

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

**GOODENOUGH COLLEGE  
A COMPANY LIMITED BY GUARANTEE  
REPORT AND FINANCIAL STATEMENTS  
YEAR ENDED 31 MARCH 2010**

**GOODENOUGH COLLEGE  
REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2010**

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

**GOODENOUGH COLLEGE  
TRUSTEES' REPORT  
FOR THE YEAR ENDED 31 MARCH 2010**

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**NAME AND REGISTERED OFFICE OF THE CHARITY**

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

The charity was formed as a company limited by guarantee on 28 March 1930.  
Charity No 312894 (England & Wales) SC039173 (Scotland)

**PATRON**

HER MAJESTY THE QUEEN

**THE ADVISORY COUNCIL**

**President**

**The Rt Hon The Lord Fellowes, GCB GCVO QSO**

**Elected Governors**

Alex Acland **8\***

Alison Bell<sup>+</sup>

Abhisek Banerjee

David Brooks Wilson **5**

Andrew Brown **3\***

The Hon Justice Dennis Cowdroy

Hugh Crossley **5 \***

Robert Douglas

Sir Anthony Figgis, KCVO CMG

Fabian French **4**

Lady (Mary Ellen Eugenie) Fretwell, OBE

Sir Anthony Goodenough, KCMG

Jonathan Hirst, QC **5, 7, 8**

Fiona Kirk **4**

Dr Tidu Maini

Dame Judith Mayhew Jonas

Charles McGregor **5**

Mark Mullen

Suzy Neubert **1**

Christopher David Palmer-Tomkinson

Oliver Pawle **2, 8**

Andrew Peake **6, 7**

John Robert Polk **6, 7, 8**

Hon. Philip Remnant **2, 6**

William John Rucker **++**

Martin Schwab **4**

Professor John Stopford **1**

Eric Tracey **5**

Davina Jane Walter **6**

Graham Ward, CBE **2**

**Emeritus Governor**

Sir Ashley Charles Gibbs Ponsonby, Bt, KCVO, MC (deceased June 2010)

Sir Christopher Wates (elected April 2010)

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

\* appointed October 2009

+ retired June 2009

++ retired March 2010

**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 2010**

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**THE ADVISORY COUNCIL (continued)**

\* The holders of these offices are shown as at 31 March 2010 (some changes have occurred since that date).

**\* Ex-Officio Governors**

The Vice-Chancellor of the University of Oxford	Prof. Andrew D Hamilton
The Vice-Chancellor of the University of Cambridge	Prof. Alison Richard
The Vice-Chancellor of the University of London	Prof. Sir Graeme John Davies
The Principal of the University of Glasgow	Prof. Anton Muscatelli
The President of the Royal College of Physicians	Prof. Ian Gilmore
The Chairman of the Bar Council	Nicholas Green QC
The President of the Institute of Chartered Accountants in England and Wales	Martin Hagen
The Director General of the British Council	Martin Davidson
The Royal Over-Seas League	Stanley Martin CVO

**The Board (Directors and Trustees)**

Jonathan Hirst QC <b>Chairman</b>	Charles McGregor
Andrew Brown	Christopher David Palmer-Tomkinson
David Brooks Wilson	Oliver Pawle
Fabian French	Hon Philip Remnant
Lady Fretwell, OBE (vice Chairman)	John Robert Polk (vice Chairman)
Fiona Kirk	Eric Tracey

**Staff**

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

**GOODENOUGH COLLEGE**  
**TRUSTEES' REPORT (Continued)**  
**FOR THE YEAR ENDED 31 MARCH 2010**

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**METHOD OF ELECTION OF GOVERNORS**

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

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

David Brooks Wilson  
Robert Douglas  
Lord Fellowes

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.

**Auditors**

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

**Bankers**

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

**Investment Managers**

Newton Investment Management  
160 Queen Victoria Street  
London  
EC4V 4LA

**Solicitors**

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

**GOODENOUGH COLLEGE**  
**TRUSTEES' REPORT (Continued)**  
**FOR THE YEAR ENDED 31 MARCH 2010**

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**OBJECTS AND ACTIVITIES**

The College was founded in 1930 as a residential college for students from the Dominions. Its aim was to improve international tolerance and understanding amongst people on the brink of their careers by providing a forum in which they could interact. It has expanded greatly since that time and now consists of a community of 600 postgraduates from around 100 countries. The College organises, encourages and assists the education in England of students from any part of the world, giving preference to students from The Commonwealth (with priority for students from those nations less able from time to time to provide resources and facilities of their own). The vision of the College today is:

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

And its main objectives are:

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

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

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

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

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

**GOODENOUGH COLLEGE**  
**TRUSTEES' REPORT (Continued)**  
**FOR THE YEAR ENDED 31 MARCH 2010**

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**CONSTITUTION**

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

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

The main features of the amended structure are:

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

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

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

**INVESTMENT POWERS AND POLICIES**

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

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

The Trustees, in delegating their investment management, require the Managers to pay attention to the standard investment criteria, namely the suitability of the class of investment and the need for diversification insofar as is appropriate to the circumstances of Goodenough College. Any restrictions on the type of investments or markets in which the Manager would invest on the client's behalf will be set out in writing.

