

Think
new things
Make
new connections

THE COUNCIL'S
ANNUAL REPORT
AND ACCOUNTS
2021-2022

DITCHLEY

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Office Holders, Trustees and Committee Members

HONORARY LIFE PRESIDENT

Lady Wills JP

COUNCIL OF MANAGEMENT

[Trustees of the Foundation]

Chairman

The Right Honourable the Lord Hill of Oareford CBE

Members of the Council

The Lord Aldington

The Lord Bridges of Headley MBA

Ms Pamela Dow

Mrs Marjorie Neasham Glasgow BEM, Her Majesty's Lord-Lieutenant of Oxfordshire

* His Excellency the Honorable Ralph Goodale PC

The Right Honourable Mr Dominic Grieve QC

Sir Julian King GCMG, KCVO

Ms Rachel Lomax

The Right Honourable the Lord Mandelson

Mr Paul Newman

Mrs Elizabeth Padmore

Ms Emma Reynolds

The Most Honourable The Marquess of Salisbury KCVO PC DL

Dr Catherine Wills

Company Secretary

Ms Katie Williams

* The High Commissioner for Canada serves as an ex-officio member of the Council of Management for the duration of their tenure as representative to the Court of St James.

THE FOUNDATION'S EXECUTIVE STAFF

Director: Mr James Arroyo OBE

Chief Operating Officer: Ms Wendy Shepherd

Major Events and Projects Lead and Company Secretary: Ms Katie Williams

Registered office: Ditchley Park, Enstone, Chipping Norton, Oxfordshire OX7 4ER

A company registered in England (No. 599389) limited by guarantee
and not having a Share Capital, registered as a Charity (No. 309657)
and exempt from Income Tax and Capital Gains Tax.

Auditors: James Cowper Kreston

Bankers: Barclays Bank plc, Oxford

Investment Managers: Partners Capital LLP

Solicitors: Julian Taylor Solicitors, Bicester

FINANCE AND GENERAL PURPOSES COMMITTEE

Chairman

The Lord Aldington

Members

Mr James Arroyo OBE

Ms Rachel Lomax

Mr David Morrison

Mr Paul Newman

Mrs Elizabeth Padmore

Dr Catherine Wills

Secretary

Ms Wendy Shepherd

INVESTMENT SUB-COMMITTEE

Chairman

Mr Nicholas Ferguson CBE

Members

The Lord Aldington

Mrs Elizabeth Padmore

Secretary

Ms Wendy Shepherd

PROGRAMME COMMITTEE

Chairman

The Right Honourable Douglas Alexander

Members

Mr Bim Afolami MP
Mr James Arroyo OBE
Ms Melinda Bohannon
Mr Charles Grant CMG
Ms Julia Gross
Mr Darren Jones MP
Ms Elizabeth Linder
Mr Hiroshi Matsuura
Dr Edwina Moreton OBE
Mr Rajay Naik
Professor Sir Adam Roberts KCMG FBA
Mr Rory Stewart OBE
Ms Jo Swinson CBE
Mrs Xenia Wickett
Dr Catherine Wills

Secretary

Mrs Sandra Ricks

The Trustees' Annual Report

Aims, Objectives, Activities and their Public Benefit

The overarching aim of the Foundation as set out in its Articles of Association is “to promote, carry out or advance any charitable objects, and in particular any branches or aspects of education, likely to be for the common benefit of British subjects on the one hand and citizens of the United States of America on the other”. More specific objectives are the advancement of education and improvement of public policy-making in the UK, North America and beyond.

This broad statement devised for the inauguration of the Foundation in 1958 still holds true but has been clarified for the challenges facing the world 60 years on. Our aim is to help sustain peace, freedom and the rule of law. We work towards the renewal of democratic societies, states and alliances.

Ditchley brings people together to think new things and make new connections. We orchestrate frank conversations across divides and create space for strategic thinking.

Our primary route to impact is through people, engaging the individuals and organisations with direct influence over outcomes. Ditchley discussions address complex challenges that, as a rule, do not have simple solutions.

We aim to find and include outstanding talent from all quarters. Ditchley is committed to ensuring and encouraging access for everyone, regardless of ability, age, gender, cultural or social background, sexual orientation, faith, location or wealth. Ditchley is independent and not bound by the interests of any government, political party or company.

We publish the outcomes of conferences and other events for public benefit. We also share insights and conclusions with government ministers, civil servants, journalists, business and technology leaders and others in a targeted way, either by direct briefings, post-conference briefings to the Ditchley community, or through subsequent small group discussions exploring particular ideas or themes which require more examination. Ditchley has a wide range of partnerships with other organisations and seeks to work on issues in coordination rather than isolation, aiming to achieve maximum impact and efficiency.

The public benefits generated by Ditchley are a deeper understanding amongst decision makers and influencers of issues of international concern across different fields, delivering in turn a wider public good. By design, Ditchley addresses the systemic long-term challenges we face, and so benefits are often difficult to quantify through short-term metrics. Nonetheless these benefits are clearly attested to by participants' feedback.

Exceptionally busy and influential people continue to make time to participate in Ditchley events, whether face to face at Ditchley Park or virtually. The Ditchley experience is educative even for those at the height of their careers and widely appreciated as a valuable contribution to public life. Ditchley conversations inform the reporting of many respected news organisations from the BBC to the Washington Post and also new forms of media.

Ditchley provides an unparalleled opportunity for a frank, fresh, and bracing exchange of ideas and perspectives across many types of boundaries. We've got to break out of our social circles and comfort zones if we are going to mobilize more effective policy responses to our great challenges. Ditchley always expands the horizons of my thinking.

Dr Larry I Diamond, The United States: headed for renewal or bound for division?,
September 2021

Conferences at Ditchley are of a consistently high calibre and offer a healthy diversity of perspectives. The quality and quantity of in-depth reflection provides ample material to guide one's professional analysis and inspire one's thought process.
Dr Zachary Paikin, Europe after Merkel, March 2022

No individual receives financial benefit from Ditchley. Where events are residential, board and accommodation are provided in exchange for participants' time and expertise.

Ditchley has resumed the practice of offering the house and its gardens without charge to charities in Oxfordshire and the surrounding region for several fundraising events per annum. In the last year Ditchley has hosted three such events.

The Foundation maintains Ditchley Park as a historic house, part of the national heritage. It is open by appointment to individuals, groups and societies to study its history, art and architecture. The public is given access to the building in the form of pre-booked guided tours for a small charge. An innovation over the last year has been to set aside a number of days throughout the year as Public Access Days, bookable through a well-known online ticketing website.

Ditchley is committed to reducing its carbon footprint and engaged Small World Consultancy to undertake a comprehensive analysis of greenhouse gas emissions to provide a baseline from which to develop a responsible and deliverable approach to being carbon neutral by 2025. Initiatives under review to achieve this goal include the acquisition of an EV people carrier; an exploration of the possibility of installing solar panels on the roof of the main house which would remain hidden thanks to its design; rainwater harvesting; and clearing the kitchen garden with a view to growing more fruit and vegetables on site.

The Director and other officers of the Foundation undertake a range of other activities to promote the reputation and objectives of the Foundation and to attract new participants and supporters for the Foundation. They regularly participate in discussions with policy-makers and thought leaders in the UK, North America and far beyond, to explore opportunities for collaboration, attract expert participants to the Ditchley programme, and to share insights from Ditchley discussions.

Some of the objectives stated in the Foundation's original Articles of Association of 1958 (such as "to establish fellowships, scholarships and prizes" and "to establish paid residential or other fellowships") are not currently part of Ditchley's programme but are under review in Ditchley's development plans.

All new Trustees are provided with a copy of the Charity Commission's guidance "The Essential Trustee (CC3)" together with Ditchley's Articles of Association. Ongoing training is provided by the Foundation's auditors, currently James Cowper Kreston, on a biannual basis (most recently completed in February 2021), together with an annual reminder of Trustee responsibilities by means of the Charity Commission guidance document referenced above.

The Trustees have paid due regard to the Charity Commission's guidance on public benefit in fulfilling their duties and in setting the Foundation's objectives and planning its activities.

