

Goodenough College
(A company limited by guarantee)

Annual Report and Financial Statements

for the year ended 31 March 2015



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COMPANIES HOUSE

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

Contents	Page
Chairman's Welcome	1
Trustees Annual Report	
• Company information	2-3
• Legal status and constitution	4
• Structure, governance and management	5-7
• Objectives and activities	8
• Strategic Report	
I. Achievements and performance	9
II. Financial review	10-12
III. Risk management and uncertainty	12
IV. Plans for future periods	13
• Statement of responsibilities of the Trustees	14
Independent Report of the Auditor	15
Financial Statements	
• Consolidated statement of financial activities	16-17
• Balance sheet	18
• Consolidated cashflow statement	19-20
• Notes to the Financial Statements	21-35

Goodenough College


Chairman's Welcome

for the year ended 31 March 2015

I am delighted to introduce Goodenough College's Annual Report and Financial Statements for 2014/15.

The College is a unique institution bringing together a truly international postgraduate community from across the world. 2014/15 was a critical year for the College as it continued with its transformation programme by re-opening London House in time for the 2014/15 academic year and completing a major refurbishment of its core buildings for the first time in over 80 years. The College has remained true to its mission of providing a welcoming residential community for outstanding international postgraduate students and their families as verified by the award of 'Best Learning Environment' and 'Best Booking Experience' in the 2014 National Student Housing Survey, which built on the award of "Best Individual Accommodation" in the 2013 survey.

These new sustainable foundations we are putting in place provide for a secure and exciting future for the College.



Jonathan Hirst QC
Chairman

Goodenough College

Report of the Trustees

for the year ended 31 March 2015

The Board of Trustees present their report and audited Financial Statements for the year ended 31 March 2015 under the Charities Act 2011.

COMPANY INFORMATION

PATRON

Her Majesty The Queen

Trustee Board

Jonathan Hirst QC (Chairman)
Alex Acland
Andrew Brown QC
Hugh Crossley
Fabian French
Fiona Kirk
Charles McGregor

Suzy Neubert (until 30th March 2015)
Christopher Palmer-Tomkinson
John Polk
Hon Philip Remnant CBE
Martin Schwab
Eric Tracey (Vice Chairman)
Graham Ward CBE

THE ADVISORY COUNCIL

President

Prof René Weis 1,7

Elected Governors

Alex Acland	2,8	Dame Judith Mayhew Jonas DBE	7,8
Lord Bilimoria CBE		Dame Maura McGowan	1
David Brooks Wilson		Charles McGregor	5
Andrew Brown QC	3	Arun Nagwaney	2
Corey Cook	4	Suzy Neubert (until 30 th March 2015)	
Hugh Crossley	5	Dr Bill Palmer	
Dr Grahame Davies	1	Christopher Palmer-Tomkinson	
Dr Melissa Dickson		John Polk	
Mark Dodd	5	Hon Philip Remnant CBE	6
James Douglas	2	Martin Schwab	
Fabian French	4,7	Maureen Simpson	
Sir William Goodenough	2,4	Eric Tracey	5,7,8
Jonathan Hirst QC	5,6,7,8	Wilhelm Von Rosenberg	
Constance Jackson	4,6	Graham Ward CBE	2,7
Fiona Kirk	4	Prof Stuart Ward	5
John Lotherington	1		

1. Member of Academic Committee
2. Member of Audit Committee
3. Member of Burn Management Committee
4. Member of Development Advisory Board
5. Member of Estates Committee
6. Member of Investment Committee
7. Member of Nominations Committee
8. Member of Remuneration Committee

Goodenough College

Report of the Trustees *(continued)*

for the year ended 31 March 2015

COMPANY INFORMATION *(continued)*

Ex-Officio Governors

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

Professor Andrew Hamilton
Sir Leszek Borysiewicz
Professor Sir Adrian Smith
Professor Anton Muscatelli
Professor Jane Dacre

Alistair Macdonald QC

Arthur Bailey
Ciaran Devane
Sir Anthony Figgis

Officers and Senior Staff

College Director
Dean
Director of Development
Finance Director and Company Secretary
Registrar
Manager, Goodenough Club
Bursar - The Burn

Andrew Ritchie, CBE
Roger Llewellyn
Mark Lewis
Richard Barker
Caroline Persaud
Victoria Wilson-Smith
David Turner OBE

Address and Registered Office

London House
Mecklenburgh Square
London
WC1N 2AB

Website: www.goodenough.ac.uk

Professional Advisers

Auditor:

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

Legal Advisers:

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

Investment Managers:

Rathbones
1 Curzon Street
London
W1J 5FB

Bankers:

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

Goodenough College

Report of the Trustees *(continued)*

for the year ended 31 March 2015

LEGAL STATUS AND CONSTITUTION

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

The College was formed as a company limited by guarantee without share capital on 28 March 1930, registered company number 246919. It is registered with the Charity Commission, Charity number 312894 (England and Wales) SC039173 (Scotland).

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 2015 there were 13 members (2014:12 members).

The College's principal objectives are set out in its Memorandum and Articles of Association.

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

The main features of the 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; and
- The establishment of set tours of duty of 5 terms of 3 years for both bodies.

At the meeting of the Advisory Council in October 2008, it was decided to allocate two places on the Council to College members. It was also agreed that one of the two College members concerned should be co-opted to attend Board meetings. It was subsequently agreed that the elected Chair of the Members' Council would be allocated a place on the Advisory Council.

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 effectively with the financial and administrative challenges it faces.

Goodenough College

Report of the Trustees *(continued)*

for the year ended 31 March 2015

STRUCTURE, GOVERNANCE AND MANAGEMENT

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 Company 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.