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

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

**GOODENOUGH COLLEGE**  
**TRUSTEES' REPORT (Continued)**  
**FOR THE YEAR ENDED 31 MARCH 2010**

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**INVESTMENT POWERS AND POLICIES (Continued)**

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**

During the year the College has made good progress in respect of two significant projects.

1. A refurbishment feasibility study was completed. This study looked at the costs of restoring the infrastructure of and improving facilities in London House (LH) and William Goodenough House (WGH). A key aspect of the study is the proposed creation of additional accommodation by building two extra floors on part of the WGH site. Planning consent for this development was granted in June 2010. The study indicates that the work to William Goodenough House can begin in 2011 and be completed by the end of 2013. The project will then move to London House where it is anticipated that work will be finished in 2015.
2. The College is committed to producing a new Strategic Plan by the end of 2010. The Advisory Council have agreed upon a consultation document which enable all stakeholders to contribute to the development of the Plan. This also provides the opportunity to re-engage with those alumni with whom the College has lost touch over the years.

In September 2009 the last College members moved out of Byron Court which had been sold in 2008 but leased back to enable a smooth transition for our students. The College is actively looking to form a positive and mutually beneficial relationship with the new occupiers, the University of New York.

The very necessary refurbishment of 15 Mecklenburgh Square was completed to a very good standard in December 2009 and the restored building is now fully occupied. The other major works carried out in the year were the restoration of the external fabric of the Goodenough Club and the south and west elevations of London House. The LH works were prolonged by the poorer than anticipated condition of the stonework and by extremely cold weather. The finished product is excellent but living conditions were very trying for those members affected. Work to the north and east elevations is planned for the summer of 2010.

Good progress has also been made with a fundamental review of the management structure and physical estate of The Burn with the objective of enabling the Burn's operations to provide fully for the maintenance of its buildings and estate without recourse to its endowment. This would ensure the permanent future of one of the College's great assets.

During the year the appointments of Caroline Persaud (Registrar), David Wood (Burn Bursar) and Mark Lewis (Development Director) have strengthened the management team as the College faces the challenge of providing for its members over an extended period of significant disruption resulting from the refurbishment programme.

The pace of social and intellectual life on the Square has not slackened. College musicians excelled in performances of 'Die Fledermaus' in the Great Hall whilst the conference on Sustainability proved an international success. A wide range of concerts, cultural nights and port talks continued to provide a daily diet of entertainment. It is planned to capture all College activity and communication in a new community website ('The Square') which is being developed with the members.

**FINANCIAL REVIEW**

The College generated an operational loss of £1,198,373 compared with a surplus of £219,037 in the previous year. This planned loss was largely the consequence of the cost of two estates projects, namely the renovation of 15 Mecklenburgh Square at a cost of £850,000 and the expenditure of £425,000 on the external works to Goodenough Club and London House.

**GOODENOUGH COLLEGE**  
**TRUSTEES' REPORT (Continued)**  
**FOR THE YEAR ENDED 31 MARCH 2010**

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**FINANCIAL REVIEW (Continued)**

The main features of the result for the year were:

- a. the reduction in College 'activities' income (Note 4) from £4.4m to £4.1m largely as a result of the sale of Byron Court.
- b. the increase in 'House' expenditure (Note 5) from £4m to £5.4m as a consequence of the estates projects referred to above
- c. the increase in administration staff costs from £728k to £935k as vacant posts were filled and new (Development and Facilities Management) posts were established.
- d. the ongoing success of the Goodenough Club (note 11) with turnover increasing from £1.71m to £1.79m at a very difficult time for the hotel sector. Profit fell from £730k to £653k as a consequence of an extensive refurbishment programme which will do much to secure future income.

The College failed to achieve its occupancy target in the year largely as a result of reduction in short stay visitor numbers. The Club achieved its target:-

	Target	Actual
College occupancy:	95%	93%
Club occupancy:	80%	82%

It was a much better year for the College investment portfolios.

The performance of both portfolios over the calendar year to 31 December 2009 was reviewed. The total return on the main College portfolio over the year was 20.9% (Burn 19.6%) against a benchmark of 18.9%. The refurbishment portfolio generated a return of 7% over the calendar year. The College continued to be satisfied with the management of the portfolio during a very difficult period. All investments bought during the year were acquired in accordance with the Trustees' powers.