Report of 2021-2022

The last 12 months have been tumultuous, beginning with the final few months of the constraints imposed by COVID restrictions and concluding with the shock of Russia's invasion of Ukraine on 24 February 2022. The upcoming programme was rapidly revised to provide space for thoughtful dialogue on the new issues and challenges ahead.

Alongside conduct of the thematic programme, Ditchley has pressed ahead with a range of other projects to support the programme and its impact.

The Bridge

The Bridge, the state-of-the-art audio-visual capability installed in the Library, has become central to Ditchley's operations and is deployed multiple times a week for both Ditchley and Private Events. Ditchley's expertise with regards to the delivery of virtual and hybrid events is seen as class leading and we are regularly invited to demonstrate the Bridge facility to a range of other organisations, both national and international.

More importantly, as a direct result of the Bridge capability, Ditchley is able to involve serving senior figures (for example Secretary John Kerry, Commissioner Margrethe Vestager and German Chancellery State Secretary Dr Jörg Kukies) in conferences and other discussions.

Needless to say, amazing collection of people, superbly curated and moderated, and I have to say the Ditchley library is a masterclass in how to make hybrid meetings work effectively – I've honestly never seen it managed so well.

Feedback following Techno-Democracy conference, February 2022.

We have recruited a dedicated member of the team to lead on the technology underpinning the Bridge. Their background and training is in filmmaking and we are also able to draw on these skills to produce video content for a variety of purposes.

Internship programme

We are continuing to build our internship programme. We have engaged with twenty-eight interns throughout the academic year and will again be hosting a summer programme, which will take another forty students. All our interns are either paid for their work (at, or above, the national living wage) and/or receive credits towards their degree. We attract interns from universities from all parts of the country and ensure that geography is not a barrier to full participation in all aspects of the Ditchley interning experience which includes, for example, induction days at Ditchley and engagement with the newly launched Ditchley Intern Alumni Network. We will this summer be welcoming four to five Canadian undergraduates to the Ditchley Internship Programme, selected by the Canadian Ditchley Foundation, with broad geographical representation across Canada. Interns are also invited to participate in our mentoring programme, which connects emerging talent with members of the established Ditchley community.

Ditchley's digital presence

A key project underway is the migration of the current CRM to Salesforce which will facilitate the modernisation and scalability of capacity to deliver an expanded programme. It will also enable the integration of other elements of Ditchley's digital footprint, such as the Ditchley community platform. A new website is being developed in parallel. This will more accurately reflect the range of work currently undertaken by Ditchley and improve access to archive materials with simpler navigation. Both projects are scheduled for delivery in Autumn 2022.

Ditchley has continued to expand the digital content available on Smartify (<https://smartify.org/venues/ditchley-park>); a digital platform that hosts rich descriptions of art

and objects through innovative technology, enabling engaging storytelling about places, their history and their purpose.

Heritage Projects

The creation of the Elizabethan Rooms, the restoration of Ditchley's second floor, is nearing completion with the central section of rooms now all but finished and back in use by guests. The rooms and new dedicated and ensuite bathrooms have been individually decorated to a very high standard, combining outstanding comfort with character, history and respect for Ditchley's identity as a historic home rather than hotel. The remaining second floor rooms will be completed by the end of 2022, bringing to a close what are probably the largest scale works on the house since the 1930s.

Work is almost complete on restoration of the Rotunda, an iconic feature of the Ditchley landscape, which required the complete removal and rebuilding of the stone floor due to erosion through water ingress over the decades. The Rotunda and sham bridge end of the lake has also been dredged. Multiple smaller restoration and maintenance projects have been completed around the house and estate over the course of the year, for example the painting of the north front windows.

The 2021-2022 Programme of Events

The framework for the programme consists of four themes, which ensure clarity of purpose. There have been nine Ditchley conferences over the period covered by this report, each followed by a post-conference briefing via 'the Bridge' which has become an established mechanism for sharing initial reflections and findings with the wider Ditchley community.

Beyond the core conference programme, Ditchley has hosted over one hundred other sessions ranging from large scale events such as the *Annual Lecture* and *Climate and Energy Summit* to small group discussions. Smaller scale discussions are held on a weekly basis and facilitated by our theme leads, alongside a growing calls programme to members of the Ditchley community.

I Geopolitics

Geopolitics has always been and will remain core territory for Ditchley and that is reflected in the focus of five of the conferences over the last year.

Notable amongst these was *China Today and Tomorrow* in May 2021, where the power of virtual connection to bring together people from across the globe was fully deployed, with an on-line gathering of just under one hundred participants from China, the US, Canada, Australia, Japan, Malaysia, Germany, Hong Kong, Singapore, Ghana, France and the UK. The intense day and half, round the clock conversation, engaged different perspectives from politics, academia and business in frank exchanges with Chinese voices about China today and its immediate future.

... the main story that people are telling is how amazing it is to have assembled this grouping on zoom - what a truly astonishing gathering. One of my Chinese contacts DMed me to say that it was "just the right group"...

The twenty-four-hour approach to conference planning was taken one step further in October for *The Indo-Pacific: how can we best promote strategic stability, economic growth and the rule of law in the region?* with the programme running according to the regional time zones, a deliberate choice to emphasise our seriousness on engaging the Indo-Pacific, greatly appreciated by the many participants from that region.

The three other conferences falling under this thematic heading were *Global finance, states and societies: how can finance be one of the heroes of a green recovery from the great pandemic?* in April 2021; *The United States: headed for division or bound for renewal?* in September 2021; and *Europe after Merkel* in March 2022.

Annual Lecture

Via the Bridge from Sydney, The Honorable Malcolm Turnbull AC delivered Ditchley's 57th *Annual Lecture* on Saturday 10th July. The speech was a robust defence of the values of democracy whilst acknowledging the allure and threats of more populist or authoritarian systems. With the relaxation of COVID restrictions, it was possible to deliver the Lecture as a hybrid event, with a small group of participants in person at Ditchley and over four hundred more joining virtually.

II Democracy, education and renewal of the social contract

Three major conferences and a series of small-scale discussions and periodic 'summits' (gatherings of key participants) have been held on this theme throughout the year.

The three conferences were: *Take Back Control Part Two*, June 2021; *Making the future work for all workers*, November 2021; and *Freedom in democracies: navigating the collision of identity and freedom of expression in the digital age*, January 2022,

The theme was also explored through sessions held in collaboration with members of the Labour Party and, separately, senior civil servants on strategy and civil service reform.

III Technology and Democracy

February 2022's conference on *Techno-Democracy: how can democracies adopt AI and other emerging technologies at speed in order to strengthen both global competitiveness and core values?*, represented an important milestone for this programme of work.

This was complemented by the launch of Ditchley's Data in Democracies programme with the objective of accelerating the development of norms for data sharing and technology regulation across democratic states. Two one day conferences on the theme were held in October 2021 and March 2022, along with a number of smaller scale discussions over the intervening months.

Ditchley also held its third one day conference on the fast-developing field of computational biology which brings together AI and the life sciences in the pursuit of accelerated scientific discovery of new medicines and materials.

Building on five years of work, in May 2021 Ditchley launched an informal Science and Technology Group to bring together around a hundred members of the Ditchley community with relevant expertise to help guide Ditchley's work on technology and democracy.

IV Climate, ocean and biodiversity

Our now substantial climate and biodiversity programme was launched following Ditchley's February 2021 *Climate Judo* conference. It deploys the Ditchley methodology of small informal working groups convening around focussed discussion topics, leading up to larger gatherings. A forty-person Climate and Energy Summit in March brought together a group of core participants. The main areas of focus include the energy transition, education in the context of climate change, and adaptation and resilience by society to the effects of climate change which it is now too late to prevent.

Details of all conferences, and other virtual discussions and events can be found on the Ditchley website: <https://www.ditchley.com/events/past-events>

Plans for the Future

Ditchley will continue to respond to the Ukraine crisis with agility, convening a variety of discussions to address both the primary and secondary effects and challenges. The aim of the programme is to provide a space for frank conversation across divides, in order to enable strategic thinking as democratic states, markets and alliances respond to the war.

