

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

**GOODENOUGH COLLEGE
A COMPANY LIMITED BY GUARANTEE
REPORT AND FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2013**

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**GOODENOUGH COLLEGE
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2013**

Contents	Page
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 2013

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

President

The Rt Hon The Lord Fellowes, GCB GCVO QSO 7

Elected Governors

Alex Acland 2, 8

David Brooks Wilson

Andrew Brown QC 3

The Hon Justice Dennis Cowdroy

Hugh Crossley 5

Alessandro Fiorotto 4

Fabian French 4

Sir William Goodenough 2, 4

Eric Tracey 5

Jonathan Hirst QC 5, 6, 7, 8

Gordon Inggs 5

Constance Jackson 4, 6

Fiona Kirk 4

Dr Tidu Maini

Dame Judith Mayhew Jonas DBE

Professor Kathleen McCrone

Charles McGregor 5

Arun Nagwaney 4

Suzy Neubert 1

Christopher David Palmer-Tomkinson

Oliver Pawle 8

John Robert Polk 6, 7, 8

Hon Philip Remnant CBE 2, 6

Javier Sajuria

Martin Schwab

Graham Ward CBE 2, 7

Professor Rene Weis 1, 7

Emeritus Governors

Sir Christopher Wates

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

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 2013

THE ADVISORY COUNCIL (continued)

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 Sir Adrian Smith
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	Maura McGowan QC
The President of the Institute of Chartered Accountants in England and Wales	Mark Spofforth
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)	John Polk (Vice Chairman)
Andrew Brown QC	Hon Philip Remnant CBE
Fabian French	Martin Schwab
Fiona Kirk	Eric Tracey
Charles McGregor	Graham Ward CBE
Suzy Neubert	
Christopher Palmer-Tomkinson	

There were no changes to the Board throughout the year

Staff

Director	Andrew Ritchie, CBE
Dean of Students	Roger Llewellyn
Director of Development	Mark Lewis
Director of Finance and Company Secretary	Colin Bailey (from January 2013)
Registrar	Caroline Persaud
Manager, Goodenough Club	Victoria Wilson-Smith
Bursar, The Burn	David Turner OBE

Staff who left in the year

Paul Darnell Finance Director (to July 2012)
Garry Hirth Interim Finance Director (from July 2012 to January 2013)

GOODENOUGH COLLEGE
TRUSTEES' REPORT (Continued)
FOR THE YEAR ENDED 31 MARCH 2013

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.

David Brookes Wilson
Fiona Kirk
Charles McGregor
Graham Ward

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

PROFESSIONAL ADVISORS

Auditors

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

Investment Managers

Rathbones
1 Curzon Street
London
W1J 5FB

Bankers

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

Solicitors

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

GOODENOUGH COLLEGE
TRUSTEES' REPORT (Continued)
FOR THE YEAR ENDED 31 MARCH 2013

OBJECTS AND ACTIVITIES

The College was founded in 1931 as a residential college 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 around 700 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 and,
- To increase development activity in order to encourage more alumni and others to contribute financially and otherwise to the College

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.

SCOTLAND

The Burn (a property donated to the College in 1947) is used by members of the College for educational and recreational activities. In addition the Burn is used by many of the Scottish universities as a centre for reading parties, study groups and for educational events and seminars.

GOODENOUGH COLLEGE
TRUSTEES' REPORT (Continued)
FOR THE YEAR ENDED 31 MARCH 2013

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 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,
- A broader College Advisory Council, comprising 20 - 50 elected and ex-officio Governors,
- The establishment of set terms of duty of 5 terms of 3 years for both bodies and,
- Governors to 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 modern environment

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

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 return of RPI% plus 4% over a three year rolling period

GOODENOUGH COLLEGE
TRUSTEES' REPORT (Continued)
FOR THE YEAR ENDED 31 MARCH 2013

INVESTMENT POWERS AND POLICIES (Continued)

The discrete investment portfolio which was established in 2008 to accommodate the funds earmarked for the refurbishment of the College estate closed in 2012 following the application of those funds to the first phase of the College refurbishment

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

The main focus for the Trustees during the year was the refurbishment of the two core College buildings. There were two aspects to this major project

- Completion of the building contract at William Goodenough House (WGH) and,
- Planning for the refurbishment of London House (LH)

Work began at WGH in August 2011 and was completed in September 2012 ready for re-occupation ahead of the new academic year. The work was completed within budget. Now re-opened, in addition to completely refurbished rooms and flats, WGH offers an extra 75 rooms with en-suite facilities provided for the first time in single rooms. Applications for accommodation to WGH were over-subscribed and the refurbished accommodation has improved both the life of the College as well as the living environment for students at the College.

The planning for the closure and refurbishment of LH from the summer of 2013 is progressing well. The design team have developed a specification which restores the services infrastructure and accommodation in LH within a strict budgetary framework. The College signed a contract in April 2013 with Ardmore Construction Ltd (the contractors for WGH) for the main works in LH. The College is also exploring options for further works to LH outside the scope of this core package. The closure of LH will have a more significant impact on College life than that of WGH since it is home to the catering facilities and the majority of communal space for activities. Managing these logistical risks will be a critical element in the planning exercise.

Further progress was made in respect of the College development initiative. Another successful telephone fundraising campaign built on the excellent momentum generated by the 80th anniversary celebrations. A Director's Tour of Australasia, India and other Asian countries in April and May 2012 further reinforced the ever-stronger links with the global alumni community and promoted the College to a wide audience of potential applicants. In addition a number of generous donations and grants were received particularly in connection with the refurbishment project.