Over the whole period of Newton management (1/4/02 to 31/12/09) the value of the portfolio has increased by 58.1% (Burn 51.1%) against a benchmark of 49.3%.

The values of the managed investment portfolios at 31 March 2010 were:

College:	£5,698,106 (2009: £4,288,527)
Burn:	£1,604,714 (2009: £1,224,442)
Refurbishment:	£14,777,635 (2009: £14,544,110)

**PUBLIC BENEFIT**

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

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

**GOODENOUGH COLLEGE**  
**TRUSTEES' REPORT (Continued)**  
**FOR THE YEAR ENDED 31 MARCH 2010**

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**PUBLIC BENEFIT (Continued)**

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

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

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

**THE FUTURE**

The College seeks to make significant progress on a number of fronts over the coming year, with a particular focus on:

- a. The finalisation of a new strategic plan, supported by measurable objectives, which will provide clear direction for the College for the foreseeable future.
- b. The completion of the detailed design and appointment of a contractor for the William Goodenough House building and refurbishment project.
- c. The establishment of a development strategy which will provide an additional substantial income stream for the College.
- d. Further improvements to those services specified in the Facilities Management contract.
- e. The ongoing development of the community website, the Square, which will act as a focus for communication and member activity.

**RISK ASSESSMENT**

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

From a financial perspective the College is most immediately vulnerable in respect of the income generated by the Goodenough Club. In order to secure income levels, funds have been committed to ensure that the accommodation is maintained to a high standard whilst marketing policy is reviewed on a regular basis. However, the more fundamental risk to the College's financial stability would be the failure to maintain member application numbers. The promotion of the College to educational institutions and scholarship bodies both within London and internationally has been given the highest priority in order to mitigate this risk. Application numbers are reviewed on a regular basis.

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

**GOODENOUGH COLLEGE**  
**TRUSTEES' REPORT (Continued)**  
**FOR THE YEAR ENDED 31 MARCH 2010**

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## **RESERVES**

The Trustees have reviewed the College reserves policy. This review encompassed the nature of the income and expenditure streams, the need to match variable income with fixed commitments and the need to provide for known essential estate maintenance expenditure, which will be required during the current planning framework. The review concluded that to allow the College to be managed efficiently and to provide a buffer against interrupted services, general reserves in the range from £5m -£7m should be established and maintained.

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

At 31 March the College's general reserve was £4,917,885 (2009: £4,603,881). It is the College intention to increase the level of general reserves by £1m over the next decade. This objective takes into account an anticipated period of at least 5 years of significant disruption whilst the College buildings are refurbished.

The charity has a number of other designated and restricted funds which are represented by investments and fixed assets. The purpose of these funds is detailed in notes 16 and 17 in the financial statements. In addition the College has established a new designated reserve from the proceeds of the sale of Byron Court. This reserve will be used to implement a major refurbishment of College facilities and accommodation.

## **STATEMENT OF TRUSTEES' RESPONSIBILITIES**

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

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

Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the incoming resources and the application of resources of the charity and group during the year, and of the state of affairs as at the end of the financial year. 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 which disclose with reasonable accuracy at any time the financial position of the charity 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 charity and group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**GOODENOUGH COLLEGE  
TRUSTEES' REPORT (Continued)  
FOR THE YEAR ENDED 31 MARCH 2010**

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

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

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

**AUDITORS**

Horwath Clark Whitehill have expressed their willingness to continue as auditors for the next financial year.

By order of the Trustees

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

We have audited the financial statements of Goodenough College for the year ended 31 March 2010 which comprise the consolidated Statement of Financial Activities, the Balance Sheet, the consolidated Cash Flow Statement and the related notes. These financial statements have been prepared in accordance with the accounting policies set out therein.

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

### **Respective responsibilities of trustees and auditors**

The trustees' (who are also the directors of Goodenough College for the purpose of company law) responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and for being satisfied that the financial statements give a true and fair view are set out in the Statement of Trustees' Responsibilities.

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

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (United Kingdom and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice and have been prepared in accordance with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006. We also report to you if in our opinion the information given in the Trustees' Annual Report is not consistent with the financial statements.

In addition, we report to you if, in our opinion, the charitable company has not kept adequate accounting records, if the charity's financial statements are not in agreement with those records, if we have not received all the information and explanations we require for our audit or if certain disclosures of trustees' remuneration specified by law are not made.

We read the Trustees' Annual Report and consider the implications for our report if we become aware of any apparent misstatements within it. Our responsibilities do not extend to other information.