Ditchley will continue to build a community of ‘thoughtful doers’, drawn from all parts of society, ensuring participation is multi-national, multi-disciplined and multi-generational. Initiatives are underway to expand Ditchley’s reach in the regions of the UK (with the North East the pilot focus), Europe, Australia and Japan.

Ditchley will also continue to explore new ways to utilise technology to deliver its mission.

The Ditchley Team and Governance

The governance bodies of the Ditchley Foundations have, over the past year, worked ever more closely to ensure the institution remains vital and relevant, helping to bring together the right people for the right conversations, pushing forward with the fundraising efforts, and providing wise counsel.

The advice of Governors and Honorary Governors on Ditchley’s future plans was sought during a consultation exercise over the autumn. We are very grateful to all those who contributed to this exercise and participated in the report back session in February 2022 and are working on many of the recommendations to emerge.

Ditchley remains indebted to all trustees, Governors, and all those involved with the UK, American and Canadian branches of Ditchley.

Consistent with term limits imposed on Council membership, Ms Rachel Lomax and Mr Paul Newman, both members of the Council of Management and the Finance and General Purposes Committee, will be stepping down at this year’s Annual General Meeting.

Charles, Lord Aldington, will also be stepping down from Council, and as Chairman of the Finance and General Purposes Committee, after agreeing to serve for an additional year to enable a smooth transition to his successor who will be elected at this year’s Annual General Meeting.

We should like to record our thanks to all for their time, energy and advice over many years and hope to be able to count on their continued support in the years ahead.

Wendy Shepherd, assumed the new role of chief operating officer at the end of last year, succeeding Col Mike Montagu who retired from the post of bursar in December. We are delighted that Mike remains involved with Ditchley in his new role of host and historian.

We would like to acknowledge with sadness the deaths over the last year of the following: Sir Antony Acland, Mr John Banks, Sir Nicholas Goodison, Sir Christopher Mallaby, Mr Edward Mortimer, Count Riprand von Arco, Baron Dr Hermann von Richthofen and Sir Crispin Tickell. All had been involved with the governance of the Foundations in varying capacities over many years.

We were also saddened by the death of Eva, Lady Wills, in May this year. Until very recent years, and following the death of her husband and Ditchley’s founder Sir David Wills, she had been a regular presence at the opening and closing plenaries of virtually every conference

and maintained a keen interest in the development of this institution in which she and her family have invested so much. Our thoughts are with her daughter, Dr Catherine Wills, and her extended family.

As Ditchley continues to evolve, it will strive to honour the legacy of Sir David and Lady Wills, remaining true to the founding principles on which it was established in 1958, which remain very relevant for a world in which peace, freedom and the rule of law remain as elusive as ever.

Financial Review

2021-2022

The start of the financial year began with high expectations of normality with a general opening of society. Thankfully the acceleration of the vaccination programme in July allowed the resumption of on-site commercial activity with, appropriately, an international conference in Health and Tropical Medicine. Commercial income generated £143k, exceeding the budget of £108k, showing a strong recovery. Future commercial income has been secured for FY 2022/2023 and enquiries have returned to pre-pandemic levels.

Ditchley successfully managed the transition from virtual to hybrid normality, utilising our world class 'Bridge' technology to overcome geographical barriers and time constraints. Our mastery of convening technology has become a valuable part of our offer when hosting guest events for other organisations.

Staff based near to Ditchley have predominantly returned to onsite working. Programme staff in more distant locations (including London and Central Europe) are regularly welcomed to Ditchley for events and team meetings in order to bring the whole team together, socially, and physically. Efficient utilisation of the Ditchley estate enables staff to stay on site, keeping costs to a minimum.

Operational staff, by necessity, have worked on site throughout the pandemic, notably completing the first phase of the second-floor restoration and many other projects. This redeployment of the team worked well during full lockdown and resulted in large savings on the initial estimated refurbishment cost. As normal business resumes, then we are planning carefully how to combine contracted out works with the enhanced skills of the Ditchley team.

At the end of the financial year consumable and energy costs had risen substantially with further increases expected. We have mitigated the gas costs with prudent planning and are looking at ways to maximise the Biomass output and to develop renewable sources of electricity. A leased, externally funded electric vehicle, will reduce fuel costs in FY 2022/2023, as part of our carbon reduction plan, developed as part of our carbon survey by a well-recognised consultancy.

Management and role of the invested portfolio

The strategic imperative remains for the Foundation to grow both the value of its invested portfolio, still its principal source of income (and therefore not a reserve) and its yearly income from different sources. The invested portfolio is the ultimate guarantee of the Foundation's independence as a connector and convenor of people.

The portfolio had a value of £20.4 million in March 2022, growing 4% net during the calendar year, taking it past its nominal value of £19.593m at the same point the previous year. This is thanks to the excellent return on investments during the first three quarters of the year, the

final quarter affected by the Ukraine crisis. The Investment Sub-Committee (ISC) view is that investment managers Partners Capital steered the portfolio through the pandemic as well as could be expected. Economic growth forecasts for 2022 have been downgraded on geopolitics and tighter monetary policy and the rise in inflation will inevitably affect the investment performance. It is hoped the Foundation's conservative investment strategy will prove successful at limiting losses compared to the financial crises of 2003 and 2008. Since inception, on 1st September 2010, the portfolio has delivered an annualised return of +8.1%.

The rate of return enabled a drawdown from the portfolio at year end of £1.26m, below budget set at £1.3m. The level of drawdown was appropriately balanced against the return on investment for the year. For the coming year the budgeted figure for drawdown is set at £1.326m, currently 6.5% of the portfolio value. This level of drawdown reflects the level of planned capital investment in FY 2022/2023 and is in line with the aim to bring down the annual withdrawal amount to a sustainable 4% of portfolio value by the end of FY 2024/2025.

An ESG investment policy was adopted by the Council of Management last financial year, empowering our investment managers to report on the exposure of the diverse funds in which the portfolio is invested.

Strategic financial risks

Our main strategic financial risk remains a sustained collapse in the markets and in the value of our invested portfolio. Our main mitigations continue to be: careful management of the portfolio; continued work on development; and if necessary further reduction of costs. The ability to reduce costs is underpinned by making sure that we approach major projects in ways that allow for agility and the commitment of funds incrementally. This has been the approach adopted for the second-floor restoration for example.

Management of finances

FY 2021/2022 expenditure in the Annual Accounts was £3.124m, while income was over £1.3m. Last year the DPCC revenue, although offset by the operational savings, was severely curtailed by COVID. This year commercial events, although still constrained by the pandemic, generated over £143k.

The £3.124m spend includes the commissioning and installation of the bespoke conference table to complete the Library and the completion of the restoration and refurbishment of the middle section of the second floor. The upgrade of tired, badly designed accommodation to seven beautiful bespoke bedrooms with either ensuite and dedicated bathroom facilities completes phase one of the ambition to provide thirty rooms of equivalent quality. Phase two, the completion of the West and East corridor, will be completed by the end of 2022. The project spend was funded through both donations and core funding.

Expenditure in FY 2022/2023 is budgeted, in the management accounts, to be just over £3.35m. Donation funding accounts for nearly £300k of project expenditure and £319k of staff costs in the budget. All scheduled work has been budgeted and additional work and projects will not be undertaken without funding in place. Tight controls remain in place to ensure externally funded projects are carefully monitored. A particular focus has been on building up in-house expertise to reduce reliance on external professional advice, delivering savings.

An initial 4.5% pay rise has been budgeted to reflect the rise in inflation and a further review will take place during the year, given the expectations that inflation will climb further. We have adopted the Oxford Living Wage for all staff, both permanent and casual, to protect the lowest paid members of our team and to ensure consistency of terms and conditions.

Development Report

Ditchley raised just over £1.04m in donations during this year from a variety of sources including individuals, trusts and foundations, and corporations. The donations from Trustees amounted to £25,800. As of writing, the running total for the campaign to date is £5.3m in donations and firm pledges over the last four years. Our next priority is to refresh the pipeline for FY 2022/2023 to take the campaign into its second phase and to continue to grow existing and regular support from 1580 Fellows.

Our plans for the next phase of the campaign allow for significant flexibility, for example on the pace of the restoration of the remaining areas of the second floor, planning for the development of East Wing, and our balance between face to face and virtual events.