The College membership has increased to over 700 (including families) as a consequence of the re-opening of WGH further reinforcing the scale and vibrancy of College life. The traditional variety of cultural nights, port talks and sporting activities has continued throughout the year despite the closure of WGH for the first half of the period.

FINANCIAL REVIEW

The College generated a loss from operations of £2,112K which is after expenditure on the refurbishment project and other projects of £2,120K. A further £7,187K of refurbishment expenditure incurred in the year was also capitalised. The key features were

- College 'activities' income (Note 5) rose from £3,059K to £4,283K mainly as a consequence of the re-opening of WGH after refurbishment and,
- Accommodation expenses (Note 6) increased from £2,966K to £3,744K again largely with the re-opening of WGH and occupancy rates of 98% were achieved against a target of 95%.

GOODENOUGH COLLEGE
TRUSTEES' REPORT (Continued)
FOR THE YEAR ENDED 31 MARCH 2013

FINANCIAL REVIEW (Continued)

Mecklenburgh Fitness and Health Limited (Goodenough Club) (Note 13) is a wholly owned subsidiary of the College. The Club's significant activities relate to the provision of accommodation for alumni, members families and other guests in accommodation in Mecklenburgh Square. The property that the Club operates in belongs to the College. In the year ended 31 March 2013 the Club had a turnover of £2,074K with a Cost of Sales of £974K generating a gross profit of £1,100K. The Club achieved occupancy of 83% against a target of 80%. The Club's profits are gift aided to the College. The Club's financial objectives are to optimise gross profit in order to optimise the profits gift aided to the College. Prices for the Club are set annually with this objective in mind and with the prevailing market and economic environment factored in. The Club has limited exposure to liquidity or cash flow risks and given the nature of guests had limited risk exposure to credit risk.

The College holds two investment portfolios – the main College portfolio and a portfolio for the Burn. Performance of both investment portfolios was reviewed by the Investment Committee. The total return on the main College portfolio over the year was 9% and the Burn 8% against a benchmark of 7%. 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.

The management of the portfolios was transferred to Rathbones in December 2012.

The values of the managed investment portfolios at 31 March 2013 (including short terms deposits) were

College	£6,384,417	(2012 £5,719,805)
Burn	£1,547,896	(2012 £1,543,644)

PUBLIC BENEFIT

The Trustees continue to give proper 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.

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/outreach 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.

GOODENOUGH COLLEGE
TRUSTEES' REPORT (Continued)
FOR THE YEAR ENDED 31 MARCH 2013

THE FUTURE

In the immediate future, the College faces an exciting period as it deals with the opportunities and the challenges of the continuing refurbishment of the College estate. These include in the near term a period of disruption as staff and members decant to William Goodenough House whilst London House closes for refurbishment, the continuance of College life and activities whilst the principal social areas in the College are unavailable and then the re-opening of London House and recruitment of members back to full strength and the restoration of the full life of the College.

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

- The finalisation of the design for the work on London House and hand over to the contractor,
- The review of the College's Facilities Management contract,
- The on-going refinement and implementation of a development strategy which will reinforce communication with College alumni and,
- The on-going development of the College IT strategy and infrastructure

RISK ASSESSMENT

The College continued to improve the process by which it reviews, registers and mitigates those risks which may impact on College life and operations. Risks are reviewed by senior staff throughout the College year and 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. These include applying the lessons learned from Phase 1 of the re-development.

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 ensuring a proactive marketing policy is successfully applied. However, the more fundamental risk to the College's financial stability would be the failure to maintain member application numbers. The evidence from the re-opening of WGH is that the risk was mitigated successfully – this approach will need to be followed through in 2014 to handle the equivalent risk on the re-opening of LH.

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 also help mitigate this risk. Application numbers are reviewed on a regular basis.

GOODENOUGH COLLEGE
TRUSTEES' REPORT (Continued)
FOR THE YEAR ENDED 31 MARCH 2013

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 in the longer term.

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

At 31 March 2013 the College's general funds were £4,674K (2012 restated £8,218K). It is the College's intention to increase the level of reserves over the longer term to take into account the need for refurbishments in the future.

The College trustees have established a designated Capital Replacement Reserve. This Reserve has been introduced to provide for the planned refurbishment of the estate and the replacement of major assets over the 50 years. A detailed exercise based on the specifications for the refurbishment project has demonstrated that the College must set aside £50m over that period in order to meet such expenditure. In addition further sums will be set aside for a complete closure and major refurbishment beyond that 50 year horizon. Cash assets will be built up to match these reserves after the College completes the current refurbishment project and operating surpluses become available.

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 16 and 17 in the financial statements. A Fixed Asset Revaluation Reserve holds the difference between the historical cost of the Fixed Assets and the Valuation given in Note 10. For this report and these financial statements, the College undertook a major revaluation of all its properties. This brought the property valuations up to date and re-classified the properties to better align with the SORP.

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.

Under company law the Trustees must not approve the financial statements unless they are satisfied that they are a true and fair view of the state of affairs of the company and of the incoming and application of resources, including its income and expenditure, of the charitable company for that period.

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

GOODENOUGH COLLEGE
TRUSTEES' REPORT (Continued)
FOR THE YEAR ENDED 31 MARCH 2013

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

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


Jonathan Hirst QC
Chairman on the Board of Goodenough College

Date. 17th September 2013

GOODENOUGH COLLEGE
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS & TRUSTEES OF GOODENOUGH
COLLEGE
FOR THE YEAR ENDED 31 MARCH 2013

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

We have audited the financial statements of Goodenough College for the year ended 31 March 2013 which comprise the Group Statement of Financial Activities, the Group Summary Income and Expenditure Account, the Group and Parent Charitable Company Balance Sheets, the Group Cash Flow Statement and the related notes. 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 charity's trustees and members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and the Charities and Trustee Investment (Scotland) Act 2005. Our audit work has been undertaken so that we might state to the charity's trustees and 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 charity and the charity's trustees and 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 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.