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

The Advisory Council, consisting of all Governors, meets twice a year. No Governor has any financial interest in the Charity or any group companies.

Trustee Board

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

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

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

Committees

Trustees may serve on a Board Committee as detailed below:

The Academic Committee
The Audit Committee
The Burn Management Committee
The Development and Advisory Board
The Estates Committee
The Investment Committee
The Nominations Committee
The Remuneration Committee

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

Goodenough College

Report of the Trustees *(continued)*

for the year ended 31 March 2015

STRUCTURE, GOVERNANCE AND MANAGEMENT *(continued)*

Management

Operational management of the College is delegated by the Trustees to the College Director who is accountable to the Trustee Board for the stewardship of the Charity. The College Director and the senior leadership team attend Board and Committee meetings.

Group Structure and relationships

The College has two wholly owned non charitable subsidiaries:

- Goodenough Club Limited ("the Club") (formerly Mecklenburgh Health and Fitness Limited) provides Club accommodation. Its annual profits are donated to the College under the Gift Aid Scheme and
- Goodenough Ventures Limited, which is a dormant company.

Both companies are registered in England and Wales.

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.

Investment powers and policies

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

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

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

The Trustees have determined that the main College portfolio be managed to produce a total return of RPI plus 4% over a three year rolling period.

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.

Goodenough College

Report of the Trustees *(continued)*

for the year ended 31 March 2015

STRUCTURE, GOVERNANCE AND MANAGEMENT *(continued)*

Public benefit

As required by the Charities (Accounts and Reports) Regulations 2008 and the Charities Act 2011, the Trustees consider that they have paid due regard to the Charities Commission guidance in respect of their duties and obligations on this subject.

The College 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, 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

Report of the Trustees *(continued)*

for the year ended 31 March 2015

OBJECTIVES AND ACTIVITIES

The College was founded in 1930 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 College's charitable objects remain the same today:

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

In 2013 at its Annual General Meeting, the College adopted as its mission:

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

The College also adopted the following strategic goals:

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

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

Goodenough College

Report of the Trustees *(continued)*

for the year ended 31 March 2015

STRATEGIC REPORT

• ACHIEVEMENTS AND PERFORMANCE

The College has continued to meet its charitable objects throughout the year.

The primary focus for 2014-15 was the completion of the refurbishment of London House and its reopening in September 2014. London House was the original building for the College. It houses the principal public areas such as the Great Hall, the Churchill Room and the Chapel, as well as the administrative offices and operational workspaces. This was the first major refurbishment of London House in over 80 years and the work provided a very necessary modernisation of the facilities in the building. It improved the standard of accommodation in all the student rooms as well as the communal facilities including butteries and bathrooms. As it is a Grade 2 listed building, the opportunity was taken to sympathetically restore some of the original features in the building such as the Empire Clock and gold gilded motifs in the Great Hall. In addition improved lighting in areas such as the library enhance the setting and experience of London House.

London House closed for refurbishment in summer 2013 and reopened in September 2014, having been completed on schedule and in budget. During its closure, the College operated solely from William Goodenough House (which itself had been successfully refurbished in 2012-13). Together, the refurbishment of these buildings marked the most significant investment in the infrastructure of the College since each was constructed. The refurbishment has been accompanied by the development of a comprehensive business plan which aims to ensure the College undertakes regular maintenance and capital replacement in the future. This detailed operational planning is designed to underpin the College's delivery of its charitable mission and objectives and safeguard its long-term sustainability.

The success of the refurbishment from a student perspective is testified by the College's achievements in the National Student Housing Survey. For the second year running, it was awarded the International Student International Accommodation Quality Mark, being one of only 11 institutions to achieve a 90% satisfaction rating from international students. It also won Best Learning Environment and Best Booking Experience.

The reopening of London House was scheduled to admit students for the 2014-15 academic year. With the additional accommodation units added to William Goodenough House during its refurbishment, the College was this year able to admit the largest number of Members in its history. The 685 Members for 2014-15 come from 82 countries of which 52% are the Commonwealth. They are studying at 59 academic institutions, with 59% undertaking Masters courses, 31% PhD and other research programmes and 10% other forms of postgraduate qualifications. 47% are male, 53% female, and the average age is 28. Their academic subject matter is as diverse as their backgrounds.

At the heart of College life is a rich and diverse extra-curricular life which encourages the personal development of College Members. This includes Faculty Dinners, Dining-in Nights, Port Talks, an annual TEDxGoodenough College, musical performances, and sports. More than 80 clubs and societies are run by and for Members. Members also elect a Members Council annually which includes three posts who sit on the College's Governing body (the Chair and two Governance Reps).

The Goodenough Club continued to perform well and attracted a range of clients from across all segments and areas as well as College Alumni and visitors. The Club has also taken on the management of short-stay bookings for William Goodenough House and London House.

At The Burn, the recent refurbishments and the opening of the new Courtyard block have improved the standard of accommodation and quality of experience for students staying there. This has resulted in increased bookings, a welcome trend that all shall be working hard to continue.

Goodenough College

Report of the Trustees *(continued)*

for the year ended 31 March 2015

STRATEGIC REPORT *(continued)*

• FINANCIAL REVIEW

Financial performance from activities

The College achieved a consolidated loss of £4.4m (2014 £3.9m) after expending £3.5m (2014 £3.8m) against the major refurbishment of college property (the major project) leading to an operating loss before the major refurbishment costs of £0.9m (2014 £0.1m).