Special thanks are extended to American Ditchley on the heritage project, who have committed to endow four bedrooms, including the Henry Kissinger room; the Cyrus Vance room, the Barbara Jordan room and the Harry Hopkins room. We continue to seek donors' support for the endowment of the remaining bedrooms. Development plans for the East Wing will begin in earnest this year which will increase capacity for in-person guests and secure Ditchley's position as a gold-standard global place to meet, thanks to its unique combination of history and cutting-edge technology.

During this past year we have strengthened existing relationships and welcomed new ones. The current extraordinary circumstances demand both action from Ditchley and create an opportunity to bid for extraordinary support.

A full list of donors for 2021/2022 is included below in alphabetical order:

The American Ditchley Foundation
The Bryan Guinness Charitable Trust
Hanns Seidel Foundation
Historic Houses Foundation
John H & Marjorie N Glasgow Foundation
Lumina Foundation
Microsoft Corporation
The Peter Stormonth Darling Charitable Trust
Pilgrim Trust

Three Anonymous Individuals
Lord and Lady Aldington
Ms Angelica Anton
George and Ally Bailey
Mr Peter Bass and Ms Nuala O'Connor*
The Honorable and Mrs. John B. Bellinger III*
Mr Christopher Bishop*
Mr Sam Blyth
The Rt Hon. Baroness Virginia Bottomley DL and Sir Peter Bottomley MP
Sir Andrew Cahn KCMG
Dr Vinton and Mrs Sigrid Cerf*
Mr Sam Daws
Ms Suzanne Ferlic Johnson*
Sir Simon Fraser GCMG
Mr Oliver Gerrish
The Rt Hon. Dominic Grieve QC
Ms Jan Hall OBE
Russell and Andrea Hartley

The Rt Hon. The Lord Hill of Oareford CBE
Mr Will Hutton
John and Caitlin Kennedy
Ambassador Andrey I. Kolosovskiy*
Sharon and Cary A. Koplin*
Ms Rachel Lomax
Mr Chris Mairs CBE FREng
The Rt Hon. Sir John Major KG CH
Mr Jamie Merisotis*
Ms Jami Miscik*
Diane and David Modesett
Col Mike and Caroline Montagu
Marc and Odile Mourre
George and Joan Newcombe*
Mr Paul Newman
Ms Margaret Nibbi
Mrs Elizabeth Padmore
Mr Jonathan Paris
Luke and Nicky Ponsonby
Mr Gerard Russell MBE
Sir John Sawers
Sir Martin and Lady Smith
Dr Alfred Z. Spector*
Elisabeth Stheeman
Mr Michael Tang
Mr Bobby Vedral
In memory of Baron Dr Hermann von Richthofen GCVO
Dr Diana Walford CBE MD FRCP FRCPath FFPH
Mr Simon Webb CBE, FICE
The Rt Hon. The Lord Willetts FRS FacSS
Dr Dawn Wright*

*Supporters of The American Ditchley Foundation.

Thank you to the many individuals who support our work.

Private Events and Other Income

Ditchley Park Conference Centre Limited was able to resume business in May with filming work. We hosted further film location work in September and a mixture of private sector and not for profit conference and day bookings through the rest of the year, generating an income of £143k. For FY 2022/2023 we have secured substantial filming during our August closure period which is reflected in our increased budgeted projected income of £436k. Filming, although all encompassing, has a higher return due to the decreased staffing and consumables.

Reserves Policy

The Foundation's core finances are based upon its investment portfolio (valued at £20.4m as at end March 2022), which still provides the principal source of income. The portfolio is not a reserve, nor managed as such, and in the absence of any dedicated reserve fund, the Council of Management consider it a matter of essential financial discipline that the value of the capital

is preserved as far as possible in order that the Foundation can deliver on its founding mission to run its programme for positive impact, rather than for profit or the interest of any party.

Short term reserve

The portfolio is invested across multiple asset classes and managed by Partners Capital to have a minimum of £400,000 of liquid reserves available to the Foundation within a week. This sum was identified by the Investment Sub-Committee, under the auspices of the Finance and General Purposes Committee, as an appropriate amount of short-term reserve to cover contingencies such as major emergency repairs. As at March 2022, the invested assets under management could provide some £2m to be available within a week, with 60% of the portfolio available to be liquidated within a four-to-seven-month period.

The Ditchley Foundation has determined on advice not to hold a separate reserves fund outside the main portfolio given both the opportunity cost (due to lower expected returns) and the additional administrative burden of operating a separate reserves portfolio.

Strategic long-term reserves

The Foundation's strategic aim is to build its invested portfolio through development to the point where it can track the approach of Oxford colleges and take no more than 4% of income from the held funds each year.

The Foundation has set out a plan of stepped reductions of the sum withdrawn annually from the invested portfolio in order to reduce reliance on the portfolio and to bring this down to 4% of portfolio value by FY 2024/2025, with this aim achieved by a combination of programme and project fundraising, efficiencies and increasing other income streams such as DPCC. This strategy will be pursued in parallel to campaigning for direct donations to increase the size of the invested portfolio.

As at 31 March 2022, total funds stood at £26,910,304 of which £25,496 were restricted. The level of unrestricted free reserves, after excluding fixed assets and designated funds, stood at £23,513,987.

Financial Resilience Statement

Ditchley's trustees (the Council of Management) are assured that The Ditchley Foundation has sufficient funds to enable it to continue its activities on a going concern basis for a period of at least twelve months from the date of approval of these financial statements. The budget endorsed for FY 2022/2023 allows for an unrestricted cash balance, £151k at the end of the period, in addition to the Foundation's invested portfolio of £20.4m with sufficient liquidity to cover any short-term urgent needs.

Fundraising Compliance Notice

The Ditchley Foundation receives income from donations and has a trading subsidiary, Ditchley Park Conference Centre Limited. The Ditchley Foundation has signed up to the Code of Practice issued by the Fundraising Regulator. We do not carry out any direct marketing to the public and give clear instructions as to how individuals can be removed from our mailing lists. Our fundraising capability is in-house, and we do not use external commercial participators in our fundraising activities. There have been no complaints about fundraising in the year. A formal donor policy was approved by the Finance and General Purposes Committee and endorsed by the Council of Management in November 2020.

Structure, Governance and Management

The Ditchley Foundation is “a Company limited by guarantee not having a share capital”, incorporated on the 24 February 1958, the Articles of Association having been subsequently amended on the 29 November 1966, 7 July 2007 and 7 July 2018.

Members of the Foundation are currently designated “Governors”. They meet at least once a year, whether virtually or in person, at the Annual General Meeting of the Foundation, to approve the Annual Report and accounts of the Foundation and to receive the report of the auditors; to elect, as necessary, in accordance with the Articles of Association, the Council of Management; and to deal with other business of the Foundation. In addition to the AGM, Governors are also invited to further briefings during the course of the year and receive regular updates by email or letter.

Trustees (Members of the Council of Management) are generally selected from the ranks of the Governors and invited to join the Council by the Chairman, acting on the recommendations and advice of the existing Trustees, with a view to maintaining a balance of experience, expertise and background within the body of Trustees. They are subsequently elected by the Governors and serve a four-year term, renewable for one further four-year term.

All Trustees are fully familiar with the aims and ideals of the Foundation.

The administration of the Foundation is carried out by the Council of Management, through the Finance and General Purposes Committee. The day-to-day management of the Foundation is conducted by the Director, who is appointed by, and responsible to, the Council of Management.

The salaries of senior members of staff are established with regard to pay levels in the sector for similar positions. From time to time, an external review of pay levels for all staff is commissioned, the most recent instance being the remuneration review conducted during 2017/2018 and implemented in 2018/2019.

Ditchley Park Conference Centre Limited (DPCC) is the trading arm of the Foundation and oversees events in the Mansion when not in use by the Foundation. These events include visits (the house is a Grade I listed historic building), conferences and meetings organised by outside bodies and use of the Mansion for education, photography and films. This activity was severely curtailed for much of the last financial year, but has now resumed.