### **Basis of opinion**

We conducted our audit in accordance with International Standards on Auditing (United Kingdom and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charitable company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

## Opinion

In our opinion:

- the financial statements give a true and fair view of the state of the charity's affairs as at 31 March 2010 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- the financial statements have been prepared in accordance with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006; and
- the information given in the Trustees' Annual Report is consistent with the financial statements.

Pesh Framjee

Senior Statutory Auditor

For and on behalf of

**Horwath Clark Whitehill LLP**

Statutory Auditor

St Bride's House

10 Salisbury Square

London

EC4Y 8EH

Date

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

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES**  
**(INCLUDING THE INCOME AND EXPENDITURE ACCOUNT)**  
**YEAR ENDED 31 MARCH 2010**

	Notes	Unrestricted funds	Restricted funds	Total funds 2010	As restated Total funds 2009
		£	£	£	£
<b>INCOMING RESOURCES</b>					
<b>Incoming resources from generated funds</b>					
Donations		19,592	2,200	<b>21,792</b>	6,948
Investment income	2	614,342	70,914	<b>685,256</b>	707,229
Interest receivable	3	557,503	565	<b>558,068</b>	48,003
Activities for generating funds					
Conference facilities and Club Accommodation	11	1,794,773	-	<b>1,794,773</b>	1,875,883
		2,986,210	73,679	<b>3,059,889</b>	2,638,063
<b>Incoming revenues from charitable objectives</b>					
Gross income from College activities	4	4,104,526	201,655	<b>4,306,181</b>	4,629,625
<b>Incoming Resources from operations</b>					
Profit on sale of Byron Court		7,090,736	275,334	<b>7,366,070</b>	7,267,688
		-	-	-	13,264,779
<b>Total Incoming Resources</b>		<b>7,090,736</b>	<b>275,334</b>	<b>7,366,070</b>	<b>20,532,467</b>
<b>RESOURCES EXPENDED</b>					
<b>Cost of generating funds</b>					
Conference facilities and Club Accommodation	11	981,862	-	<b>981,862</b>	925,445
Appeals and publicity		19,698	-	<b>19,698</b>	12,151
Investment managers' fees		26,931	561	<b>27,492</b>	27,598
		1,028,491	561	<b>1,029,052</b>	965,194
<b>Charitable activities</b>					
Bursaries and grants payable		39,521	-	<b>39,521</b>	45,613
Other expenditure for charitable purposes	5	7,179,462	363,136	<b>7,542,598</b>	6,035,350
<b>Governance costs</b>	6	41,635	-	<b>41,635</b>	39,336
<b>Total charitable activities</b>		<b>7,260,618</b>	<b>363,136</b>	<b>7,623,754</b>	<b>6,120,299</b>
<b>Total Resources Expended</b>		<b>8,289,109</b>	<b>363,697</b>	<b>8,652,806</b>	<b>7,085,493</b>
<b>Net (outgoing)/incoming resources from operations</b>	7	<b>(1,198,373)</b>	<b>(88,363)</b>	<b>(1,286,736)</b>	<b>182,195</b>
<b>Net incoming resources after the sale of Byron Court</b>		-	-	-	13,446,974
<b>Other recognised gains and losses</b>					
Net investment gains/(losses)	10	1,838,092	401,064	<b>2,239,156</b>	(1,779,957)
<b>Net movement in funds</b>		<b>639,719</b>	<b>312,701</b>	<b>952,420</b>	<b>11,667,017</b>
Total funds brought forward		32,570,585	1,619,149	<b>34,189,734</b>	22,522,717
<b>Total funds carried forward</b>		<b>33,210,304</b>	<b>1,931,850</b>	<b>35,142,154</b>	<b>34,189,734</b>

All results derive from continuing operations other than those disclosed in Note 11. 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 plus realised gains and losses in investments and was £1,286,736 (2009 incoming resources: £182,195).