The key features of the financial year were:

- College activities income (predominantly income generated from rents from Member Accommodation) rose to £5.9m (2014 £4.4m) due to the opening of London House for the start of the 2014/15 Academic Year. This represented a major shift to 'business as usual' following the closure of William Goodenough House for refurbishment from July 2011.
- Accommodation expenses increased to £4.0m (2014 £3.1m) again due to having both William Goodenough House and London House open and fully refurbished for two academic terms.
- Donations and bequests for the year were £245k (2014 £254k)

Goodenough Club Ltd ("the Club") is a wholly owned subsidiary of the College. The Club's significant activities relate to the provision of accommodation for alumni, members' families and others in accommodation in Mecklenburgh Square which belongs to the College. In the year to 31 March 2015, the Club had a turnover of £2,310k (2014: £2,203k) generating a gross profit of £1,092k (2014: £1,076k) which is gift aided to the College. The Club's financial objectives are to optimise profit in order to optimise the amount gift aided. Prices for the Club are set with this objective and the prevailing market conditions in mind. The Club has limited exposure to liquidity or cash flow risks and given the nature of guests, has limited credit risk exposure.

The College holds two investment portfolios, one for the College and one for The Burn. The performance of both investment portfolios is reviewed regularly by the College's Investment Committee. The total return on the main College portfolio over the year was 10.0 % and The Burn was 9.8%. The portfolios were managed throughout the year by Rathbones and the College continues to be satisfied with their management. All investments acquired during the year were in accordance with Trustees' powers.

The values of the portfolios at 31 March 2015 were:

College: £7,200,000 (2014 £6,549,000)

Burn: £1,411,000 (2014 £1,379,000)

Funds and reserves

- The College's reserves are divided between restricted and unrestricted funds. Unrestricted are further divided into designated and other unrestricted funds such as revaluation and general reserve.
- Restricted funds are represented by assets and investments that can only be used or spent for a particular purpose as stated by the donors. The total value at the 31 March 2015 was £14,345,000 (2014: £14,297,000). See Note 15 for further details.
- Unrestricted funds total £145,177,000 (2014: £149,065,000) which includes designated reserves of £132,262,000 (2014: £145,324,000) and general reserves of £12,207,000 (2014: £3,033,000). See Note 16 for further details.

Goodenough College

Report of the Trustees *(continued)*

for the year ended 31 March 2015

STRATEGIC REPORT *(continued)*

• FINANCIAL REVIEW *(continued)*

Funds and reserves *(continued)*

- The tangible fixed asset reserve of £129,663,000 (2014: £136,699,000) represents the value of the college's tangible fixed assets within the unrestricted fund after taking account of the long term loan. The capital replacement reserve of £2,599,000 (2014: £8,625,000) represents a sum designated by the trustees for the future renewal of tangible fixed assets.

The Trustees have reviewed the College's 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 £5 million - £7 million should be established and maintained in the longer term. This range is based on managing to sustain core College activity if there were a fall in member income of 25% for three years (c£3 million) and a loss of 50% of Goodenough Club net revenue for 2 years (c£1 million). In addition, a minimum of £1 million is considered necessary to deal with major estate issues, such as a failure of heating, plumbing or electrical services in either House.

The College's general funds of £12.2m (2014: £3.0m) at 31 March 2015 represent the value of unrestricted funds not represented by tangible fixed operating assets after taking account of the value of those assets funded by the outstanding long term loan. Combined with the designated funds within the Capital Replacement Reserve and the general funds of the subsidiary, this represents 'freely available funds' of £15,514k (2013: £12,366k). This is supported by £10,149k of unrestricted investment properties and £7,200k within the College investment portfolio.

Given the College's strategies to retain its investment properties for the benefit of future beneficiaries and to provide a capital replacement reserve sufficient to fund the future replacement of its capital assets, the extent to which the freely available reserve is backed by available cash reflects the "economic reality" of the major asset refurbishment project carried out over the past few years. The College expects future operating profits and surpluses to increase the level of reserves over the longer term and provide sufficient cash and freely disposable assets to fund the required replacement of capital assets in the future.

The College has developed a detailed asset replacement plan for the Club and is carrying out a similar exercise for London House and William Goodenough House during 2015/16. It is expected that funds of around £50m will be required to replace the operating assets of the College over the next 40 years. The generation of these funds forms part of the College's ongoing financial and operating plan.

A Revaluation Reserve was created in 2012 to hold the difference between the historical cost of the Fixed Assets and the latest independent valuation as at 31 March 2012.

The Trustees consider a key measure of sustainability for the College to be current and future liquidity cover, rather than just the surplus or deficit accounting position. Work is being carried out on behalf of the Board to monitor the level of cash required by the College in order to maintain appropriate cash backed designated funds to support the College's future investment needs.

Goodenough College

Report of the Trustees *(continued)*

for the year ended 31 March 2015

STRATEGIC REPORT *(continued)*

- **FINANCIAL REVIEW** *(continued)*

Bank facilities and borrowings

On 17 March 2015 the College extended its loan facility with Barclays Bank plc ("Barclays") by £1m to £26 million. In 2020/21 the entire loan is subject to re-financing discussions with Barclays. The loan is secured against the College Estate.

The borrowings and repayments of capital are the subject of specific agreed banking covenants, namely Cashflow Cover and Loan to Value. Financial procedures are in place to monitor compliance with these covenants. See note 14 for more details.

- **RISK MANAGEMENT AND UNCERTAINTY**

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

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

Revenue shortfall and downturn in member application numbers have been identified as a fundamental financial risk in respect of Goodenough College. The promotion of the College to educational institutions and scholarship bodies both within London and internationally is given the highest priority in order to mitigate this risk. Application numbers are reviewed on a regular basis. There is also a risk in respect of the income generated by 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.

The College continually improves 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.

Processes are in place to monitor cash flows in order to minimise liquidity risk, in conjunction with our reserves and investment policies.