The Council of Management is responsible for the management of risks faced by the Foundation. Detailed considerations of risk are delegated to the Director and his staff. Risks are identified, assessed, and controls established throughout the year with a formal review undertaken tri-annually. A high-level Risk Register was introduced in 2018 and is now reviewed regularly, including at each Finance and General Purposes Committee meeting and, annually by the Council of Management. The Register assesses the following risks:

- COVID-19 pandemic
- Impact of the Ukraine war
- Serious injury or death of member of staff or visitor
- Catastrophic damage to the Mansion (infrastructure) and heritage, including by fire
- Loss of impact and relevance of the Foundation
- Failure to adapt to changes in society and technology mean impact and reputation and efficiency undermined
- Reputation for financial probity, effectiveness and impact damaged
- Business model not sustainable

- Data loss or privacy breach endangering reputation and damaging interests
- Loss of Business Continuity and reputational damage due to insufficient resilience in staff and infrastructure
- Serious damage to reputation due to failure to keep up with shifting public attitudes and perceptions

The Disaster Recovery Plan is subject to ongoing review, particularly regarding the business continuity aspects as impacted by the current pandemic.

The key controls used by the Foundation include:

- The above-mentioned tri-annual meetings of the Council at which the Director and his senior staff brief the Trustees;
- Biannual meetings of the Finance and General Purposes Committee, which usually precede the Council Meetings, and a further annual meeting of the Committee at which they decide on major works and review health and safety procedures;
- Detailed job descriptions for the Director and Senior Staff, which are reviewed in detail on changes of incumbent;
- Three meetings a year between the Investment Sub-Committee of the Finance and General Purposes Committee and the investment managers of the investment portfolio. Additionally, members of this Committee with investment experience liaise with the investment managers as often as market conditions warrant it;
- Three times a year meeting of the Director's Risk Committee which reports to the Finance and General Purposes Committee, plus twice a year meeting of the Director's Health and Safety Committee, to review risks and safety procedures and decide on any necessary policy adjustments in the light of legislative changes.

Through these processes the Trustees are satisfied that the major risks have been identified and adequately mitigated where necessary.

Trustees' Responsibilities

As directors, the Trustees are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice. They are required by UK company law to prepare, for each financial year, financial statements which give a true and fair view of the state of affairs of the company, and the group, and of the profit or loss of the company and the group for that period.

The Trustees confirm that suitable accounting policies have been used and applied consistently, and that reasonable and prudent judgements and estimates have been made in the preparation of the financial statements for the year ending 31 March 2022. They are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company in recognition of their responsibilities under the Companies Act 2006. The Trustees are responsible for taking reasonable steps to safeguard the assets of the company, and the group, and to prevent and detect fraud and other irregularities.

As far as the Trustees are aware, there is no relevant audit information (information needed by the Foundation's auditors in connection with preparing their report) of which the Foundation's auditors are unaware. Trustees individually have taken all the steps that they ought to have taken as Trustees in order to make themselves aware of any relevant audit information and to establish that the Foundation's Auditors are aware of that information. The

Trustees are required to prepare financial statements on an ongoing concern basis, unless it is inappropriate to presume that the charity will continue in operation.

Principal Activities and Business Review

The consolidated statement of financial activities for the year is set out on pages 22-23. A review of the Foundation's business during the year is contained in the Trustee's Annual Report starting on page 4 and incorporates the requirements of the Directors' report as required by company law.

Dividends

In accordance with the Memorandum of Association, no dividends may be paid to Members.

Directors

The Members of the Council of Management are listed on page 1.

By order of the Council of Management,



KATIE WILLIAMS
Company Secretary

Dated: 25th May 2022

THE DITCHLEY FOUNDATION
(A Company Limited by Guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE DITCHLEY FOUNDATION

Opinion

We have audited the financial statements of The Ditchley Foundation (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2022 which comprise the Consolidated Statement of Financial Activities, the Consolidated Balance Sheet, the Company Balance Sheet, the Consolidated Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent charitable company's affairs as at 31 March 2022 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 and the Charities Act 2011.

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's or the parent charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

THE DITCHLEY FOUNDATION
(A Company Limited by Guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE DITCHLEY FOUNDATION
(CONTINUED)

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditor's Report thereon. The Trustees are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report.

We have nothing to report in respect of the following matters in relation to which Companies Act 2006 requires us to report to you if, in our opinion:

- the parent charitable company has not kept adequate and sufficient 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 and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Trustees' Report and from the requirement to prepare a Strategic Report.

Responsibilities of trustees

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

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

THE DITCHLEY FOUNDATION
(A Company Limited by Guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE DITCHLEY FOUNDATION
(CONTINUED)

Auditor's responsibilities for the audit of the financial statements

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

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance.

The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

The specific procedures for this engagement that we designed and performed to detect material misstatements in respect of irregularities, including fraud, were as follows:

- Enquiry of management and those charged with governance around actual and potential litigation and claims;
- Reviewing minutes of meetings of those charged with governance;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work to address the risk of irregularities due to management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for evidence of bias.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditor's Report.

THE DITCHLEY FOUNDATION
(A Company Limited by Guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE DITCHLEY FOUNDATION
(CONTINUED)

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the charitable company's trustees, as a body, Part 4 of the Charities (Accounts and Reports) Regulations 2008. 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 its members, as a body, for our audit work, for this report, or for the opinions we have formed.



Michael Farwell MA FCA DChA (Senior Statutory Auditor)

for and on behalf of

James Cowper Kreston

Chartered Accountants and Statutory Auditor

2 Chawley Park
Cumnor Hill
Oxford
Oxfordshire
OX2 9GG

Date: 27/05/2022

THE DITCHLEY FOUNDATION
(A Company Limited by Guarantee)

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND
EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2022**

		Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Income from:					
Donations, grants and legacies	3	959,923	83,875	1,043,798	1,029,299
Trading turnover of subsidiary		143,813	-	143,813	3,781
Investment income	4	49,046	-	49,046	67,094
Other sources		68,502	-	68,502	127,922
Total income		1,221,284	83,875	1,305,159	1,228,096
Expenditure on:					
Raising funds:					
Voluntary income		75,019	-	75,019	45,000
Fundraising trading (DPCC costs)		45,219	-	45,219	3,660
Investment management fees		156,182	-	156,182	199,182
Charitable activities: Conference programme costs	5	2,602,032	245,062	2,847,094	2,622,893
Total expenditure		2,878,452	245,062	3,123,514	2,870,735
Net expenditure before net gains on investments		(1,657,168)	(161,187)	(1,818,355)	(1,642,639)
Net gains on investments	10	2,233,502	-	2,233,502	3,714,337
Net income / (expenditure)		576,334	(161,187)	415,147	2,071,698
Net movement in funds		576,334	(161,187)	415,147	2,071,698
Reconciliation of funds:					
Total funds brought forward		26,308,474	186,683	26,495,157	24,423,459
Net movement in funds		576,334	(161,187)	415,147	2,071,698
Total funds carried forward		26,884,808	25,496	26,910,304	26,495,157

THE DITCHLEY FOUNDATION
(A Company Limited by Guarantee)

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND
EXPENDITURE ACCOUNT) (CONTINUED)**
FOR THE YEAR ENDED 31 MARCH 2022

All activities relate to continuing operations.

	2022	2021
	£	£
Investment and rental income	49,046	67,094
Net gains on investment assets	2,233,502	3,714,337
Total	2,282,548	3,781,431

For information, total cash drawdown from the investment portfolio was £1,260,000 (2021: £1,440,000).
The Consolidated Statement of Financial Activities includes all gains and losses recognised in the year.
The notes on pages 27 - 46 form part of these financial statements.

