889</u>
At 31 March 2010	<u>429,966</u>	<u>2,448</u>	<u>432,414</u>

The net book value of fixtures, fittings plant and equipment of £406,889 (2010 £432,414) includes no amount (2010 Nil) in respect of assets held under finance leases and hire purchase contracts.



**GOODENOUGH COLLEGE**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED 31 MARCH 2011**

<b>10 INVESTMENTS HELD AS FIXED ASSETS</b>	<b>Consolidated and company</b>	
	<b>2011</b>	<b>2010</b>
	<b>£</b>	<b>£</b>
<b>Listed investments</b>		
Market value at 1 April 2010	20,673,054	19,426,712
Additions at cost	9,446,534	10,256,857
Disposal proceeds	(8,505,846)	(11,249,674)
Net investment gains	<u>101,330</u>	<u>2,239,159</u>
<b>Market value at 31 March 2011</b>	<u><b>21,715,072</b></u>	<u><b>20,673,054</b></u>
<b>Listed investments comprise the following</b>		
Investments listed on a recognised stock exchange –		
Equities	8,419,449	9,211,048
Investments listed on a recognised stock exchange – bonds	8,929,768	11,462,006
Cash and fixed deposits	<u>4,365,855</u>	<u>-</u>
<b>Market value at 31 March 2011</b>	<u><b>21,715,072</b></u>	<u><b>20,673,054</b></u>
<b>Being at market value</b>		
Investment assets in the United Kingdom	20,031,693	19,512,644
Investment assets outside the United Kingdom	<u>1,683,379</u>	<u>1,160,410</u>
	<u><b>21,715,072</b></u>	<u><b>20,673,054</b></u>
<b>Cost at 31 March 2011</b>	<u><b>20,494,647</b></u>	<u><b>19,574,158</b></u>
Listed Investments (market value)	21,715,072	20,673,054
Short term deposits	<u>143,002</u>	<u>1,407,401</u>
<b>Total Investments at 31 March 2011</b>	<u><b>21,858,074</b></u>	<u><b>22,080,455</b></u>

**11. INVESTMENT IN SUBSIDIARIES**

The College owns 100% of the issued capital of the following trading companies, both of which are registered in England and Wales, and gift aid all taxable profits to the College

<b>Subsidiary undertaking</b>	<b>Principal activity</b>	<b>Company investment at cost</b>
		<b>£</b>
Mecklenburgh Health and Fitness Limited (MHFL)	Provision of conference facilities and Club accommodation	250,000
Goodenough Enterprises Limited Dormant	Dormant	<u>2</u>
		<u><b>250,002</b></u>

**GOODENOUGH COLLEGE**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED 31 MARCH 2011**

**11 INVESTMENT IN SUBSIDIARIES (Continued)**

The results of MHFL are shown below. These have been consolidated on a line by line basis in the consolidated statement of financial activities.

	2011 £	2010 £
Turnover	1,951,633	1,794,773
Cost of sales	<u>(1,128,676)</u>	<u>(1,141,862)</u>
Gross Profit	<u>822,957</u>	<u>652,911</u>
Amount gift aided to the College	<u>(822,957)</u>	<u>(652,911)</u>

All turnover relates to continuing operations.

**12. DEBTORS**

	Consolidated		Company	
	2011 £	2010 £	2011 £	2010 £
Trade debtors	773,182	521,369	699,226	477,382
Other debtors	259,882	91,321	259,882	91,321
Prepayments and accrued income	<u>139,857</u>	<u>121,800</u>	<u>139,857</u>	<u>121,800</u>
	<u>1,172,921</u>	<u>734,490</u>	<u>1,098,965</u>	<u>690,503</u>

**13 CASH BALANCES**

The cash balances of the College have reduced by £202,652 to £5,426 (2010 Decrease of £958,829)

**GOODENOUGH COLLEGE**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED 31 MARCH 2011**

**14 CREDITORS amounts falling due within one year**

	<b>Consolidated</b>		<b>Company</b>	
	<b>2011</b>	<b>2010</b>	<b>2011</b>	<b>2010</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Trade creditors	1,244,426	1,473,647	1,157,376	1,409,742
Amounts due to subsidiary undertaking	-	-	1,010,527	987,896
Other creditors including taxation and social security	170,497	170,117	162,599	162,877
Accruals	337,222	118,207	305,401	115,183
	<u>1,752,145</u>	<u>1,761,971</u>	<u>2,635,903</u>	<u>2,675,698</u>
Other creditors includes the following				
Taxation and social security balances	<u>52,794</u>	<u>52,763</u>	<u>44,851</u>	<u>45,523</u>