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 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

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

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 parent charitable company's affairs as at 31 March 2013 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 regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

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.

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

FOR THE YEAR ENDED 31 MARCH 2013

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 and 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 proper and adequate accounting records 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 or 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



Don Bawtree
Senior Statutory Auditor
for and on behalf of BDO LLP, Statutory Auditor
Gatwick
United Kingdom
Date: 17th September 2013

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

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

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(INCLUDING THE INCOME AND EXPENDITURE ACCOUNT)
YEAR ENDED 31 MARCH 2013

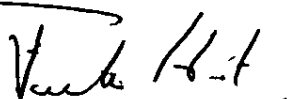
	Notes	Unrestricted Funds	Restricted Funds	Total Funds 2013	Total Funds 2012 (Restated)
INCOMING RESOURCES					
Incoming Resources from generated funds		£	£	£	£
Donations	2	947,200	198,036	1,145,236	336,620
Investment Income and Interest receivable	3 & 4	670,171	74,117	744,288	1,085,020
Activities for generating funds					
Conference facilities & Club Accommodation	13	2,074,645	-	2,074,645	2,053,309
		3,692,016	272,154	3,964,170	3,474,949
Incoming Resources from Charitable Activities					
Gross income from College activities	5	4,282,658	236,481	4,519,139	3,301,783
Total Incoming Resources		7,974,674	508,635	8,483,308	6,776,732
RESOURCES EXPENDED					
Cost of generating funds					
Conference facilities & Club Accommodation	13	974,063	-	974,063	1,048,194
Appeals & Publicity		43,301	-	43,301	27,937
Investment Managers Fees		36,943	3,550	40,493	36,347
		1,054,307	3,550	1,057,857	1,112,478
Charitable Activities					
Accommodation	6	3,744,108	399,827	4,143,935	3,329,067
Other Operating Costs	6	2,985,212	159,113	3,144,325	1,779,081
Bursaries and Grants payable	6	109,985	-	109,985	85,924
Governance costs	7	18,464	-	18,464	47,581
Project Expenditure	6	2,104,390	16,173	2,120,563	6,803,322
Total Charitable activities		8,962,159	575,113	9,537,272	12,044,975
Total Resources Expended		10,016,465	578,663	10,595,128	13,157,453
Net Outgoing Resources		(2,041,791)	(70,028)	(2,111,820)	(6,380,721)
Other Recognised Gains & Losses					
Gains(Losses) on Investment Assets		580,909	185,132	766,041	(578,261)
Gains on Revaluation of Fixed Assets for Charities own use		1,407,250	-	1,407,250	138,355,507
		(53,632)	115,104	61,472	131,396,525
Total Funds brought forward		152,732,371	14,113,775	166,846,146	35,449,621
		152,678,739	14,228,879	166,907,618	166,846,146
Fund Reconciliation					
Funds brought forward as restated		152,732,371	14,113,775	166,846,146	35,449,621
Gains/(Losses) Current Year		(53,632)	115,104	61,472	131,396,525
Funds Carried Forward		152,678,739	14,228,879	166,907,618	166,846,146

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 loss for the year for Companies Act purposes comprises the net outgoing resources for the year before realised gains and losses on investments was £2,111,820 (2012 £6,380,721)

GOODENOUGH COLLEGE
BALANCE SHEETS
AS AT 31 MARCH 2013

Company number 246919		Consolidated		Company	
	Notes	2013 Total £	2012 Total restated £	2013 Total £	2012 Total restated £
FIXED ASSETS					
Tangible assets for use by the charity					
Freehold halls of residence	10 a	150,005,255	143,698,498	150,005,255	143,698,498
Heritage assets	10 c	276,206	270,306	276,206	270,306
Fixture fittings plant & equipment	10 d	512,161	427,698	512,161	427,698
		<u>150,793,622</u>	<u>144,396,502</u>	<u>150,793,622</u>	<u>144,396,502</u>
Investments	11	20,452,062	24,201,224	20,452,062	24,201,224
Investments in subsidiaries	13	-	-	250,002	250,002
		<u>171,245,684</u>	<u>168,597,726</u>	<u>171,495,686</u>	<u>168,847,728</u>
CURRENT ASSETS					
Stocks - consumables		44,417	34,122	44,417	34,122
Debtors	14	953,137	1,437,837	835,979	1,387,793
Cash at bank & in hand		244,154	260,042	244,154	260,042
		<u>1,241,708</u>	<u>1,732,001</u>	<u>1,124,550</u>	<u>1,681,957</u>
CURRENT LIABILITIES					
Amounts falling due within one year	15	(2,210,774)	(3,483,581)	(3,051,330)	(4,391,251)
		<u>(969,066)</u>	<u>(1,751,580)</u>	<u>(1,926,780)</u>	<u>(2,709,294)</u>
NET CURRENT ASSETS/(LIABILITIES)					
		<u>(969,066)</u>	<u>(1,751,580)</u>	<u>(1,926,780)</u>	<u>(2,709,294)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES					
		170,276,618	166,846,146	169,568,906	166,138,434
Creditors amounts falling due after more than one year					
Barclays loan	22	(3,369,000)	-	(3,369,000)	-
TOTAL NET ASSETS		<u>166,907,618</u>	<u>166,846,146</u>	<u>166,199,906</u>	<u>166,138,434</u>
FUNDS					
Restricted Funds	16	1,985,067	2,003,646	1,985,067	2,003,646
Revaluation Reserve	16	12,243,812	12,110,129	12,243,812	12,110,129
		<u>14,228,879</u>	<u>14,113,775</u>	<u>14,228,879</u>	<u>14,113,775</u>
Unrestricted funds					
Designated reserves	17	24,447,697	21,971,688	24,447,697	21,971,688
Revaluation Reserve	17	122,849,395	121,834,789	122,849,395	121,834,789
General Funds	17	5,381,647	8,925,894	4,673,935	8,218,182
		<u>152,678,739</u>	<u>152,732,371</u>	<u>151,971,027</u>	<u>152,024,659</u>
		<u>166,907,618</u>	<u>166,846,146</u>	<u>166,199,906</u>	<u>166,138,434</u>