Goods and services purchased are subject to contracts with suppliers based on market prices. Market risk is dealt with in the investment management policy section on page 6.

Having identified interest rate risk there is a comprehensive interest rate hedging arrangement in place in respect of banking facilities which are subject to certain covenants with effect from 2015/16. Further details can be found in Note 14.

Goodenough College

Report of the Trustees *(continued)*

for the year ended 31 March 2015

STRATEGIC REPORT *(continued)*

• PLANS FOR FUTURE PERIODS

After the completion of the Major Refurbishment Project the College has turned its attention to ensuring the best possible delivery of its charitable objectives through the proper maintenance and repair of its buildings, providing the best possible services to its students and maintaining the value of its income generating assets.

An exciting and comprehensive programme of extra-curricular activities for new and existing students is being drawn up to provide the opportunities for the community to interact, learn, develop leadership and a mutual understanding and respect of diverse cultures and academic disciplines. This will be further developed by the arrival of the new Dean: Alan McCormack, building on the work of Roger Llewellyn who has moved onto a new role outside of College.

The College will ensure the best possible services through the retendering of its facilities management contracts during 2015/16. With new contracts in place for Hard FM (Planned, Preventative and Reactive Maintenance), Soft FM (Cleaning and Housekeeping) and Catering (Member, Club and Events) from October 2015 the College is confident that it will deliver the best possible services to Members and other stakeholders at an economic cost.

The College will complete the refurbishment of the 65 bathrooms contained within the Club and refurbish its investment property on Doughty Mews for letting during the summer of 2015. Combined with the establishment of an in house events business and the growing of its short stay rooms offer the College is confident that it will secure the best opportunities from its income generating assets.

The College will further develop its asset replacement plans during 2015/16, including producing an extensive plan for London House and William Goodenough House following their recent refurbishment.

The College is confident of winning further awards for its operations and member activities, by ensuring the best possible delivery of its charitable objectives during 2015/16 and beyond.

Goodenough College

Report of the Trustees *(continued)*

for the year ended 31 March 2015

STATEMENT OF TRUSTEES' RESPONSIBILITIES

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

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

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

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

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

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

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

Disclosure of information to auditor

The Trustees who held office at the date of approval of this Trustees' report confirm that as insofar as they are each 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.

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

Jonathan Hirst QC
Chairman

Date 23rd June 2015.

Independent Auditor's Report to the Members and Trustees of Goodenough College

for the year ended 31 March 2015

We have audited the Financial Statements of Goodenough College for the year ended 31 March 2015 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 Financial Reporting Council's (FRC'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 2015 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, incorporating the Strategic 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 and the Charities Accounts (Scotland) Regulations 2006 (as amended) require 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

Date: 1 July 2015

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)

Goodenough College

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

for the year ended 31 March 2015

	Notes	Unrestricted Funds £'000	Restricted Funds £'000	Total Funds 2015 £'000	Total Funds 2014 £'000
INCOMING RESOURCES					
Incoming resources from generated funds					
Donations	2	9	236	245	254
Investment income	3	651	72	723	744
Activities for generating funds					
Club accommodation	11	2,310		2,310	2,203
		2,970	308	3,278	3,201
Incoming resources from charitable activities					
Gross income from College activities	4	5,486	429	5,915	4,351
Total incoming resources		8,456	737	9,193	7,552
RESOURCES EXPENDED					
Cost of generating funds					
Club accommodation	11	1,218	-	1,218	1,127
Appeals and publicity		41	-	41	39
Investment management fees		31	10	41	47
Total cost of generating funds		1,290	10	1,300	1,213
Charitable activities					
Accommodation	5	3,483	520	4,003	3,057
Other operating costs	5	4,474	136	4,610	3,261
Bursaries and grants payable	5	103	60	163	120
		8,060	716	8,776	6,438
Governance costs	6	21	-	21	45
Major refurbishment costs		3,463	4	3,467	3,762
Total charitable activities		11,544	720	12,264	10,245
Total resources expended		12,834	730	13,564	11,458
Net outgoings before transfers		(4,378)	7	(4,371)	(3,906)
Transfers		157	(157)	-	-
Net outgoing resources after transfers, before gains and losses c/f		(4,221)	(150)	(4,371)	(3,906)

Goodenough College

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

for the year ended 31 March 2015

	Notes	Unrestricted Funds £'000	Restricted Funds £'000	Total Funds 2015 £'000	Total Funds 2014 £'000
Net outgoing resources after transfers, before gains and losses b/f		(4,221)	(150)	(4,371)	(3,906)
Other recognised gains and losses					
Gains on investment assets		333	198	531	360
Total recognised gains and losses		333	198	531	360
Net movement in funds		(3,888)	48	(3,840)	(3,546)
Fund balances as at 1 April	15,16,17	149,065	14,297	163,362	166,908
Fund balances as at 31 March	15,16,17	145,177	14,345	159,522	163,362

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

The loss for the year for Companies Act purposes comprising the net outgoing resources for the year, before realised gains and losses on investments, was £4,371,000 (2014: £3,906,000).

The notes on pages 21 to 35 form part of these Financial Statements.