**GOODENOUGH COLLEGE  
BALANCE SHEETS  
AS AT 31 MARCH 2010**

	Notes	Consolidated		Company	
		2010	2009	2010	As restated 2009
		Total	Total	Total	Total
		£	£	£	£
<b>FIXED ASSETS</b>					
Tangible assets for use by the charity					
Freehold halls of residence	9	<b>6,554,198</b>	6,554,198	<b>6,554,198</b>	6,554,198
Other freehold land and buildings	9	<b>6,875,809</b>	6,875,809	<b>6,875,809</b>	6,875,809
Fixtures, fittings, plant and equipment	9	<b>432,414</b>	341,449	<b>432,414</b>	341,449
		<b>13,862,421</b>	13,771,456	<b>13,862,421</b>	13,771,456
Investments	10	<b>22,080,455</b>	20,057,079	<b>22,080,455</b>	20,057,079
Investment in subsidiaries	11	-	-	<b>250,002</b>	250,002
		<b>35,942,876</b>	33,828,535	<b>36,192,878</b>	34,078,537
<b>CURRENT ASSETS</b>					
Stocks – consumables		<b>18,681</b>	26,623	<b>18,681</b>	26,623
Debtors	12	<b>734,490</b>	776,500	<b>690,503</b>	708,291
Cash at bank and in hand	13	<b>208,078</b>	1,166,907	<b>208,078</b>	1,166,907
		<b>961,249</b>	1,970,030	<b>917,262</b>	1,901,821
<b>CREDITORS: amounts falling due within one year</b>	14	<b>(1,761,971)</b>	(1,608,831)	<b>(2,675,698)</b>	(2,498,336)
<b>NET CURRENT (LIABILITIES)/ASSETS</b>		<b>(800,722)</b>	361,199	<b>(1,758,436)</b>	(596,515)
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>35,142,154</b>	34,189,734	<b>34,434,442</b>	33,482,022
<b>FUNDS</b>					
Restricted funds	15	<b>1,931,850</b>	1,619,149	<b>1,931,850</b>	1,619,149
Unrestricted funds	16				
Designated reserves		<b>28,292,419</b>	27,966,704	<b>28,292,419</b>	27,966,704
General funds		<b>4,917,885</b>	4,603,881	<b>4,210,173</b>	3,896,169
		<b>33,210,304</b>	32,570,585	<b>32,502,592</b>	31,862,873
		<b>35,142,154</b>	34,189,734	<b>34,434,442</b>	33,482,022

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

**GOODENOUGH COLLEGE**  
**CONSOLIDATED CASH FLOW STATEMENT**  
**YEAR ENDED 31 MARCH 2010**

	Notes	2010 £	2009 £
Net cash (outflow)/inflow from operating activities	1	(1,870,201)	132,194
Returns on investment and servicing of finance	2	888,313	401,257
Capital expenditure and financial investment	3	<u>800,093</u>	<u>382,430</u>
Net cash (outflow)/inflow before use of liquid resources		(181,795)	915,881
Management of liquid resources	4	<u>(777,034)</u>	<u>402,897</u>
<b>(Decrease)/Increase in cash in the year</b>		<b><u>(958,829)</u></b>	<b><u>1,318,778</u></b>

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

	£	2010 £	2009 £
(Decrease)/Increase in cash	(958,829)		1,318,778
Cash from management of liquid resources	<u>777,034</u>		<u>(402,897)</u>
Change in net funds		(181,795)	915,881
Net funds at 31 March 2009		<u>1,797,274</u>	<u>881,393</u>
<b>Net funds at 31 March 2010</b>		<b><u>1,615,479</u></b>	<b><u>1,797,274</u></b>

**Notes to the cash flow statement**

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

	2010 £	2009 £
Net (outgoing)/incoming resources	(1,286,736)	182,195
Investment income (excluding rent from property)	(330,245)	(353,254)
Interest receivable	(558,068)	(48,003)
Profit on disposal of tangible fixed assets	(38,472)	-
Depreciation – fixed assets	140,231	123,549
Decrease in stock	7,942	29,411
Decrease/(increase) in debtors	42,010	(90,964)
Increase in creditors	<u>153,137</u>	<u>289,260</u>
Net cash (outflow)/inflow from operating activities	<b><u>(1,870,201)</u></b>	<b><u>132,194</u></b>

**GOODENOUGH COLLEGE**  
**CONSOLIDATED CASH FLOW STATEMENT (Continued)**  
**YEAR ENDED 31 MARCH 2010**

**2. Returns on investments and servicing of finance**

	<b>2010</b>	<b>2009</b>
	<b>£</b>	<b>£</b>
Investment income received (excluding rent from property)	<b>330,245</b>	353,254
Interest received	<b>558,068</b>	48,003
	<hr/>	<hr/>
<b>Cash inflow from returns on investments and servicing of Finance</b>	<b>888,313</b>	<b>401,257</b>

**3. Capital expenditure and financial investment**

Purchase of tangible fixed assets	<b>(231,196)</b>	(79,393)
Proceeds from sale of tangible fixed assets	<b>38,472</b>	14,389,779
Purchase of fixed asset investments	<b>(10,256,857)</b>	(37,807,548)
Proceeds from sale of fixed asset investments	<b>11,249,674</b>	23,879,592
	<hr/>	<hr/>
<b>Net cash inflow from capital expenditure and financial investment</b>	<b>800,093</b>	<b>382,430</b>