These financial statements were approved and authorised for issue by the Trustees on 17th September 2013 and signed on their behalf –



Jonathan Hirst QC
Chairman on the Board of Goodenough College

GOODENOUGH COLLEGE
CONSOLIDATED CASH FLOW STATEMENT
YEAR ENDED 31 MARCH 2013

	Notes	2013 £	2012 £
Net Cash inflow/(outflow) from operating activities	1	(2,340,947)	(5,438,454)
Returns on investment & servicing of finance	2	61,463	720,080
Capital expenditure & Financial investment	3	(1,056,346)	5,011,147
Financing	5	3,369,000	-
Net cash inflow/(outflow) before use of liquid resources		33,170	292,773
Management of liquid resources	4	(49,061)	(38,157)
Increase/(Decrease) in cash in the year		(15,891)	254,616
Reconciliation of the net cashflow to movement in net funds (Note 6)			
Increase/(decrease) in cash		(15,891)	254,616
Cash from management of liquid resources		49,061	38,157
Change in net funds		33,170	292,773
Net funds at 31 March 2012		441,201	148,428
Net funds at 31 March 2013		474,371	441,201

Notes to the Cashflow Statement

	2013 £	2012 £
1 Reconciliation of net incoming/(outgoing) resources		
Net incoming/(outgoing) resources	(2,111,820)	(6,380,721)
Less Investment income (excluding rent from property)	(216,972)	(334,132)
Less Interest receivable	(121,377)	(385,948)
Plus Depreciation - Fixed Assets	1,336,638	200,290
Plus Financing Costs	276,886	-
Less Bequest Received in kind	(705,900)	-
Less Increase in stock	(10,295)	(4,463)
Less Increase in debtors	484,700	(264,916)
Increase/(decrease) in creditors & provisions	(1,272,807)	1,731,436
Net cash inflow/(outflow) from operating activities	(2,340,947)	(5,438,454)

GOODENOUGH COLLEGE
CONSOLIDATED CASH FLOW STATEMENT (Continued)
YEAR ENDED 31 MARCH 2013

	2013	2012	
	£	£	
2 Returns on investment & servicing finance			
Investment income received (excluding rent from property)	216,972	334,132	
Interest receivable	121,377	385,948	
Interest payable	(276,886)	-	
Cash inflow from returns on investments and servicing of finance	61,463	720,080	
3 Capital expenditure and financial investment	2013	2012	
	£	£	
Purchase of tangible fixed assets	(7,464,859)	(2,781,099)	
Purchase of fixed asset investments	(4,698,570)	(15,799,195)	
Proceeds from sale of fixed asset investments	11,107,083	23,591,441	
Net cash inflow/(outflow) from capital expenditure & financial investment	(1,056,346)	5,011,147	
4 Management of liquid resources			
Increase/(Decrease) in short term deposits	49,061	38,157	
Net cash inflow/(outflow) from management of liquid resources	49,061	38,157	
5 Financing			
Proceeds of Bank Loans	3,369,000	-	
Net inflow/(outflow) from Bank Loan	3,369,000	-	
5 Analysis of change in net funds	2012	Cashflows	2013
	£	£	£
Cash	260,042	(15,891)	244,154
Short term deposits	181,159	49,061	230,220
Total	441,201	33,170	474,374

GOODENOUGH COLLEGE
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2013

1 ACCOUNTING POLICIES

The financial statements are prepared in accordance with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and 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.

Legacies

Legacies are deemed receivable from the date of notification, provided that sufficient information has been received to enable the Group to calculate entitlement with virtual certainty.

Gifts in Kind

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

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

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

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

Accommodation costs are capitalised in line with appropriate accounting standards and recognised when the works come into use. Expensed accommodation costs such as repairs and maintenance are recognised when incurred.

Value Added Tax (VAT)

The College is registered for VAT and all VAT is recoverable.

GOODENOUGH COLLEGE
NOTES TO THE FINANCIAL STATEMENTS (Continued)
YEAR ENDED 31 MARCH 2013

1 ACCOUNTING POLICIES (Continued)

Taxation

The company is a charity within the meaning of Para 1 Schedule 6 Finance Act 2010. Accordingly the company is potentially exempt from taxation in respect of income or capital gains 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. No tax charge arose in the period. The subsidiary companies make qualifying donations of all taxable profit to Goodenough College. No corporation tax liability on the subsidiaries arises in the accounts.

Fund accounting

The College maintains various types of funds as follows:

Restricted funds

The Burn 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 and Heritage Assets are stated in the balance sheet at Valuation, and are revalued every 5 years with an interim valuation in year 3. Major refurbishment work is held at cost and is not depreciated until the works are completed.

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 properties	100
Lifts	30
Bathrooms, heating, water, electrical and gas systems, and boiler equipment	25
CCTV	20
Ventilation and fire detection systems	15
Access systems, telephone system	10
Vehicles	5
Other plant and equipment, other fixtures and fittings	4
Computers	4

Investments

Investments are revalued at market value as at the balance sheet date and the surplus or deficit arising from this revaluation is shown as unrealised gains or losses on the face of the Statement of Financial Activities. 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.

