

Think

new things

Make

new connections

THE COUNCIL'S
ANNUAL REPORT
AND ACCOUNTS
2020-2021

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

Vice-Chairman

Mr Philip Stephens

Members of the Council

The Lord Aldington

The Lord Bridges of Headley MBA

Mrs Marjorie Neasham Glasgow BEM DL

Mr Charles Grant CMG

The Right Honourable Mr Dominic Grieve QC

Ms Rachel Lomax

The Rt Hon the Lord Mandelson

Mr Paul Newman

Mrs Elizabeth Padmore

Ms Emma Reynolds

The Most Honourable The Marquess of Salisbury KCVO PC DL

Sir Nigel Sheinwald GCMG

Dr Catherine Wills

Company Secretary

Ms Katie Williams

THE FOUNDATION'S EXECUTIVE STAFF

Director: Mr James Arroyo OBE

Bursar: Colonel Mike Montagu

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

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 Paul Newman

Mrs Elizabeth Padmore

Dr Catherine Wills

Secretary

Colonel Mike Montagu

INVESTMENT SUB-COMMITTEE

Chairman

Mr Nicholas Ferguson CBE

Members

The Lord Aldington

Mrs Elizabeth Padmore

Secretary

Colonel Mike Montagu

PROGRAMME COMMITTEE

Chairman

Mr Charles Grant CMG

Members

Mr Bim Afolami MP

Mr James Arroyo OBE

Ms Julia Gross

Mr Yael Lempert

Ms Elizabeth Linder

Mr Peter Mather

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 DITCHLEY FOUNDATION
(A Company Limited by Guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2021

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.

The Ditchley Foundation brings thoughtful doers together to think new things and to make new connections. Ditchley's strength is its power to convene and sustain the frank conversations that are needed to address the problems that today face the world, and particularly democracies. We generate new ideas and new connections that otherwise would not happen by convening opposing views and different silos of expertise in an atmosphere and format designed to grow trust.

Through our events, Ditchley gathers together leaders at different stages in their careers and across generations and countries, including politicians, scientists, philosophers, financiers, business figures, innovators, tech entrepreneurs, artists and civil servants. Bringing such diverse experiences together creates new and often challenging perspectives, and some unexpected and productive friendships. Events are by invitation only to allow Ditchley to achieve the right mix of people. Ditchley is engaged in an intensive programme of innovation focused on the challenge of identifying new talent and expertise from all parts of society in many different countries, in order to ensure that the Ditchley community is continually renewed, is increasingly diverse, and that Ditchley conversations are as productive as possible as a result.

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

Current priority themes for Ditchley focus on redefining and renewing democratic societies, states, markets and alliances; making the most of the potential for technological innovation to transform society; the development of a sustainable global economy that contains climate change and other grave environmental risks; and how to reduce the threat from bad actors and the disruption of mass migration.

The Foundation publishes the outcomes of conferences and other events on its website for public benefit. It also shares 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.

In normal years the Foundation offers the house and its gardens without charge to charities in Oxfordshire and the surrounding region for several fundraising events. This was not possible in the pandemic year but will recommence at the earliest opportunity.

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.

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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 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 Memorandum 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.

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.

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.

Report of 2020-2021

2020/21 saw COVID-19 disrupt the normal course of life around the world. Whilst the pandemic rendered the normal programme of in-person conferences and other events impossible, the significant investments made in digital capability in recent years allowed Ditchley to move quickly to a far-reaching virtual programme. Ditchley's business model proved financially resilient and the pause in events at Ditchley Park allowed major progress to be made on capital investment projects and improvements at a lower cost than previously estimated. Although challenging for Ditchley as for all of us, 2020-21 has proved to be a catalytic and accelerating year for the Foundation, with a further step change in reach, impact, profile and capabilities.

The virtual programme made it possible to engage with more people, more frequently, more globally, and to secure more very senior participants more often. Virtual events will remain a central plank in the programme from now on. At the same time, even with the high quality capabilities Ditchley has developed, the limitations of virtual connection were made evident and Ditchley will return to face to face meetings as soon as conditions allow, alongside the continuing virtual elements of the programme. Face to face gatherings remain essential for deepening a sense of connection and mutual understanding between individuals.

The Bridge

One of the most important of Ditchley's capability investments this year has been the creation of the Bridge, the transformation and restoration of the historic library into a state of the art digital video studio, enabling video conferencing at a new level of connection and immediacy.

The result of two years of careful planning and fund raising, the restoration work was completed by the in-house maintenance team to a very high standard and the technology designed and installed by a global leader in the field. Special thanks are due to Sir Hugh Roberts, former Keeper of the Queen's Collection, for his invaluable advice to the Ditchley design team on the restoration of the historic room. And of course to the generous donors who made the project possible.