**4. Management of liquid resources**

Decrease/(Increase) in short term deposits	<b>777,034</b>	(402,897)
	<hr/>	<hr/>
<b>Net cash inflow/(outflow) from management of liquid resources</b>	<b>777,034</b>	<b>(402,897)</b>

**5. Analysis of change in net funds**

	<b>2009</b>	<b>Cash flows</b>	<b>2010</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Cash	1,166,907	(958,829)	<b>208,078</b>
Short term deposits	630,367	777,034	<b>1,407,401</b>
	<hr/>	<hr/>	<hr/>
<b>Total</b>	<b>1,797,274</b>	<b>(181,795)</b>	<b>1,615,479</b>

**GOODENOUGH COLLEGE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 MARCH 2010**

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**1. ACCOUNTING POLICIES**

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

**Accounting convention**

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

**Basis of consolidation**

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

**Incoming resources**

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

**Allocation of costs**

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

**Resources expended**

*Appeals and publicity*

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

*Bursaries and grants payable*

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

*Other expenditure for charitable purposes*

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

*Governance costs*

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

**GOODENOUGH COLLEGE**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**YEAR ENDED 31 MARCH 2010**

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**1. ACCOUNTING POLICIES (Continued)**

**Fund accounting**

The College maintains various types of funds as follows:

*Restricted funds*

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

*Unrestricted funds*

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

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

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

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

**Tangible fixed assets**

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

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

**Investments**

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

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

**Stocks**

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

**GOODENOUGH COLLEGE**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED 31 MARCH 2010**

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**2. INVESTMENT INCOME**

	2010 £	2009 £
<b>College</b>		
Income from UK listed investments	236,841	250,848
Income from overseas listed investments	25,050	29,840
Rent from property	<u>355,011</u>	<u>353,975</u>
	<u>616,902</u>	<u>634,663</u>
<b>The Burn</b>		
Income from UK listed investments	54,684	58,053
Income from overseas listed investments	<u>13,670</u>	<u>14,513</u>
	<u>68,354</u>	<u>72,566</u>
<b>Total investment income</b>	<u>685,256</u>	<u>707,229</u>

**3. INTEREST RECEIVABLE**

<b>College</b>		
Bank deposit interest	883	34,251
Other interest - short term deposits	<u>557,127</u>	<u>12,701</u>
	<u>558,010</u>	<u>46,952</u>
<b>The Burn</b>		
Bank deposit interest	-	258
Other interest - short term deposits	<u>58</u>	<u>793</u>
	<u>58</u>	<u>1,051</u>
<b>Total interest receivable</b>	<u>558,068</u>	<u>48,003</u>

**4. GROSS INCOME FROM COLLEGE ACTIVITIES**

<b>College</b>		
Gross house income	<u>4,104,526</u>	<u>4,410,565</u>
<b>The Burn</b>		
Burn income	<u>201,655</u>	<u>219,060</u>
<b>Total gross income from College activities</b>	<u>4,306,181</u>	<u>4,629,625</u>



**GOODENOUGH COLLEGE**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED 31 MARCH 2010**

<b>7.</b>	<b>NET INCOMING RESOURCES</b>	<b>2010</b>	<i>2009</i>
		<b>£</b>	<b>£</b>
	Net incoming resources for the year are stated after charging:		
	Fees payable to the company's auditors:		
	For the audit of the company's annual accounts	<b>29,500</b>	<i>27,000</i>
	Non-audit fees for the provision of tax services	<b>2,500</b>	<i>2,500</i>
		<b><u>32,000</u></b>	<i><u>29,500</u></i>
	Depreciation of tangible fixed assets:		
	Owned assets	<b><u>140,231</u></b>	<i><u>123,549</u></i>

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

<b>8.</b>	<b>INFORMATION REGARDING EMPLOYEES AND TRUSTEES</b>	<b>2010</b>	<i>2009</i>
	Average number of employees (full time equivalent) during the year:		
	House	<b>47</b>	<i>45</i>
	Administration	<b>16</b>	<i>16</i>
		<b><u>63</u></b>	<i><u>61</u></i>
	Staff costs comprise:		
	Wages and salaries	<b>1,742,568</b>	<i>1,554,296</i>
	Social security costs	<b>163,713</b>	<i>127,738</i>
		<b><u>1,906,281</u></b>	<i><u>1,682,034</u></i>
	The number of senior staff paid over £60,000 during the year (salary plus taxable benefits excluding pension contributions) was:		
	£ 70,001 - £ 80,000	<b>2</b>	<i>2</i>
	£100,001 - £110,000	<b>1</b>	<i>1</i>

No trustee, or person related or connected by business to them, has received any remuneration from the company during the year. During the year, four trustees received expense payments totalling £2,620 (2009: two trustees, £552). These represented reimbursed travelling expenses.