Goodenough College

Balance sheet

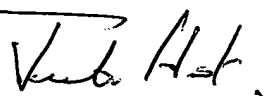
as at 31 March 2015

Company Registration No: 246919

		Group		Company	
	Notes	2015	2014	2015	2014
		£'000	£'000	£'000	£'000
FIXED ASSETS					
Tangible assets for use by Charity					
Freehold land and buildings	9a	162,132	159,926	162,132	159,926
Heritage assets	9b	300	300	300	300
Fixtures, fittings plant & equipment	9c	791	644	791	644
		<u>163,223</u>	<u>160,870</u>	<u>163,223</u>	<u>160,870</u>
Investments	10	21,301	20,554	21,301	20,554
Investments in subsidiaries	11	-	-	250	250
		<u>184,524</u>	<u>181,424</u>	<u>184,774</u>	<u>181,674</u>
CURRENT ASSETS					
Stocks		43	40	43	40
Debtors	12	467	848	1,837	1,855
Cash at bank and in hand		1,261	1,573	1,225	1,573
		<u>1,771</u>	<u>2,461</u>	<u>3,105</u>	<u>3,468</u>
CURRENT LIABILITIES					
Amounts falling due within one year	13	(3,201)	(6,453)	(5,492)	(8,418)
		<u>(1,430)</u>	<u>(3,992)</u>	<u>(2,387)</u>	<u>(4,950)</u>
NET CURRENT (LIABILITIES)					
		<u>183,094</u>	<u>177,432</u>	<u>182,387</u>	<u>176,724</u>
TOTAL ASSETS LESS CURRENT LIABILITIES					
Creditors: amounts falling due after more than one year	14	(23,572)	(14,070)	(23,572)	(14,070)
		<u>159,522</u>	<u>163,362</u>	<u>158,815</u>	<u>162,654</u>
TOTAL NET ASSETS					
Restricted funds	15	14,345	14,297	14,345	14,297
Unrestricted funds	16	145,177	149,065	144,470	148,357
		<u>159,522</u>	<u>163,362</u>	<u>158,815</u>	<u>162,654</u>
TOTAL FUNDS					

The notes on pages 21 to 35 form part of these Financial Statements.

These Financial Statements were approved and authorised for issue by the Trustees on 23 June 2015 and signed on 23.6.15 their behalf by:



Jonathan Hirst QC Chairman

Goodenough College

Consolidated cashflow statement

for the year ended 31 March 2015

	Notes (Page 20)	2015 £'000	2014 £'000
Net cash inflow from operations	(a)	(5,048)	1,585
Returns on investment and servicing of finance	(b)	(725)	(13)
Capital expenditure and Financial investment	(c)	(4,144)	(10,985)
Financing	14	9,502	10,701
Net cash inflow before movement of liquid resources	(d)	(415)	1,288
Management of liquid resources			
Decrease in short term deposits		103	41
Decrease in cash in year		(312)	1,329

Reconciliation of net cashflow to movement in net funds

	2015 £'000	2014 £'000
Decrease in cash in year	(312)	1,329
Decrease in short term deposits	(103)	(41)
Movement in net funds in year	(415)	1,288
Net funds at 1 April 2014	1,762	474
Net funds at 31 March 2015	1,347	1,762

Goodenough College

Consolidated cashflow statement (continued)

for the year ended 31 March 2015

NOTES TO THE CONSOLIDATED CASHFLOW STATEMENT

	2015 £'000	2014 £'000	
(a) Reconciliation of net outgoing resources to net cash outflow from operating activities			
Net outgoing resources	(4,371)	(3,906)	
Investment income (excluding rent from property)	(244)	(261)	
Interest receivable	(45)	(34)	
Loss on disposal of investments	5	12	
Depreciation	1,467	1,114	
Financing costs	1,014	308	
Decrease/(increase) in stock	(3)	5	
Decrease in debtors	381	105	
Increase / (decrease) in creditors	(3,252)	4,242	
Net cash inflow from operating activities	(5,048)	1,585	
(b) Returns on investment and servicing finance			
Investment income received (excluding rent from property)	244	261	
Interest receivable	45	34	
Interest paid	(1,014)	(308)	
	(725)	(13)	
(c) Capital expenditure and financial investment			
Purchase of tangible fixed assets	(3,821)	(11,190)	
Purchase of fixed asset investments	(963)	(1,335)	
Proceeds from sale of fixed asset investments	640	1,540	
	(4,144)	(10,985)	
(d) Analysis of change in net funds			
	2014 £'000	Cash flows £'000	2015 £'000
Cash at bank and in hand	1,573	(312)	1,261
Short term deposits	189	(103)	86
	1,762	(415)	1,347

1. ACCOUNTING POLICIES

(a) Basis of preparation

The Financial Statements have been prepared under the historic cost convention, as modified by the periodic revaluation of properties and the inclusion of investments at market value.

The Financial Statements have been prepared in accordance with the Statement of Recommended Practice (SORP) 'Accounting and Reporting by Charities' published in March 2005, together with the reporting requirements of the Companies Act 2006 and the Charities Act 2011. They also comply with the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 and applicable accounting standards. The accounting policies have been applied consistently throughout the accounts.

The Financial Statements have been prepared on a going concern basis as discussed in the Trustees' report and the Trustees' statement of responsibilities on page 14.

The group statement of financial activities (SOFA) and balance sheet, consolidate the Financial Statements of the Charity and its wholly owned subsidiaries, all of which were made up to 31 March 2015 on a line by line basis. In accordance with Section 480(4) of the Companies Act 2006 and paragraph 397 of the SORP no separate statement of financial activities is presented for the Charity.

(b) Company status

The Charity is a company limited by guarantee. The members of the company are the Trustees named on page 2. In the event of the Charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the Charity.

(c) Incoming resources

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

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

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

(d) Resources expended

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to that category. 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 and audit costs.

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.

1. ACCOUNTING POLICIES (continued)

(e) Derivative financial instruments and hedge accounting

The College may use derivative financial instruments to hedge its risks associated with interest rate fluctuation. The use of derivative financial instruments is governed by the Trustees' policies, which provide written principles on the use of financial derivatives. Derivative financial instruments, if used by the College are for hedging purposes to alter the future risk profile of interest rate fluctuation associated with agreed banking facilities.