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 2013

2 DONATIONS

	2013	2013	2012
	£	£	£
	Unrestricted funds	Restricted funds	Total funds
Legacies	947,200	-	-
Donations	-	198,036	336,620
	<u>947,200</u>	<u>198,036</u>	<u>336,620</u>
Total Funds 2013		1,145,236	

3 INVESTMENT INCOME

	2013	2012
	£	£
College		
Income from UK listed investments	124,248	250,115
Income from Overseas listed investments	38,291	25,313
Rent from Property	391,697	364,940
	<u>554,236</u>	<u>640,368</u>
The Burn		
Income from UK listed investments	54,433	58,704
Rent from Property	14,242	-
	<u>68,675</u>	<u>58,704</u>
Total investment income	<u>622,911</u>	<u>699,072</u>

4 INTEREST RECEIVABLE

	2013	2013
	£	£
College		
Bank Deposit Interest	263	423
Other Interest - short term deposits	119,812	385,397
	<u>120,075</u>	<u>385,820</u>
The Burn		
Other Interest - short term deposits	1,303	128
	<u>121,377</u>	<u>385,948</u>
Total Interest Receivable	<u>121,377</u>	<u>385,948</u>
Total Investment Income and Interest Receivable	<u>744,288</u>	<u>1,085,020</u>

GOODENOUGH COLLEGE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31 MARCH 2013

5 GROSS INCOME FROM COLLEGE ACTIVITIES

	2013 £	2012 £
College		
Gross House Income	4,282,658	3,058,966
The Burn		
Burn Income	236,481	242,817
Total Gross Income from College Activities	<u>4,519,139</u>	<u>3,301,783</u>

6 EXPENDITURE FOR CHARITABLE PURPOSES

	2013 £	2012 £
College - Unrestricted		
Accommodation	3,744,108	2,966,068
Depreciation College Fixed Assets	1,233,241	198,516
Other Operating Costs - Administration Salaries & Wages	949,146	915,289
Other Operating Costs - Other	802,824	610,044
Total other expenditure - unrestricted	<u>2,985,211</u>	<u>1,723,849</u>
Bursaries and Grants Payable	109,985	85,924
Governance Costs	18,464	47,581
Major Project Expenditure (Note 22)	2,058,450	6,583,322
Other Project Expenditure	45,940	-
Total project expenditure - unrestricted	<u>2,104,390</u>	<u>6,583,322</u>
Total Expenditure for Charitable Purposes - Unrestricted	<u>8,962,158</u>	<u>11,406,744</u>
College Restricted		
Major Maintenance Expenditure (Note 22)	-	220,000
The Burn - Restricted		
Accommodation	399,827	362,999
Depreciation Fixed Assets	103,397	1,774
Administration Salaries & Wages	55,716	53,458
Project Expenditure	16,173	-
Total other expenditure - restricted	<u>175,287</u>	<u>55,232</u>
Total Expenditure for Charitable Purposes - Restricted	<u>575,113</u>	<u>418,231</u>
Total Expenditure for Charitable Purposes	<u>9,537,271</u>	<u>12,044,975</u>
Support Costs		
College expenditure includes support costs of		
Administrative Staff (allocated on a time basis)	546,708	527,146
IT Costs (allocated on a usage basis)	144,508	115,000
	<u>691,216</u>	<u>642,146</u>

GOODENOUGH COLLEGE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31 MARCH 2013

7 GOVERNANCE COSTS

	2013 £	2012 £
Council and Board meeting costs	10,164	35,510
Staff Related Costs	<u>8,300</u>	<u>12,071</u>
	<u>18,464</u>	<u>47,581</u>
Support Costs		
Governance expenditure includes support costs		
Administrative staff (time basis)	<u>8,300</u>	<u>6,500</u>

8 NET INCOMING RESOURCES

	2013 £	2012 £
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	28,060	33,300
Non audit fees		
Tax Services	1,000	3,500
Forensic audit fees	-	40,000
Accountancy charges	<u>-</u>	<u>6,810</u>
	<u>29,060</u>	<u>83,610</u>
Depreciation of tangible fixed assets		
Owned assets	<u>1,336,638</u>	<u>200,290</u>

9 INFORMATION REGARDING EMPLOYEES AND TRUSTEES

	2013 No	2012 No
Average number of employees (full time equivalent) during the year		
House	30	53
Administration	14	15
Other	<u>25</u>	<u>-</u>
	<u>69</u>	<u>68</u>

Employees for the Burn and the Goodenough Club have been reclassified as Other in 2013. If this had applied in 2012 the details would have been House 30 Administration 15 and Other 23

	£	£
Staff costs comprise		
Wages & Salaries	1,987,426	1,830,534
Social security costs	<u>197,502</u>	<u>186,596</u>
	<u>2,184,928</u>	<u>2,017,130</u>

GOODENOUGH COLLEGE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31 MARCH 2013

9 INFORMATION REGARDING EMPLOYEES AND TRUSTEES /continued

	2013	2012
	No	No
The number of senior staff paid over £60,000 during the year (salary plus taxable benefits excluding pension contributions) was		
£60,001- £80,000	3	4
£80,001- £100,000	1	-
£100,001 - £120,000	1	1

Pension contributions for these senior staff were £56,396 (2012 £27,097)

No trustee, or person related or connected by business to them, has received any remuneration from the company during the year. During the year no trustees received expense payments (2012 Two trustees £741, these represented reimbursed travelling expenses)

The Company operates stakeholder pension schemes administered by Legal and General, SIPPS and Phoenix. The employer's contributions are matched to those of the employee to a maximum of 10% of pensionable salary for senior staff and 5% of pensionable salary for other staff, and amount to £87,177 (2012 £52,077). At 31 March 2013 outstanding payments due to the scheme were £4,247 (2012 £4,466).