**GOODENOUGH COLLEGE**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED 31 MARCH 2010**

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

**Freehold properties**

	<b>Consolidated and company</b>		
	<b>College</b>	<b>The Burn</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>
<b>Halls of residence</b>			
Freehold land and buildings at cost. At 1 April 2009 and 31 March 2010	6,209,008	345,190	<b>6,554,198</b>
<b>Other freehold land and buildings – properties shown at valuation plus subsequent cost</b>			<b>£</b>
Value included in balance sheet At 1 April 2009			6,875,809
At 31 March 2010			<b>6,875,809</b>
Original value on acquisition			6,378,902

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

**Fixtures, fittings, plant and equipment**

	<b>Consolidated and Company</b>		
	<b>College</b>	<b>The Burn</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>
<b>Cost</b>			
At 1 April 2009	2,736,152	52,521	<b>2,788,673</b>
Additions	231,196	-	<b>231,196</b>
Disposals	(20,135)	-	<b>(20,135)</b>
At 31 March 2010	2,947,213	52,521	<b>2,999,734</b>
<b>Depreciation</b>			
At 1 April 2009	2,398,375	48,849	<b>2,447,224</b>
Charge for the year	139,007	1,224	<b>140,231</b>
Eliminated on disposal	(20,135)	-	<b>(20,135)</b>
At 31 March 2010	2,517,247	50,073	<b>2,567,320</b>
<b>Net book value</b>			
<b>At 31 March 2010</b>	<b>429,966</b>	<b>2,448</b>	<b>432,414</b>
<i>At 31 March 2009</i>	<i>337,777</i>	<i>3,672</i>	<i>341,449</i>

The net book value of fixtures, fittings plant and equipment of £432,414 (2009: 341,449) includes no amount (2009: Nil) in respect of assets held under finance leases and hire purchase contracts.

**GOODENOUGH COLLEGE**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED 31 MARCH 2010**

<b>10. INVESTMENTS HELD AS FIXED ASSETS</b>	<b>Consolidated and company</b>	
	<b>2010</b>	<b>2009</b>
	<b>£</b>	<b>£</b>
<b>Listed investments</b>		
Market value at 1 April 2009	<b>19,426,712</b>	7,278,713
Additions at cost	<b>10,256,857</b>	37,807,548
Disposal proceeds	<b>(11,249,674)</b>	(23,879,592)
Net investment gains/(losses)	<b>2,239,159</b>	(1,779,957)
<b>Market value at 31 March 2010</b>	<b>20,673,054</b>	19,426,712
<b>Listed investments comprise the following:</b>		
Investments listed on a recognised stock exchange – Equities	<b>9,211,048</b>	5,056,871
Investments listed on a recognised stock exchange – bonds	<b>11,462,006</b>	14,369,841
<b>Market value at 31 March 2010</b>	<b>20,673,054</b>	19,426,712
<b>Being at market value:</b>		
Investment assets in the United Kingdom	<b>19,512,644</b>	18,454,309
Investment assets outside the United Kingdom	<b>1,160,410</b>	972,403
	<b>20,673,054</b>	19,426,712
<b>Cost at 31 March 2010</b>	<b>19,574,158</b>	20,579,036
Listed Investments (market value)	<b>20,673,054</b>	19,426,712
Short term deposits	<b>1,407,401</b>	630,367
<b>Total Investments at 31 March 2010</b>	<b>22,080,455</b>	20,057,079

**11. INVESTMENT IN SUBSIDIARIES**

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

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

**GOODENOUGH COLLEGE**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED 31 MARCH 2010**

**11. INVESTMENT IN SUBSIDIARIES (Continued)**

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

		2010 £	2009 £
Turnover	- Continuing operations	1,794,773	1,711,522
	- Discontinued operations	-	164,361
		<b>1,794,773</b>	<b>1,875,883</b>
Cost of sales	- Continuing operations	1,141,862	980,714
	- Discontinued operations	-	104,731
		<b>1,141,862</b>	<b>1,085,445</b>
Gross Profit	- Continuing operations	652,911	730,808
	- Discontinued operations	-	59,630
		<b>652,911</b>	<b>790,438</b>
Amount gift aided to the College		<b>(652,911)</b>	<b>(790,438)</b>

**12. DEBTORS**

	Consolidated		Company	
	2010 £	2009 £	2010 £	2009 £
Trade debtors	521,369	592,582	477,382	524,373
Other debtors	91,321	48,351	91,321	48,351
Prepayments and accrued income	121,800	135,567	121,800	135,567
	<b>734,490</b>	<b>776,500</b>	<b>690,503</b>	<b>708,291</b>

**13. CASH BALANCES**

The cash balances of the College have reduced by £958,829 to £208,078 (2009: Increase of £512,984). These balances had been accumulated to fund the rewiring project in William Goodenough House and the refurbishment of 15 Mecklenburgh Square both of which projects were substantially completed in the year to 31 March 2010.