(f) Taxation

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

The subsidiary makes qualifying donations of all taxable profit to Goodenough College. Income from Gift Aid Tax reclaim is recognised in relation to qualifying donations received.

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

(g) Fund accounting

The College maintains various types of funds as follows:

i) Restricted funds

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

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

ii) Unrestricted funds

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

Tangible fixed asset reserve representing the value of all reserves used for tangible fixed assets, excluding those of The Burn, which are restricted.

Capital replacement reserve has been established to fund planned replacement of major assets of the College and Club 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.

1. ACCOUNTING POLICIES *(continued)*

(h) Tangible fixed assets

Freehold buildings and Heritage Assets are stated in the balance sheet at valuation, and are the subject of revaluation every five years. 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 buildings	100
Lifts	30
Bathrooms, heating, water, electrical and gas systems, and boiler equipment	25
CCTV	20
Ventilation and fire detection systems	15
Access and telephone system	10
Vehicles	5
Computer and other office equipment	4
Other plant and equipment and other fixtures and fittings	4-8

(i) Investments

Investments are valued 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 SOFA. Realised gains and losses represent the difference between the sale proceeds and the opening market value of an investment or cost if purchased during the year.

(j) Stocks

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

(k) Operating Leases

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

Goodenough College**Notes to the Financial Statements** *(continued)**year ended 31 March 2015***2 DONATIONS**

	Unrestricted funds 2015 £'000	Restricted funds 2015 £'000	Total funds 2015 £'000	Total funds 2014 £'000
Donations	9	231	240	242
Legacies	-	5	5	12
	<u>9</u>	<u>236</u>	<u>245</u>	<u>254</u>

3 INVESTMENT INCOME

	Unrestricted funds 2015 £'000	Restricted funds 2015 £'000	Total funds 2015 £'000	Total funds 2014 £'000
Income from UK listed investments	186	46	232	211
Income from overseas listed investments	12	-	12	50
Rent from property	414	20	434	449
Other interest - short-term deposits	39	6	45	34
	<u>651</u>	<u>72</u>	<u>723</u>	<u>744</u>

4 INCOMING RESOURCES FROM COLLEGE ACTIVITIES

	Unrestricted funds 2015 £'000	Restricted funds 2015 £'000	Total funds 2015 £'000	Total funds 2014 £'000
College gross accommodation income	5,486	-	5,486	4,048
The Burn income	-	429	429	303
	<u>5,486</u>	<u>429</u>	<u>5,915</u>	<u>4,351</u>

Goodenough College

Notes to the Financial Statements *(continued)*

year ended 31 March 2015

5 RESOURCES EXPENDED FOR CHARITABLE PURPOSES

	2015 £'000	2014 £'000
<u>Unrestricted</u>		
Accommodation – The College	3,483	2,611
Other operating costs		
Administration, salaries and wages	1,609	1,322
Depreciation College fixed assets	1,355	1,002
Other operating costs	1,510	803
	4,474	3,127
Bursaries and Grants Payable	103	103
Governance Costs	21	45
Fixed asset refurbishment costs - not capitalised	3,463	3,759
Total Expenditure for Charitable Purposes - Unrestricted	11,544	9,645
<u>Restricted</u>		
Bursaries and grants payable	60	17
Accommodation – The Burn	520	446
Other operating costs		
Depreciation	112	112
Administration	24	22
	136	134
Fixed asset refurbishment costs - not capitalised	4	3
Total Expenditure for Charitable Purposes - Restricted	720	600
Total Expenditure for Charitable Purposes	12,264	10,245
<u>Support Costs</u>		
College expenditure includes support costs of:		
Administrative staff (allocated on a time basis)	1,082	1,062
Other costs including IT (allocated on a usage basis)	285	152
	1,367	1,214

The 2014 figures for Administrative staff have been restated due to changes in the definition and calculation of College support costs.

Goodenough College

Notes to the Financial Statements *(continued)*

year ended 31 March 2015

6 GOVERNANCE COSTS

	2015	2014
	£'000	£'000
Council and Board meeting costs	2	6
Fees payable to the auditors (College audit fee only)	19	39
	21	45
 Fees payable to the Company's auditors		
Audit	19	26
Tax	-	1
Non audit services	-	12
	19	39

7 NET OUTGOING RESOURCES

	2015	2014
	£'000	£'000
Net outgoing resources for the year are stated after charging :		
Audit and accountancy (College and Club audit fees)	27	39
Depreciation of tangible fixed assets	1,467	1,114

8 INFORMATION REGARDING STAFF AND TRUSTEES

	2015	2014
	No.	No.
Average number of employees (full time equivalent) during the year:		
House	30	23
Administration	22	22
Other	25	24
	77	69
	2015	2014
	£'000	£'000
Wages and Salaries	2,488	2,200
Social security costs	252	222
	2,740	2,422

8 INFORMATION REGARDING STAFF AND TRUSTEES (continued)

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

	2015 No.	2014 No.
£60,001 - £70,000	2	-
£70,001 - £80,000	-	1
£100,001 - £110,000	-	1
£120,001 - £130,000	1	1

Pension contributions for these senior staff were £8,762 (2014: £19,000).

Trustees' Remuneration

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

During the year one Trustee was reimbursed £373 for travel expenses incurred (2014: £252).

Pension Schemes

The Company operates stakeholder pension schemes administered by Legal and General. The employer's contributions are matched to those of the qualifying employees to a maximum of 10% of pensionable salary for senior staff and 5% of pensionable salary for other staff, and amounted to £61,198 (2014: £66,000). At 31 March 2015 outstanding payments due to the scheme were £14,042 (2014: £6,000).