GOODENOUGH COLLEGE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31 MARCH 2013

10 TANGIBLE FIXED ASSETS FOR USE BY THE CHARITY

Freehold properties

		Consolidated and company		
a	Halls of Residence, Club and The Burn Study Centre	College	The Burn	Total
		£	£	£
	Land and buildings at cost or valuation			
	As at 31 March 2012	9,014,009	-	9,014,009
	Prior year adjustment reallocation – see note 10e	3,194,250	339,871	3,534,121
	Prior year adjustment revaluation – see note 10e	121,495,239	9,655,129	131,150,368
	As at 31 March 2012 (restated)	133,703,498	9,995,000	143,698,498
	As at 1 April 2012	133,703,498	9,995,000	143,698,498
	Additions	7,187,205	-	7,187,205
	Revaluation	263,000	-	263,000
	As at 31 March 2013	141,153,703	9,995,000	151,148,703
	Depreciation			
	As at 1 April 2012	-	-	-
	Charge for the year	1,049,198	94,250	1,143,448
	As at 31 March 2013	1,049,198	94,250	1,143,448
	Net book value at 31 3 12 (restated)	133,703,498	9,995,000	143,698,498
	Net book value at 31 3 13	140,104,505	9,900,750	150,005,255
	Historical cost net book value			20,537,937

Assets have been valued for the first time with an effective date of 31 March 2012. Valuations have been provided by Drivers Jonas Deloitte as at June 2011 on a reinstatement cost basis, and by Willis Ltd in August 2012 on an insurance basis (used as a proxy for the reinstatement cost for the Club). The valuation of the Burn has also been taken from the insurance valuation from Ecclesiastical dated February 2013 and for the Land in August 2013 from Bell Ingram. The valuation for 15 Mecklenburgh Square was provided by Alpha Browett Taylor and also revalued as at 31 March 2013.

b	Other Freehold Land and Buildings	College	The Burn	Total
		£	£	£
	Land and buildings at valuation			
	As at 31 March 2012	6,934,917	339,871	7,274,788
	PYA reallocation to Halls of Residence (10a)	(3,194,250)	(339,871)	(3,534,121)
	PYA reallocation to investment properties (11)	(3,740,667)	-	(3,740,667)
	As at 31 March 2012 (restated)	-	-	-
c	Heritage Assets	College	The Burn	Total
		£	£	£
	Paintings and furniture at valuation			
	As at 31 March 2012	-	-	-
	Prior year adjustment revaluation – see note 10e	250,626	19,680	270,306
	As at 31 March 2012 (restated)	250,626	19,680	270,306
	As at 1 April 2012	250,626	19,680	270,306
	Additions	5,900	-	5,900
	As at 31 March 2013	256,526	19,680	276,206

The College has reappraised and recognised Heritage Assets within its Fixed Asset register. Heritage assets have been valued at market value by Tim Richie and Associates as at 31 March 2012.

GOODENOUGH COLLEGE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31 MARCH 2013

10 TANGIBLE FIXED ASSETS FOR USE BY THE CHARITY/continued

d Fixtures, fittings, plant and equipment

	College £	The Burn £	Total £
Cost at 1 April 2012	1,577,648	2,200	1,579,848
Additions	213,291	64,363	277,654
At 31 March 2013	<u>1,790,939</u>	<u>66,563</u>	<u>1,857,502</u>
Depreciation at 1 April 2012	1,151,600	550	1,152,150
Charge for year	184,044	9,147	193,190
At 31 March 2013	<u>1,335,644</u>	<u>9,697</u>	<u>1,345,340</u>
Net Book Value 31 March 2013	<u>455,295</u>	<u>56,866</u>	<u>512,160</u>
Net book value at 31 March 2012	<u>426,048</u>	<u>1,650</u>	<u>427,698</u>

- e** The College decided that it would be a better presentation of the true value of the property assets on the Balance Sheet if these were to be carried at the valuation rather than historic cost. As a consequence all properties were re-valued as at 31 March 2012 and also reclassified to represent their use as a property fixed asset for use by the charity or an investment property.

Heritage assets were also valued and included on the Balance Sheet

11 INVESTMENTS HELD AS FIXED ASSETS

a Investment Properties

	College £	The Burn £	Total £
<i>Land and buildings at valuation</i>			
As at 31 March 2012	-	-	-
Prior year adjustment reallocation – see note 10e	3,740,667	-	3,740,667
Prior year adjustment revaluation – see note 10e	4,479,833	2,455,000	6,934,833
As at 1 April 2012	<u>8,220,500</u>	<u>2,455,000</u>	<u>10,675,500</u>
Additions	700,000	-	700,000
Revaluation	1,144,250	-	1,144,250
As at 31 March 2013	<u>10,064,750</u>	<u>2,455,000</u>	<u>12,519,750</u>

Valuations have been provided by Alpha Browett Taylor as at 31 March 2012 and 31 March 2013 for the investment property assets in London, and by Ecclesiastical as at 31 March 2012 for the investment property assets in Scotland. In March 2013 the College was bequeathed the properties of 19/20 Doughty Mews valued at £700,000.