**GOODENOUGH COLLEGE**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED 31 MARCH 2010**

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

	<b>Consolidated</b>		<b>Company</b>	
	<b>2010</b>	<b>2009</b>	<b>2010</b>	<b>2009</b>
	£	£	£	£
Trade creditors	1,473,647	1,313,045	1,409,742	1,313,045
Amounts due to subsidiary undertaking	-	-	987,896	940,887
Other creditors including taxation and social security	170,117	160,366	162,877	152,834
Accruals	118,207	135,420	115,183	134,402
	<u>1,761,971</u>	<u>1,608,831</u>	<u>2,675,698</u>	<u>2,498,336</u>
Other creditors includes the following:				
Taxation and social security balances	<u>52,763</u>	<u>39,500</u>	<u>45,523</u>	<u>31,968</u>

**15. MOVEMENT IN RESTRICTED FUNDS**

	<i>As restated</i>	<b>Consolidated and Company</b>		
	<i>Balance</i>	<b>Income</b>	<b>Expenditure gains and Losses</b>	<b>Balance</b>
	<i>1 April</i>	<b>£</b>	<b>£</b>	<b>31 March</b>
	<i>2009</i>			<b>2010</b>
	£			£
The Burn	1,555,170	272,267	19,764	1,847,201
Bursaries	63,979	3,067	17,603	84,649
Total restricted funds	<u>1,619,149</u>	<u>275,334</u>	<u>37,367</u>	<u>1,931,850</u>

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.

Income and expenditure relating to specific bursaries are also included in restricted funds for the first time. The comparatives have been amended to reflect this change in accounting treatment.

**GOODENOUGH COLLEGE**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED 31 MARCH 2010**

**16. MOVEMENT IN UNRESTRICTED FUNDS**

Unrestricted funds comprise the following:

	<i>Balance 1 April 2009 £</i>	Transfers £	Income £	<b>Consolidated</b> Expenditure gains and losses £	<b>Balance 31 March 2010 £</b>
<b>Designated reserves</b>					
Tangible fixed asset reserve	13,422,594	92,190	-	-	<b>13,514,784</b>
College refurbishment reserve	<u>14,544,110</u>	<u>(800,000)</u>	<u>607,411</u>	<u>426,114</u>	<b>14,777,635</b>
Total designated reserves	27,966,704	(707,810)	607,411	426,114	<b>28,292,419</b>
General funds of the charitable Company	<u>3,896,169</u>	<u>707,810</u>	<u>6,483,325</u>	<u>(6,877,131)</u>	<b>4,210,173</b>
<b>Total unrestricted funds of the charitable company</b>	31,862,873	-	7,090,736	(6,451,017)	<b>32,502,592</b>
General funds of the subsidiary	<u>707,712</u>	<u>-</u>	<u>-</u>	<u>-</u>	<b>707,712</b>
<b>Total consolidated unrestricted funds</b>	<u>32,570,585</u>	<u>-</u>	<u>7,090,736</u>	<u>(6,451,017)</u>	<b>33,210,304</b>

*Unrestricted funds*

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

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

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

*General unrestricted 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 2010**

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

	Restricted funds £	Unrestricted funds		Consolidated Total £
		Designated reserves £	General funds £	
<b>Fixed assets</b>				
Tangible fixed assets	347,637	13,514,784	-	<b>13,862,421</b>
Investments	1,604,714	14,777,635	5,698,106	<b>22,080,455</b>
<b>Current assets</b>				
Other current assets	39,963	-	713,208	<b>753,171</b>
Cash at bank and in hand	122,896	-	85,182	<b>208,078</b>
Current liabilities	(183,360)	-	(1,578,611)	<b>(1,761,971)</b>
	<u>1,931,850</u>	<u>28,292,419</u>	<u>4,917,885</u>	<u><b>35,142,154</b></u>

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

**18. TAXATION**

Goodenough College has charitable status and as such is exempt from taxation of its income and gains to the extent that they are applied to its charitable objectives. No tax charge has arisen in the year (2009: £nil).

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

**19. PENSION SCHEME**

The LGT pension scheme was wound up on 1 December 1995. The scheme was wound up at 100% valuation as calculated by the actuaries of the Legal & General Insurance Company. Personal pension plans designed to provide equivalent benefits were agreed and set up for the two remaining members.

**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 2010 there were 12 members (2009: 12 members).