The Elizabethan Rooms: restoration of Ditchley Park's top floor rooms

The long planned restoration of Ditchley Park's top floor rooms to a high standard is now well underway with completion targeted for the end of the year. The rooms will be renamed collectively the Elizabethan Rooms because of the historic panelling in many rooms that was reused from the original Elizabethan Manor House on the Ditchley estate. Individual bedrooms on the first and top floors will be named after significant figures from Ditchley's and the Foundation's history, from Churchill to Congresswoman Barbara Jordan who delivered Ditchley's 1976 Annual Lecture. The restoration will ensure that all visitors to Ditchley are hosted at a comparable level and also contribute to Ditchley's financial sustainability by making Ditchley a superlative meeting place for appropriate guest events, when twinned with the Bridge capabilities described above. Extensive works now completed included the removal or containment of asbestos, the removal of 1960s wall partitions, and the creation of new bathrooms. Remaining is the fitting out of each room to an individual design

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reflecting Ditchley's history and style. The bulk of the work is being carried out by the Ditchley estate team, building on the capabilities developed in the restoration of the library. This is enabling significant savings in excess of £1m. The work again depends on generous and supportive donors.

Net Zero strategy

Ditchley is committed to reducing its carbon footprint and engaged Small World Consultancy to help with the development of a net zero strategy. Phase one, the collection of comprehensive data from all aspects of the Ditchley operation, is now complete. This informed a baseline assessment of greenhouse gas emissions for Ditchley to enable us to explore how we can deliver a credible approach to achieving a net zero strategy.

Ditchley community digital platform

A significant innovation over the last year has been on the concept of the Ditchley 'community'. A cross-section of which, close to a thousand people, have now registered for access via the Ditchley digital platform to a programme of panel discussions, book talks and regular series of post-conference briefings. Almost all the events are recorded and can be viewed on demand creating a growing resource.

Internship programme

Despite the challenges presented last year, Ditchley developed a sizeable virtual internship programme, with almost 40 paid interns employed. Ditchley took an in principle decision that all interns should be paid to make sure that there is equality of opportunity. As well as drawing interns from Oxford and Cambridge with which Ditchley had existing strong ties, Ditchley forged new relationships with other universities including Nottingham, Sheffield, Birmingham and Edinburgh. A particular focus was on reaching students from disadvantaged backgrounds through the Crankstart programme and those wanting to develop analytical skills through the QStep programme. Interns contributed research on people to involve in Ditchley discussions; summarised the history of discussion of themes such as education, democracy and technology at Ditchley over the decades; and created digital content for our new digital platform on the history and artworks at Ditchley Park (see immediately below).

Smartify

Smartify is a digital platform that hosts rich descriptions of art and objects through innovative technology, enabling engaging storytelling about places, their history and their purpose. Ditchley has developed significant digital content on the platform, using a mixture of staff and intern writers. See: <https://smartify.org/venues/ditchley-park> for examples. Fuller content will be available to visitors when they return to Ditchley Park through Smartify's image recognition app, enriching the experience of visiting Ditchley Park. The platform will also increase digital access to Ditchley Park for the wider public.

The 2020-2021 programme of events

At the time of drafting last year's Annual Report, the UK was six weeks into the first period of lockdown and the impact of the pandemic was already evident. Ditchley's hybrid conference in October 2020, Living with COVID-19, directly explored the impact. As well as millions of lives lost, the pandemic has caused the greatest disruption to the global economy since the Second World War, dwarfing the effects of the 2008 financial crisis. As a result, the pandemic, and how best to integrate recovery with other priorities, has featured in almost all Ditchley discussions throughout the year.

Another aspect of the year was the sharpening of the geopolitical and economic tensions between China and the West, with a particular focus on competition on technologies such as AI, seen as central to power and prosperity in the 21st century. The reality of Brexit meanwhile has meant a new direction and new choices for the UK. Most strategically of all, global concerns on climate change and loss of biodiversity were given renewed impetus by the election of President Biden and a return of American leadership on the environment. All these factors have fed into the Ditchley programme, which should be seen as a continuous and interconnected engagement with these global trends, rather than as a series of individual events on disparate subjects. Ditchley's gold standard series of two day conferences has provided the spine but numerous small group discussions conducted virtually have both prepared for the larger scale discussions and provided opportunities to follow up and expand on key insights and questions emerging.

One of the programme highlight's was World Order: what can and should it mean today? Held in honour of Henry Kissinger who opened the discussion, this conference marked a shift in Ditchley's approach and

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capabilities with the development of a continuous 24hr operation to enable participation from all continents. A post-conference briefing shared initial reflections and findings with the wider Ditchley community. This became the model for all subsequent virtual conferences.

We held 7 full conferences over the reporting period plus a further 92 events of varying size. Ditchley has experimented with different formats and technologies and will continue to develop expertise in this area. Great efforts have been taken to ensure that the same ethos and values are evident in our face to face and virtual events. Ditchley has emerged as a centre of excellence on holding virtual and hybrid events.

In addition to the conference programme, the following are other notable highlights from the programme over the past year.