GOODENOUGH COLLEGE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31 MARCH 2013

11 INVESTMENTS HELD AS FIXED ASSETS/ continued

	Consolidated and Company	
	2013	2012
	£	£
b Listed Investments		
Market Value at 1 April 2012	13,344,565	21,715,072
Additions at cost	4,698,570	15,799,195
Disposal at Carrying Values	(10,341,042)	(24,169,702)
Market Value at 31 March 2013	7,702,093	13,344,565
Listed Investments comprise the following		
Investments listed on a recognised stock exchange - Equities	5,399,822	5,570,752
Investments listed on a recognised stock exchange - Bonds	1,702,260	3,770,095
Alternative Funds	600,011	4,003,718
Market Value at 31 March 2013	7,702,093	13,344,565
Being at Market Value		
Investment assets in the United Kingdom	5,456,734	11,187,761
Investment assets outside the United Kingdom	2,245,359	2,156,804
Market Value at 31 March 2013	7,702,093	13,344,565
 Cost at 31 March 2013	 6,774,810	 12,851,511
 Listed Investments (Market Value)	 7,702,093	 13,344,565
Short Term Deposits	230,220	181,159
Investment Properties (Market Value)	12,519,750	10,675,500
 Total Investments at 31 March 2013	 20,452,063	 24,201,224

No shareholding investment exceeds 5% of the shares available in any company, with the exception of those detailed in Note 13

12 RESULTS FOR GOODENOUGH COLLEGE (PARENT CHARITY ONLY)

The gross income/turnover for the College was £5,900,029 Excluding subsidiary results the College recorded a loss of £3,212,401

	2013	2012
	£	£
Net Loss as per SOFA	(2,111,819)	(6,380,721)
Subsidiary Gross Income	(2,074,645)	(2,053,309)
Subsidiary Expenditure	974,063	1,048,194
 Net Outgoing Resources Parent Charity	 (3,212,401)	 (7,385,836)

GOODENOUGH COLLEGE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31 MARCH 2013

13 INVESTMENT IN SUBSIDIARIES

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

Subsidiary Undertaking	Principal Activity	Company Investment At Cost
Mecklenburgh Health & Fitness Limited	Provision of conference facilities and Club accommodation	250,000
Goodenough Enterprises Limited	Dormant	2
		<u>250,002</u>

The results of MHFL are shown below. These have been consolidated on a line by line basis in the consolidated statement of financial activities. All turnover relates to continuing operations.

The company makes a qualifying donation of all taxable profits to Goodenough College. No corporation tax liability arises in the accounts.

	2013 £	2012 £
Turnover	2,074,645	2,053,309
Cost of Sales	974,063	1,208,194
Gross Profit	<u>1,100,582</u>	<u>845,115</u>
Amount gift aided to the College	<u>1,100,582</u>	<u>845,115</u>

The value of MHFL assets, liabilities etc. are

	2013 £	2012 £
Assets - debtors	1,047,162	1,068,512
Liabilities	(89,450)	(110,800)
Net Assets	<u>957,712</u>	<u>957,712</u>
Share capital	250,000	250,000
Profit and Loss reserve	707,712	707,712
Shareholders' funds	<u>957,712</u>	<u>957,712</u>

In 2012 the College charged MHFL a management fee of £160,000 included in Cost of Sales shown above (this is eliminated on consolidation). In 2013 the College changed its policy and no charge was made.

14 DEBTORS	Consolidated		Company	
	2013 £	2012 £	2013 £	2012 £
Trade Debtors	334,428	488,337	217,270	438,293
Other Debtors	374,886	699,349	374,886	699,349
Prepayments and Accrued Income	243,823	250,151	243,823	250,151
	<u>953,137</u>	<u>1,437,837</u>	<u>835,979</u>	<u>1,387,793</u>

GOODENOUGH COLLEGE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31 MARCH 2013

15 CREDITORS

Amounts falling due within one year	Consolidated		Company	
	2013	2012	2013	2012
	£	£	£	£
Trade creditors	883,016	970,051	872,134	870,084
Amounts due to subsidiary undertaking	-	-	930,004	1,018,467
Taxation and social security balances	66,117	53,333	58,246	46,098
Other creditors	434,855	595,488	414,334	595,488
Accruals	655,673	1,787,959	776,610	1,784,364
Deferred Income	171,114	76,750	171,114	76,750
	<u>2,210,775</u>	<u>3,483,581</u>	<u>3,222,442</u>	<u>4,391,251</u>

Amounts falling due after one year

Bank loan for refurbishment project – see note 22

	<u>3,369,000</u>	<u>-</u>	<u>3,369,000</u>	<u>-</u>
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Deferred Income

The movement in Deferred Income is

	2013	2012	2013	2012
	£	£	£	£
Commercial rentals	90,061	76,750	90,061	76,750
Property rentals - Mecklenburgh Square	8,992	-	8,992	-
Investment Income April 2013	16,667	-	16,667	-
Rents in advance from Members at College	55,394	-	55,394	-
	<u>171,114</u>	<u>76,750</u>	<u>171,114</u>	<u>76,750</u>

GOODENOUGH COLLEGE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED 31 MARCH 2013

16 MOVEMENT IN RESTRICTED FUNDS

	Balance 31 March 2012 £	Prior year adjustment £	Balance 1 April 2012 (restated) £	Income £	Expenditure, gains and losses £	Balance 31 March 2013 £
The Burn	1,438,896	-	1,438,896	306,459	(526,398)	1,218,957
Bursaries	125,349	-	125,349	44,012	(816)	168,545
Specific Donations	97,880	-	97,880	158,164	-	256,044
Tangible fixed asset reserve	341,521	-	341,521	-	-	341,521
Revaluation Reserve	-	12,110,129	12,110,129	-	133,683	12,243,812
Total Restricted Funds	2,003,646	12,110,129	14,113,775	508,635	(393,531)	14,228,879

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.