**15 MOVEMENT IN RESTRICTED FUNDS**

	<b>Balance</b>		<b>Consolidated and</b>	<b>Balance</b>
	<b>1 April</b>	<b>Income</b>	<b>Company</b>	<b>31 March</b>
	<b>2010</b>		<b>Expenditure</b>	<b>2011</b>
	<b>£</b>	<b>£</b>	<b>gains and</b>	<b>£</b>
			<b>Losses</b>	
			<b>£</b>	
The Burn	1,847,201	305,907	(225,484)	1,927,624
Bursaries	84,649	42,470	2,101	129,220
Specific donations	-	19,705	-	19,705
	<u>1,931,850</u>	<u>368,082</u>	<u>(223,383)</u>	<u>2,076,549</u>

**The Burn**

Expenditure within restricted funds includes amounts paid towards the running and upkeep of The Burn. The funds are represented by fixed asset and current asset investments. Income from the investments held by these funds and other income relating to The Burn is brought into the statement of financial activities as restricted income.

**Bursaries**

These funds arise from donations made for the specific purpose of providing bursaries to members, the recipients and amounts of bursaries are determined by a Bursary Committee which ensures that any specific conditions are met.

**Specific donations**

Specific donations relate to amounts received to support specific aspects of College activity and facilities.

**GOODENOUGH COLLEGE**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED 31 MARCH 2011**

**16. MOVEMENT IN UNRESTRICTED FUNDS**

Unrestricted funds comprise the following

	Balance 1 April 2010 £	Transfers £	Income £	Consolidated Expenditure gains and losses £	Balance 31 March 2011 £
<b>Designated reserves</b>					
Tangible fixed asset reserve	13,514,784	279,807	-	-	13,794,591
College refurbishment reserve	14,777,635	(800,000)	662,229	(254,230)	14,385,634
Club capital reserve	-	100,000	-	(25,889)	74,111
<b>Total designated reserves</b>	<b>28,292,419</b>	<b>(420,193)</b>	<b>662,229</b>	<b>(280,119)</b>	<b>28,254,336</b>
General funds of the charitable company	4,210,173	420,193	6,754,938	(6,974,280)	4,411,024
<b>Total unrestricted funds of the charitable company</b>	<b>32,502,592</b>	<b>-</b>	<b>7,417,167</b>	<b>(7,254,399)</b>	<b>32,665,360</b>
General funds of the subsidiary	707,712	-	-	-	707,712
<b>Total consolidated unrestricted funds</b>	<b>33,210,304</b>	<b>-</b>	<b>7,417,167</b>	<b>(7,254,399)</b>	<b>33,373,072</b>

**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 tangible fixed assets, excluding those of The Burn, which are restricted

*College refurbishment reserve* has been established to fund a major refurbishment of the main College Houses and the improvement of the facilities therein

*Club capital reserve* has been established to fund the maintenance and replacement of capital items £100k is set aside from Club surpluses annually for this purpose

**General funds** represent funds which are expendable at the discretion of the Trustees in the furtherance of the objects of the charitable company. Such funds may be held in order to finance both working capital and capital investment

**GOODENOUGH COLLEGE**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED 31 MARCH 2011**

**17 ANALYSIS OF ASSETS AND LIABILITIES BETWEEN FUNDS**

	Restricted funds	Unrestricted funds		Consolidated Total
	£	Designated reserves	General funds	£
	£	£	£	£
<b>Fixed assets</b>				
Tangible fixed assets	341,095	13,794,591	-	<b>14,135,686</b>
Investments	1,559,025	14,459,745	5,839,304	<b>21,858,074</b>
<b>Current assets</b>				
Other current assets	215,876	-	986,704	<b>1,202,580</b>
Cash at bank and in hand	4,363	-	1,063	<b>5,426</b>
Current liabilities	(43,810)	-	(1,708,335)	<b>(1,752,145)</b>
	<u>2,076,549</u>	<u>28,254,336</u>	<u>5,118,736</u>	<u><b>35,449,621</b></u>

Further details of the analysis between each material fund are provided in notes 15 and 16 above

**18 TAXATION**

Goodenough College has charitable status and as such is exempt from taxation of its income and gains to the extent that they are applied to its charitable objectives. No tax charge has arisen in the year (2010 £nil).

No tax arises with respect to the subsidiary company MHFL due to this company's policy of gifting all taxable profits to Goodenough College each year.

**19 MEMBERS**

The charity is incorporated as a company limited by guarantee having no share capital and, 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 2011 there were 12 members (2010 12 members).

**20. LEASING COMMITMENTS**

At 31 March 2011 the charitable company had the following annual commitments under non-cancellable operating leases:

Equipment	2011	2010
	£	£
Operating leases which expire		
Between two and five years	<u>9,958</u>	<u>-</u>