Goodenough College

Notes to the Financial Statements *(continued)*

year ended 31 March 2015

9 TANGIBLE FIXED ASSETS

a Freehold properties:

Consolidated and company

Land and buildings at valuation	College £'000	The Burn £'000	Total £'000
Valuation or cost at 1 April 2014	151,723	10,250	161,973
Additions	3,270	-	3,270
Assets under construction	227	-	227
As at 31 March 2015	155,220	10,250	165,470
Depreciation			
As at 1 April 2014	1,851	197	2,048
Charge for the year	1,187	103	1,290
As at 31 March 2015	3,038	300	3,338
Net book value at 31 March 2015	152,182	9,950	162,132
Net book value at 31 March 2014	149,873	10,053	159,926

Freehold properties consisted of student accommodation, the Club and The Burn. They were all the subject of independent valuations, for inclusion in the accounts as at 31 March 2013 provided by Drivers Jonas Deloitte, Willis Ltd, Ecclesiastical, Bell Ingram and Alpha Browett Taylor. In accordance with accounting policies the next valuation will take place in March 2017. The historical cost and net book value of the land and buildings if the revaluation had not taken place would be £33,506,000 (2014: £31,345,000).

The student accommodation secures a 25 year term loan facility (see Note 14).

b Heritage Assets

Consolidated and company

	College £'000	The Burn £'000	Total £'000
Valuation at 1 April 2014	280	20	300
Additions	-	-	-
As at 31 March 2015	280	20	300

Heritage assets consist of paintings and furniture which were valued on an open market basis by Tim Richie and Associates in March 2012. In accordance with accounting policies the next valuation will take place in March 2017.

Goodenough College**Notes to the Financial Statements** *(continued)**year ended 31 March 2015***9 TANGIBLE FIXED ASSETS** *(continued)***c Fixtures, fittings, plant and equipment**

	College £'000	The Burn £'000	Total £'000
Cost at 1 April 2014	2,133	67	2,199
Additions	324	-	324
At 31 March 2015	2,456	67	2,523
Depreciation at 1 April 2014	1,537	18	1,555
Charge for year	168	9	177
At 31 March 2015	1,705	27	1,732
Net Book Value 31 March 2015	751	40	791
Net book value at 31 March 2014	596	48	644

10 INVESTMENTS HELD AS FIXED ASSETS**a Investment Properties**

Land and buildings at valuation:

	College £'000	The Burn £'000	Total £'000
As at 1 April 2014	9,981	2,455	12,436
Assets under construction	168	-	168
As at 31 March 2015	10,149	2,455	12,604

The investment properties were the subject of an independent valuation for inclusion as at March 2013 by Alpha Browett Taylor and Ecclesiastical. The assets under construction include refurbishment of the Doughty Mews house which forms part of College investment properties.

Goodenough College

Notes to the Financial Statements *(continued)*

year ended 31 March 2015

10 INVESTMENTS HELD AS FIXED ASSETS *(continued)*

		Consolidated and Company	
		2015	2014
b Listed Investments	Notes	£'000	£'000
Market Value at 1 April		7,929	7,702
Additions at cost		795	1,335
Disposals at carrying value		(644)	(1,468)
Unrealised gain		531	360
Market Value at 31 March		8,611	7,929
Listed Investments comprise the following:			
Investments listed on a recognised stock exchange - Equities		6,663	5,360
Investments listed on a recognised stock exchange - Bonds		1,705	1,234
Alternative Funds		243	1,335
Market Value at 31 March		8,611	7,929
Investment assets in the United Kingdom		6,062	6,465
Investment assets outside the United Kingdom		2,549	1,464
Market Value at 31 March		8,611	7,929
Cost at 31 March		6,837	6,642
Total investments			
Listed Investments (Market Value)	10b	8,611	7,929
Short term deposits		86	189
Investment Properties (Market Value)	10a	12,604	12,436
Investments at 31 March		21,301	20,554

No shareholding investment exceeds 5% of the charity's investment portfolio.

Goodenough College

Notes to the Financial Statements *(continued)*

year ended 31 March 2015

11 SUBSIDIARY UNDERTAKINGS

The College owns 100% of the issued capital of the following companies, both of which are registered in England and Wales. The subsidiaries gift aid any taxable surplus to the College.

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

Summarised financial results of Goodenough Club Limited are set out below and are included in the consolidated SOFA. All activities relate to continuing operations.

	2015 £'000	2014 £'000
Turnover	2,310	2,203
Cost of sales	<u>1,218</u>	<u>1,127</u>
	1,092	1,076
Gift aid payment	<u>1,092</u>	<u>1,076</u>
Profit	<u>-</u>	<u>-</u>
Assets	2,540	2,183
Liabilities	<u>(1,582)</u>	<u>(1,225)</u>
Shareholders' funds	<u>958</u>	<u>958</u>

12 DEBTORS

	Consolidated		Company	
	2015 £'000	2014 £'000	2015 £'000	2014 £'000
Trade debtors	129	223	64	157
Amounts due from subsidiary undertaking	-	-	1,443	1,076
Other debtors	32	25	32	25
Taxes recoverable	152	380	152	380
Prepayments and accrued Income	<u>154</u>	<u>220</u>	<u>146</u>	<u>217</u>
	<u>467</u>	<u>848</u>	<u>1,837</u>	<u>1,855</u>

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

13 CREDITORS:

Amounts falling due within one year

	Consolidated		Company	
	2015	2014	2015	2014
	£'000	£'000	£'000	£'000
Trade creditors	1,708	2,945	1,656	2,857
Amounts due to subsidiary undertaking	-	-	2,431	2,114
Taxation and social security	110	99	77	72
Other creditors	460	1,077	431	1,076
Accruals	817	2,231	791	2,198
Deferred income – see note below	106	101	106	101
	<u>3,201</u>	<u>6,453</u>	<u>5,492</u>	<u>8,418</u>

Deferred income consists entirely of commercial rent paid in advance.