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 2013

17 MOVEMENT IN UNRESTRICTED FUNDS

Unrestricted funds comprise the following

	31 March 2012	Prior year adjustment	1 April 2012 (restated)	Transfers	Income	Expenditure, gains and losses	31 March 2013
	£	£	£	£	£	£	£
Tangible Fixed Asset Reserve	16,374,974	-	16,374,974	5,241,297	705,900	-	22,322,171
College Refurbishment Reserve	4,906,570	-	4,906,570	(4,913,607)	93,431	(86,394)	-
Capital Replacement Reserve	690,144	-	690,144	700,000	-	(190,576)	1,199,568
Total Designated Reserves	21,971,688	-	21,971,688	1,027,690	799,331	(276,970)	23,521,739
Revaluation Reserve	-	121,834,789	121,834,789	-	-	1,940,564	123,775,353
General Funds of the Chantable Company	3,807,593	4,410,589	8,218,182	(1,027,690)	7,175,343	(9,691,900)	4,673,935
Total unrestricted funds of the charitable company	25,779,281	126,245,378	152,024,659	-	7,974,674	(8,028,306)	151,971,027
General funds of the subsidiary	707,712	-	707,712	-	-	-	707,712
Total consolidated unrestricted fun	26,486,993	126,245,378	152,732,371	-	7,974,674	(8,028,306)	152,678,739

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

Capital Replacement Reserve (CRR) has been established to fund the planned capital replacement of assets and a major refurbishment of the main College Houses and Goodenough Club. The requirement in respect of the two main houses has been calculated at £50m which will provide asset replacement for the next 50 years and a major refurbishment at that point. The initial allocation to the CRR of £600K this year will be increased in line with inflation and a further £400Kpa will be set aside from 2022 onwards. The CRR will be allocated its share of College investment gains. The initial allocation to the CRR in respect of the Goodenough Club is £100Kpa

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 2013

17 MOVEMENT IN UNRESTRICTED FUNDS/ continued

Transfer of Funds

Funds have been transferred between the Reserves

£

Transfer to Tangible Fixed Asset Reserve from General Funds

Purchase Fixed Assets

7,400,496

Less Depreciation

(1,233,242)

6,167,254

Transfer from College Refurbishment Reserve to General Funds

Utilise Investment Funds for Major Project

(4,913,607)

Transfer from General Funds to Capital Replacement Reserve

The College

600,000

Mecklenburgh Health & Fitness Ltd

100,000

700,000

18 ANALYSIS OF ASSETS AND LIABILITIES BETWEEN FUNDS

	Restricted Funds	Unrestricted & Designated reserves	General Funds	Consolidated Total
Fixed Assets	£	£	£	£
Tangible Fixed Assets	12,412,616	133,577,774	4,803,232	150,793,622
Investments	1,783,886	13,719,318	4,948,858	20,452,062
Current Assets				-
Other Current Assets	52,380	-	945,174	997,554
Cash at bank and in Hand	6,094	-	238,060	244,154
Current Liabilities	(26,098)	-	(5,553,676)	(5,579,774)
	<u>14,228,878</u>	<u>147,297,092</u>	<u>5,381,648</u>	<u>166,907,618</u>

Further details of the analysis between each material fund are provided in Notes 16 and 17

19 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 (2012 £nil)

No tax normally arises with respect to the subsidiary company MHFL due to this company's policy of gifting all taxable profits to Goodenough College each year. However in 2012 a charge of £2,178 did arise when the adjusted taxable profits were not fully covered by Annual Investment Allowances. This is not expected to recur.

GOODENOUGH COLLEGE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31 MARCH 2013

20 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 2013 there were 12 members (2012: 12 members).

21 LEASING COMMITMENTS

At 31 March 2013 the charitable company had the following annual commitments under non-cancellable operating leases:

Equipment	2013 £	2012 £
Operation leases which expire between two & five years	<u>10,709</u>	<u>9,958</u>

22 MAJOR REFURBISHMENT PROJECT

In June 2011 the College Board approved a project for the refurbishment of WGH and LH at an estimated overall cost of £40.7M. Ardmore Construction Ltd was appointed as contractors for the William Goodenough House phase and has been appointed for the LH works too. The final costs for WGH were £17.8M including construction costs and professional fees.

In April 2013 the College committed to a contract with Ardmore Construction Limited to the value of £18.5M for the main refurbishment on London House. This was supplemented by further contractual commitments valuing £4.3M for additional works at London House (all figures include contingencies).

The College had arranged a £20m facility with Barclays for the refurbishment in 2011. This was extended by a further borrowing of £5m in March 2013. The total loan of £25m is repayable over 25 years starting from 2015/16. The loan is divided into two tranches: Tranche A is £13M and Tranche B is £12M. Tranche B capital is repayable from 2015/16 whilst Tranche A capital is not repayable until 2020/21. In that year the entire loan is subject to refinancing discussions with the lender. The loan is secured against the halls of residence.

Capital repayment profile schedule for Tranche B has £12M outstanding at the end of Year 1, reducing to £11.1M by the end of Year 5 and £8.5M at the time of refinancing in 2020/21.

The College entered into an interest rate hedging arrangement (in 2011) on the original loan of £20M from 2014/15 through to 2020/21. The hedging profile runs from 90% in 2014/15 to 47% in 2020/21. The fixed rate on this hedge is 4.41%. The College entered into an additional hedging arrangement in March 2013 on the additional loan of £5M. This is on the same profile as the original loan. The applicable rate for this hedge is 4.1%. The College will pay variable rates above the hedged amount at the prevailing market rate up to 2020/21.