THE DITCHLEY FOUNDATION
(A Company Limited by Guarantee)
REGISTERED NUMBER: 00599389

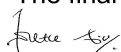
CONSOLIDATED BALANCE SHEET
AS AT 31 MARCH 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	8	3,370,821	3,461,343
Investments	10	20,401,559	19,614,331
Investment property	9	2,988,000	2,988,000
		<u>26,760,380</u>	<u>26,063,674</u>
Current assets			
Stocks	11	35,890	59,371
Debtors	12	88,758	121,693
Cash at bank and in hand		260,231	508,284
		<u>384,879</u>	<u>689,348</u>
Creditors: amounts falling due within one year	13	(234,955)	(257,865)
Net current assets		<u>149,924</u>	<u>431,483</u>
Total assets less current liabilities		<u>26,910,304</u>	<u>26,495,157</u>
Total net assets		<u>26,910,304</u>	<u>26,495,157</u>
Charity funds			
Restricted funds	14	25,496	186,683
Unrestricted funds	14	26,884,808	26,308,474
Total funds		<u>26,910,304</u>	<u>26,495,157</u>

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

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



.....
The Right Honourable Lord Hill of Oareford CBE

Dated: 25th May 2022

The notes on pages 27 to 46 form part of these financial statements.

THE DITCHLEY FOUNDATION
(A Company Limited by Guarantee)
REGISTERED NUMBER: 00599389

COMPANY BALANCE SHEET
AS AT 31 MARCH 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	8	3,370,821	3,461,343
Investments	10	20,401,561	19,614,333
Investment property	9	2,988,000	2,988,000
		<u>26,760,382</u>	<u>26,063,676</u>
Current assets			
Stocks	11	35,890	59,371
Debtors	12	61,553	121,693
Cash at bank and in hand		252,044	507,566
		<u>349,487</u>	<u>688,630</u>
Creditors: amounts falling due within one year	13	(226,972)	(257,270)
Net current assets		<u>122,515</u>	<u>431,360</u>
Total assets less current liabilities		<u>26,882,897</u>	<u>26,495,036</u>
Total net assets		<u><u>26,882,897</u></u>	<u><u>26,495,036</u></u>
Charity funds			
Restricted funds	14	25,496	186,683
Unrestricted funds	14	26,857,401	26,308,353
Total funds		<u><u>26,882,897</u></u>	<u><u>26,495,036</u></u>

The Company's net movement in funds for the year was £387,861 (2021 - £2,148,190).

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

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



.....
The Right Honourable Lord Hill of Oareford CBE

Dated: 25th May 2022

The notes on pages 27 to 46 form part of these financial statements.

THE DITCHLEY FOUNDATION
(A Company Limited by Guarantee)

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2022

	2022 £	2021 £
Cash flows from operating activities		
Net cash used in operating activities (note 17)	(1,407,885)	(1,341,587)
Cash flows from investing activities		
Dividends, interest and rents from investments	49,046	46,057
Purchase of tangible fixed assets (note 8)	(149,214)	(436,118)
Drawdown from investments	1,260,000	1,440,000
Net cash provided by investing activities	1,159,832	1,049,939
Change in cash and cash equivalents in the year	(248,053)	(291,648)
Cash and cash equivalents at the beginning of the year	508,284	799,932
Cash and cash equivalents at the end of the year (note 19)	260,231	508,284

The notes on pages 27 to 46 form part of these financial statements

THE DITCHLEY FOUNDATION
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

1. Accounting policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The Ditchley Foundation meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The Consolidated Statement of Financial Activities (SOFA) and Consolidated Balance Sheet consolidate the financial statements of the Company and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis.

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Financial Activities in these financial statements.

1.2 Company status

The liability is limited by guarantee and no shares are authorised or issued by the Foundation. Each member undertakes to contribute £1 to the assets of the Foundation in the event of the same being wound up whilst a member, or within a year of ceasing to be a member, for the payment of debts and liabilities of the Foundation contracted before ceasing to be a member, and of the cost, charges and expenses of winding up, such as may be required not exceeding £1.

1.3 Income

All income is recognised once the Company has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

For legacies, entitlement is taken as the earlier of the date on which either: the company is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the Trust that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the company has been notified of the executor's intention to make a distribution. Where legacies have been notified to the company, or the company is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

Guest conference income excludes value added tax and represents the invoiced value of goods and services supplied.

THE DITCHLEY FOUNDATION
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

1. Accounting policies (continued)

1.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

Fundraising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities. Governance costs are those incurred in connection with administration of the company and compliance with constitutional and statutory requirements.

Costs of generating funds are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds, including the activities of Ditchley Park Conference Centre Limited.

Expenditure on charitable activities comprises the costs of running the conference programme.

All resources expended are inclusive of irrecoverable VAT.

1.5 Basis of consolidation

The financial statements consolidate the accounts of The Ditchley Foundation and its subsidiary undertaking, Ditchley Park Conference Centre Limited.

1.6 Government grants

Government grants relating to tangible fixed assets are treated as deferred income and released to the Consolidated Statement of Financial Activities over the expected useful lives of the assets concerned. Other grants are credited to the Consolidated Statement of Financial Activities as the related expenditure is incurred.

1.7 Tangible fixed assets and depreciation

The house and land at Ditchley Park, acquired by gift, are not valued. Expenditure on improvements is at cost less depreciation.

Individual fixed assets costing £1,000 or more are capitalised at cost.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of financial activities.

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment.

Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold property	- between 20 and 50 years
Motor vehicles	- 5 years
Fixtures and fittings	- between 3 and 10 years
Office and IT equipment	- between 3 and 10 years

THE DITCHLEY FOUNDATION
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

1. Accounting policies (continued)

1.8 Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance sheet date, unless fair value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and shown in the heading 'Gains/(losses) on investments' in the Statement of financial activities.

Freehold properties held for investment purposes are valued periodically on professional advice and are included in the financial statements at their market value at the year end.

Quoted investments have been valued at the bid market price at the close of business at the year end. The market value of unit trusts and managed funds units is either taken as the bid or Net Asset Value price at the year end as advised by the investment managers.

Realised gains and losses on investments are calculated as the difference between sales proceeds and their market value at the start of the year or subsequent cost and are credited or charged to the Statement of financial activities in the year of disposal.

Unrealised gains and losses represent the movement in market value during the year and are credited or charged to the Statement of financial activities based on the market value at the year end.

The investment in the subsidiary undertaking is valued at cost less provision for impairment.

1.9 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Foundation; this is normally upon notification of the interest paid or payable by the Bank.

1.10 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks.

1.11 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

1.12 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

THE DITCHLEY FOUNDATION
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

1. Accounting policies (continued)

1.13 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the company anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

1.14 Financial instruments

The Foundation only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

1.15 Pensions

The pension scheme is a defined contribution scheme. Contributions are charged to the Statement of Financial Activities as they become payable in accordance with the rules of the scheme.

1.16 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the company and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the company for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Investment income, gains and losses are allocated to the appropriate fund.

THE DITCHLEY FOUNDATION
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

2. Critical accounting estimates and areas of judgement

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Critical areas of judgement:

Tangible fixed assets:

Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. Residual value assessments consider issues such as the remaining life of the asset and projected disposal values.

Investment properties:

Property valuations are performed annually by the Council, based upon external indications of value (including periodic valuations by qualified Independent Chartered Surveyors) and consideration of market conditions.

3. Income from donations, grants and legacies

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Donations, grants and legacies	959,923	83,875	1,043,798	1,029,299
Total 2021	647,383	381,916	1,029,299	

THE DITCHLEY FOUNDATION
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

4. Investment income

	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Distributions from investments	-	-	21,037
Rents	48,999	48,999	45,269
Bank interest	47	47	788
Total 2022	<u>49,046</u>	<u>49,046</u>	<u>67,094</u>
Total 2021	<u>67,094</u>	<u>67,094</u>	

5. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Conference programme costs	<u>2,602,032</u>	<u>245,062</u>	<u>2,847,094</u>	<u>2,622,893</u>
Total 2021	<u>2,187,866</u>	<u>435,027</u>	<u>2,622,893</u>	

Summary by expenditure type

	Staff costs 2022 £	Depreciation 2022 £	Other costs 2022 £	Total funds 2022 £	Total funds 2021 £
Conference programme costs	<u>1,294,547</u>	<u>239,736</u>	<u>1,312,811</u>	<u>2,847,094</u>	<u>2,622,893</u>
Total 2021	<u>1,181,778</u>	<u>169,828</u>	<u>1,271,287</u>	<u>2,622,893</u>	