14 CREDITORS: amounts falling due in greater than one year

	2015	2014
	£'000	£'000
Bank Borrowings		
Falling due between 1 and 2 years	462	-
Falling due between 2 and 5 years	2,100	1,260
Falling due in more than 5 years	<u>21,010</u>	<u>12,810</u>
	<u>23,572</u>	<u>14,070</u>

The draw down from the facility in the year was £9,502,445 (2014: £10,701,000).

The indebtedness arises from draw down of funds under the College's 25 year term loan facility agreement with Barclays Bank of 7 July 2011. The bank loan exposes the College to potential cash flow interest rate risk. There is an interest rate hedging arrangement in place in respect of £22.5 million of the loan from 2014/15 through to 2020/21. The fixed rate (excluding margin) on this hedge is 4.41% on £18million loan and 1.63% for £4.5million loan.

In 2020/21 the entire term loan facility is subject to refinancing discussions with Barclays.

Goodenough College

Notes to the Financial Statements (continued)

year ended 31 March 2015

15 RESTRICTED FUNDS

	31 Mar'14 £'000	Transfer £'000	Income £'000	Gains / losses £'000	Expenditure £'000	31 Mar'15 £'000
Burn fund	1,001	2,656	494	185	(668)	3,668
Bursaries	188	-	14	13	(15)	200
Specific donations	394	(88)	228	-	(46)	488
Tangible fixed asset reserve	585	(12)	-	-	-	573
	2,168	2,556	736	198	(729)	4,929
Revaluation reserve	12,129	(2,713)	-	-	-	9,416
Total Restricted Funds	14,297	(157)	736	198	(729)	14,345

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

The transfer into the Burn Fund represents:

- The cost of fixed assets bought in the year less depreciation on cost adjusted for the excess of depreciation on the revalued tangible fixed assets over original cost
- Drawdown on the Burn Portfolio to cover the trading losses incurred by the Burn for the financial year to 31st March 2014
- Adjustment to the fund to bring the tangible fixed asset and revaluation reserve in line with the tangible fixed assets held by the Burn

16 UNRESTRICTED FUNDS

	31 Mar'14 £'000	Transfer £'000	Income £'000	Gains/losses £'000	Expenditure £'000	31 Mar'15 £'000
Tangible fixed asset	28,703	3,547	-	-	-	32,250
Revaluation reserve	122,066	(1,081)	-	-	-	120,985
	150,769	2,466	-	-	-	153,235
Long term loan	(14,070)	(9,502)	-	-	-	(23,572)
Tangible fixed asset reserve	136,699	(7,036)	-	-	-	129,663
Capital replacement reserve	8,625	(6,026)	-	-	-	2,599
Total designated reserves	145,324	(13,062)	-	-	-	132,262
General funds of the Charitable Company	3,033	13,219	8,456	333	(12,834)	12,207
Total funds of the charitable company	148,357	157	8,456	333	(12,834)	144,469
General funds of the subsidiary	708	-	-	-	-	708
Total consolidated unrestricted funds	149,065	157	8,456	333	(12,834)	145,177

-33 -

Goodenough College

Notes to the Financial Statements (continued)

year ended 31 March 2015

16 UNRESTRICTED FUND (continued)

- *Designated reserves* are amounts which have been created and set aside at the discretion of the Trustees
- *Tangible fixed asset reserve* represents the value of all reserves used for tangible fixed assets, excluding those of The Burn, which are restricted
- *Capital replacement reserve* provides for the planned refurbishment of the estate and the replacement of major assets over the next 50 years.
- *General funds* are reserves 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.

The transfer into general funds includes:

- The cost of fixed assets bought in the year less depreciation on cost adjusted for the excess of depreciation on the revalued tangible fixed assets over original cost
- Transfer out to Capital Replacement Reserve of £700,000 being £600,000 for College and £100,000 for Club
- Transfer in from the Burn Portfolio to cover the trading losses incurred by the Burn as mentioned above
- Transfer in of capital commitment provided for in 2013-14 accounts as commitment no longer exists
- Adjustment to the fund to bring the tangible fixed asset and revaluation reserve in line with the tangible fixed assets held by the College

17 ANALYSIS OF ASSETS AND LIABILITIES BETWEEN FUNDS

	Restricted Funds £'000	Designated reserves £'000	General Funds £'000	Consolidated Total £'000
Fixed Assets				
Tangible fixed assets	9,989	145,685	7,549	163,223
Investments	4,577	10,149	6,575	21,301
Other current assets	86		424	510
Cash at bank and in hand	36		1,225	1,261
Current and long term liabilities	(343)	(23,572)	(2,858)	(26,773)
	<u>14,345</u>	<u>132,262</u>	<u>12,915</u>	<u>159,522</u>

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

18 LEASING COMMITMENTS

At 31 March 2015 the charitable company had the following annual commitments for equipment under non-cancellable operating leases.

	2015 £	2014 £
Operating leases which expire between two and five years	<u>£24,000</u>	<u>£30,000</u>

Goodenough College

Notes to the Financial Statements *(continued)*

year ended 31 March 2015

19 CAPITAL COMMITMENTS

As at March 31 2015 the College was committed to a contract, including variations, of £386,989 with T&B Ltd for refurbishment of Doughty Mews.

20 RELATED PARTY TRANSACTIONS

There have been no related party transactions during the year which require disclosure under Financial Reporting Standard 8.