THE DITCHLEY FOUNDATION
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

6. Analysis of expenditure by charitable activities

	Activities undertaken directly 2022 £	Support costs 2022 £	Total funds 2022 £	Total funds 2021 £
Conference programme costs	2,822,931	24,163	2,847,094	2,622,893
	<hr/>	<hr/>	<hr/>	<hr/>
Total 2021	2,594,447	28,446	2,622,893	
	<hr/>	<hr/>	<hr/>	

Analysis of direct costs

	Conference programme cost 2022 £	Total funds 2022 £	Total funds 2021 £
Staff costs	1,294,547	1,294,547	1,181,778
Depreciation	239,736	239,736	169,828
Administration	263,749	263,749	147,909
Repairs and maintenance	150,615	150,615	185,772
Household and service costs	212,633	212,633	237,757
Conference and events	68,096	68,096	45,647
Irrecoverable VAT	84,101	84,101	91,121
Development programme costs	65,499	65,499	71,294
Costs attributable to DPCC	(45,219)	(45,219)	(3,660)
Bridge project, Lumina costs and Rotunda	104,498	104,498	55,642
Campaign costs	29,366	29,366	27,009
Second floor refurbishment costs	355,310	355,310	66,932
Asbestos removal	-	-	317,418
	<hr/>	<hr/>	<hr/>
Total 2022	2,822,931	2,822,931	2,594,447
	<hr/>	<hr/>	<hr/>
Total 2021	2,594,447	2,594,447	
	<hr/>	<hr/>	

THE DITCHLEY FOUNDATION
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

6. Analysis of expenditure by charitable activities (continued)

Analysis of support costs

	Unrestricted 2022 £	Total funds 2022 £	Total funds 2021 £
Trustees' meeting costs and travel expenses on Foundation business	-	-	221
Auditor's remuneration	9,500	9,500	8,990
Non-audit fees - other financial services	14,663	14,663	19,235
Total 2022	<u>24,163</u>	<u>24,163</u>	<u>28,446</u>
Total 2021	<u>28,446</u>	<u>28,446</u>	

7. Staff costs

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Wages and salaries	1,164,511	1,049,616	1,139,247	1,049,536
Social security costs	97,911	95,483	97,911	95,483
Contribution to defined contribution pension schemes	87,758	81,679	87,758	81,679
	<u>1,350,180</u>	<u>1,226,778</u>	<u>1,324,916</u>	<u>1,226,698</u>

The average number of persons employed by the Company during the year was as follows:

	Group 2022 No.	Group 2021 No.
Administration	22	18
Establishment	14	15
Conference	13	19
	<u>49</u>	<u>52</u>

THE DITCHLEY FOUNDATION
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

7. Staff costs (continued)

The average headcount expressed as full-time equivalents was:

	Group 2022 No.	Group 2021 No.
Administration	18	15
Establishment	12	13
Conference	2	1
	<u>32</u>	<u>29</u>

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	Group 2022 No.	Group 2021 No.
In the band £60,001 - £70,000	1	-
In the band £110,001 - £120,000	-	1
In the band £140,001 - £150,000	1	-

No members of the Council of Management received any emoluments during the year (2021: £Nil).

No members of the Council of Management received payment for professional or other services supplied to the charity (2021: £Nil).

During the year, there were no disbursements for travel and associated expenses incurred by members of the Council of Management while undertaking activities directly associated with the purposes of the Foundation (2021: £221 paid to one member).

The key management personnel of the Foundation comprise the Council of Management, the Director, the Bursar and the Chief Operating Officer. The total employee benefits of the key management personnel of the Trust were £232,555 (2021: £198,242).

During the year, redundancy costs totalled £19,477 (2021: £37,504) including payments in lieu of notice.

THE DITCHLEY FOUNDATION
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

8. Tangible fixed assets

Group

	Freehold property £	Motor vehicles £	Fixtures and fittings £	Office and IT equipment £	Total £
Cost or valuation					
At 1 April 2021	4,577,175	44,873	54,787	996,680	5,673,515
Additions	-	-	106,661	42,553	149,214
Transfers between classes	-	-	5,790	(5,790)	-
At 31 March 2022	4,577,175	44,873	167,238	1,033,443	5,822,729
Depreciation					
At 1 April 2021	1,619,118	40,956	24,014	528,084	2,212,172
Charge for the year	121,408	1,000	6,576	110,752	239,736
At 31 March 2022	1,740,526	41,956	30,590	638,836	2,451,908
Net book value					
At 31 March 2022	2,836,649	2,917	136,648	394,607	3,370,821
At 31 March 2021	2,958,057	3,917	30,773	468,596	3,461,343

Company

	Freehold property £	Motor vehicles £	Fixtures and fittings £	Office and IT equipment £	Total £
Cost or valuation					
At 1 April 2021	4,577,175	44,873	54,787	996,680	5,673,515
Additions	-	-	106,661	42,553	149,214
Transfers between classes	-	-	5,790	(5,790)	-
At 31 March 2022	4,577,175	44,873	167,238	1,033,443	5,822,729
Depreciation					
At 1 April 2021	1,619,118	40,956	24,014	528,084	2,212,172
Charge for the year	121,408	1,000	6,576	110,752	239,736
At 31 March 2022	1,740,526	41,956	30,590	638,836	2,451,908

THE DITCHLEY FOUNDATION
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

8. Tangible fixed assets (continued)

Company (continued)

	Freehold property £	Motor vehicles £	Fixtures and fittings £	Office and IT equipment £	Total £
Net book value					
At 31 March 2022	<u>2,836,649</u>	<u>2,917</u>	<u>136,648</u>	<u>394,607</u>	<u>3,370,821</u>
At 31 March 2021	<u>2,958,057</u>	<u>3,917</u>	<u>30,773</u>	<u>468,596</u>	<u>3,461,343</u>

Freehold property comprises expenditure on improvements. The House and associated land are valued at £nil since they were acquired by gift. No value has been attributed to these assets as, in accordance with the wishes of the donor, it is intended that the House and associated land will be held in perpetuity to support the objectives and activities of the Foundation. Ditchley House was built in 1722 and is a listed Grade 1 building. Significant costs would be involved in valuing the property which, in the opinion of the Trustees, would be onerous compared with the additional benefit derived by users of the accounts in assessing the stewardship of assets. The House and outbuildings are currently insured for £69,846,963.

Other properties occupied by staff and considered as permanent staff quarters are included at deemed cost based upon a valuation performed at 31 March 2008 by Laws and Fiennes, Chartered Surveyors.

THE DITCHLEY FOUNDATION
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

9. Investment property

Group

**Freehold
investment
property
£**

Valuation

At 1 April 2020

2,988,000

At 31 March 2022

2,988,000

Company

**Freehold
investment
property
£**

Valuation

At 1 April 2020

2,988,000

At 31 March 2022

2,988,000

Investment properties comprise properties and farmland on the estate rented on a commercial basis. The last professional valuation of the properties was undertaken in 2021 by Savills, Chartered Surveyors, on an open market value for existing use basis. Council have considered this valuation and its appropriateness. The farmland was last valued in 2020 and the Council considers this valuation to be materially correct at 31 March 2022.

THE DITCHLEY FOUNDATION
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

10. Fixed asset investments

Group		Investment securities £	Uninvested cash £	Total £
Cost or valuation				
At 1 April 2021		18,930,437	683,894	19,614,331
Additions		2,288,865	-	2,288,865
Disposals		(3,413,896)	-	(3,413,896)
Revaluations		2,233,502	-	2,233,502
Other movements		(196,740)	(124,503)	(321,243)
		<u>19,842,168</u>	<u>559,391</u>	<u>20,401,559</u>
At 31 March 2022		<u>19,842,168</u>	<u>559,391</u>	<u>20,401,559</u>
Net book value				
At 31 March 2022		<u>19,842,168</u>	<u>559,391</u>	<u>20,401,559</u>
At 31 March 2021		<u>18,930,437</u>	<u>683,894</u>	<u>19,614,331</u>
Company				
	Investments in subsidiary companies £	Investment securities £	Uninvested cash £	Total £
Cost or valuation				
At 1 April 2021	2	18,930,437	683,894	19,614,333
Additions	-	2,288,865	-	2,288,865
Disposals	-	(3,413,896)	-	(3,413,896)
Revaluations	-	2,233,502	-	2,233,502
Other movements	-	(196,740)	(124,503)	(321,243)
		<u>19,842,168</u>	<u>559,391</u>	<u>20,401,561</u>
At 31 March 2022	2	<u>19,842,168</u>	<u>559,391</u>	<u>20,401,561</u>
Net book value				
At 31 March 2022	2	<u>19,842,168</u>	<u>559,391</u>	<u>20,401,561</u>
At 31 March 2021	2	<u>18,930,437</u>	<u>683,894</u>	<u>19,614,333</u>

THE DITCHLEY FOUNDATION
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

11. Stocks

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Finished goods and goods for resale	35,890	59,371	35,890	59,371

12. Debtors

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Due within one year				
Trade debtors	30,750	12,200	3,545	12,200
Other debtors	9,656	30,775	9,656	30,775
Prepayments and accrued income	46,407	46,617	46,407	46,617
VAT recoverable	1,945	32,101	1,945	32,101
	88,758	121,693	61,553	121,693

13. Creditors: Amounts falling due within one year

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Trade creditors	99,238	77,043	96,700	77,043
Amounts owed to group undertakings	-	-	19,123	31,378
Other taxation and social security	33,600	26,520	29,772	26,470
Other creditors	8,851	8,113	8,851	8,113
Accruals and deferred income	93,266	146,189	72,526	114,266
	234,955	257,865	226,972	257,270

THE DITCHLEY FOUNDATION
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

14. Statement of funds

Statement of funds - current year

	Balance at 1 April 2021 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 March 2022 £
Unrestricted funds					
General funds	<u>26,308,474</u>	<u>1,221,284</u>	<u>(2,878,452)</u>	<u>2,233,502</u>	<u>26,884,808</u>
Restricted funds					
Travel fund	25,496	-	-	-	25,496
Earmarked donations	59,852	2,500	(62,352)	-	-
Dulverton fund	15,000	-	(15,000)	-	-
Bridge	81,881	-	(81,881)	-	-
Rotunda	3,954	23,117	(27,071)	-	-
Rooms	500	-	(500)	-	-
American Ditchley	-	58,258	(58,258)	-	-
	<u>186,683</u>	<u>83,875</u>	<u>(245,062)</u>	<u>-</u>	<u>25,496</u>
Total of funds	<u><u>26,495,157</u></u>	<u><u>1,305,159</u></u>	<u><u>(3,123,514)</u></u>	<u><u>2,233,502</u></u>	<u><u>26,910,304</u></u>

THE DITCHLEY FOUNDATION
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

14. Statement of funds (continued)

Statement of funds - prior year

	Balance at 1 April 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2021 £
Unrestricted funds						
General funds	23,671,065	846,180	(2,435,708)	512,600	3,714,337	26,308,474
Restricted funds						
Fabric fund	43,993	-	-	(43,993)	-	-
Travel fund	25,496	-	-	-	-	25,496
Earmarked donations	588,835	-	(426,481)	(102,502)	-	59,852
Dulverton fund	94,070	-	-	(79,070)	-	15,000
Front gates and railings	-	2,500	(2,500)	-	-	-
Bridge	-	368,916	-	(287,035)	-	81,881
Rotunda	-	10,000	(6,046)	-	-	3,954
Rooms	-	500	-	-	-	500
	752,394	381,916	(435,027)	(512,600)	-	186,683
Total of funds	24,423,459	1,228,096	(2,870,735)	-	3,714,337	26,495,157

THE DITCHLEY FOUNDATION
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

15. Summary of funds

Summary of funds - current year

	Balance at 1 April 2021 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 March 2022 £
General funds	26,308,474	1,221,284	(2,878,452)	2,233,502	26,884,808
Restricted funds	186,683	83,875	(245,062)	-	25,496
	<u>26,495,157</u>	<u>1,305,159</u>	<u>(3,123,514)</u>	<u>2,233,502</u>	<u>26,910,304</u>

Summary of funds - prior year

	Balance at 1 April 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2021 £
General funds	23,671,065	846,180	(2,435,708)	512,600	3,714,337	26,308,474
Restricted funds	752,394	381,916	(435,027)	(512,600)	-	186,683
	<u>24,423,459</u>	<u>1,228,096</u>	<u>(2,870,735)</u>	<u>-</u>	<u>3,714,337</u>	<u>26,495,157</u>

Restricted funds are non-staff project specific expenditure, earmarked by the donor.

Unrestricted funds are allocated towards the general Ditchley Foundation programme, staff costs, associated technology and infrastructure.

16. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £
Tangible fixed assets	3,370,821	-	3,370,821
Fixed asset investments	20,401,559	-	20,401,559
Investment property	2,988,000	-	2,988,000
Current assets	359,383	25,496	384,879
Creditors due within one year	(234,955)	-	(234,955)
Total	<u>26,884,808</u>	<u>25,496</u>	<u>26,910,304</u>

THE DITCHLEY FOUNDATION
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

16. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior year

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £
Tangible fixed assets	3,461,343	-	3,461,343
Fixed asset investments	19,614,331	-	19,614,331
Investment property	2,988,000	-	2,988,000
Current assets	502,665	186,683	689,348
Creditors due within one year	(257,865)	-	(257,865)
Total	26,308,474	186,683	26,495,157

17. Reconciliation of net movement in funds to net cash flow from operating activities

	Group 2022 £	Group 2021 £
Net income for the year (as per Statement of Financial Activities)	415,147	2,071,698
Adjustments for:		
Depreciation charges	239,736	169,828
Investment property gain	-	(62,000)
Gains on investments	(2,233,502)	(3,652,337)
Dividends, interests and rents from investments	(49,046)	(67,094)
(Increase)/decrease in stocks	23,481	(21,187)
(Increase)/decrease in debtors	32,935	(41,896)
Increase/(decrease) in creditors	(22,910)	105,887
Other investment movements	186,274	155,514
Net cash used in operating activities	(1,407,885)	(1,341,587)

THE DITCHLEY FOUNDATION
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

18. Analysis of cash and cash equivalents

	Group 2022 £	Group 2021 £
Cash in hand	260,231	508,284
Total cash and cash equivalents	260,231	508,284

19. Analysis of changes in net debt

	At 1 April 2021 £	Cash flows £	At 31 March 2022 £
Cash at bank and in hand	508,284	(248,053)	260,231
	508,284	(248,053)	260,231

20. Capital commitments

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Contracted for but not provided in these financial statements				
Acquisition of tangible fixed assets	6,095	75,741	6,095	75,741

21. Pensions commitments

The Foundation maintains a pension scheme covering all of its permanent and casual employees. It is a defined contribution scheme (employer 10%) administered by the trustees. Its funds are kept separate from those of the Foundation. Contributions outstanding at 31 March 2022 were £8,651 (2021: £9,700). The pension cost charge represents contributions payable by the Foundation in accordance with the rules of the scheme.

THE DITCHLEY FOUNDATION
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

22. Principal subsidiary

The following was a subsidiary undertaking of the Company:

Name	Company number	Holding	Included in consolidation
Ditchley Park Conference Centre Limited	01944182	100%	Yes

The financial results of the subsidiary for the year were:

	Income £	Expenditure £	Profit/(Loss) for the year £	Net assets £
Ditchley Park Conference Centre Limited	143,813	116,406	27,407	27,409

23. Related party transactions

In the year, a number of trustees made donations to the Foundation under the 1580 Fellowship Scheme.

Dr C Wills, who is a Trustee, who was also a Trustee of The HDH Wills 1965 Charitable Trust. During the year The HDH Wills Charitable Trust charged the Foundation £69,555 (2021: £69,555).

During the period, the Foundation recharged The HDH Wills 1965 Charitable Trust £14,145 (2021: £2,283). At the year end the Foundation was owed £500 (2021: £104).

The wife of the Foundation's director, K Arroyo, was reimbursed during the year by the charity for purchases she made on the charity's behalf for furnishings as part of the second floor and library projects. This totalled £6,000 in 2022 (2021: £4,503). K Arroyo was paid £nil in the year (2021: £8,000) for interior design consultancy work as part of the second floor and library projects.

Notes