Ditchley Annual Lecture, 27 June 2020

Senior cabinet member Michael Gove delivered a lecture on the reform of government and the Civil Service which was widely reported and continues to shape that agenda within government. The lecture was streamed live from Ditchley to an influential global audience of over 500.

Ditchley Summer Project, 4 - 23 July 2020

This was a series of 33 virtual events over the course of three weeks. These ranged in scale from small group discussions, to large high-profile speaker events with high points being conversations with Brad Smith, President and Chief Legal Officer at Microsoft, and Secretary Condoleezza Rice as the culmination of the series. Over 300 people participated across all events.

Ditchley Winter Project, 1 - 11 December 2020

This followed the model for the Summer Project, but with 8 events over two weeks in which around 200 people participated. The programme concluded with two fireside chats on consecutive days with Admiral James Stavridis, former Supreme Allied Commander of NATO, and William M Daley, Former Obama White House Chief of Staff and Secretary of Commerce.

Ditchley Lumina Summit, 9 - 12 March 2021

The 2020/2021 education and democracy programme, now in its third year and made possible through the ongoing support of the Lumina Foundation, culminated in a series of discussions exploring the renewal of democracy, recognising talent and finally technological innovation and economic insecurity. It also included the first transatlantic discussion on renewing regionalism with a panel drawn from our networks in Newcastle and the North East and Indianapolis and the State of Indiana. 88 people participated across these 4 sessions.

Ocean data

Building from the conference on oceans in April 2018, Ditchley continues to host small group discussions on a range of ocean issues. This in turn is contributing to the development of our climate programme.

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's aim is unchanged: to combine its rich heritage with 21st century technology to be the world's most effective and powerful connecting and convening organisation, working for the public good.

The Foundation will continue to hold a broad range of conferences and other events, virtually, in-person, or most often a combination of both (as long as circumstances allow). Ditchley will also continue to innovate and to build the capabilities and networks to make sure that the Ditchley community includes people of talent and insight from all parts of society and many different fields of expertise, across all generations.

Particular strands of activity in development for 2021/2022 and beyond include a focus on regionalism, a cross-party initiative to better understand the Westminster village, bilateral conversations to build connections between the UK and Germany based on shared interests following Brexit and a climate programme which develops lines of thinking to emerge from the "Climate judo" conference in February and leading into COP26.

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The internship programme will also continue to develop with an aim again of 40 interns for this year, growing to 50 in the subsequent year. Each student will be paid the UK's 'real living wage' (The real living wage is the only UK wage rate that is voluntarily paid by over 7,000 UK businesses who believe their staff deserve a wage which meets every day needs).

The Ditchley Team and Governance

The Council of Management, the Finance and General Purposes Committee and the Ditchley executive team have worked exceptionally closely together this year, meeting regularly by Zoom but also through many informal contacts, to shepherd the Foundation safely and effectively through the pandemic. Ditchley emerges from the pandemic in good shape, both in terms of the impact of the programme and financially as a result. Ditchley is grateful for the support of all trustees, governors and members of the UK, American and Canadian governing bodies.

Three Members of Council will be stepping down at this year's Annual General Meeting;
Philip Stephens from the role of Vice-Chairman of the Council of Management (2013-2021)

Charles Grant, as Chairman of the Programme Committee (2012-2021)

Sir Nigel Sheinwald, as Member (2013-2021)

Sir Martin Smith also stepped down from Council in February 2021 and ex-officio member and former High Commissioner Janice Charette's posting to London also came to an end so she too stepped down in March 2021.

Charles, Lord Aldington, has kindly agreed to continue in his role as Chairman of the Finance and General Purposes Committee for an additional year after his term end in order to ensure continuity as we emerge from the pandemic and also as Ditchley appoints a new chief operating officer following the retirement from the bursar post of Col Mike Montagu (and his move to the new host and historian post). This extension was endorsed by Council in its May meeting.

We are immensely grateful to all for their unwavering support and service in these roles and are delighted that their close involvement with Ditchley will continue into the future.

We were sorry to note the deaths over the last year of the following, many of whom had an association with Ditchley extending over decades: Lady Barbara Judge, Sir Samuel Brittan, The Lord O'Neill of Clackmannan, Dame Margaret Weston, Mr H Brandt Ayers, Lieutenant General Brent Scowcroft, Professor Seymour Topping and Mr David Reid Scott. We also note with sadness the passing of Baroness Williams in April 2021.

We must also acknowledge the generosity of many others who support Ditchley in a multiplicity of ways with their time, expertise, energy and, of course, money.

The guiding principles underpinning all that Ditchley does remain those set out by its founder and benefactor, Sir David Wills. We are grateful to the Wills family for their continued support for this endeavour and faith in the team entrusted with this great institution.

Ditchley Park

The disruption to normal patterns of activity has, as has already been mentioned, enabled major projects in the house to be undertaken unhindered by the need to work around a busy programme. When guests return to the house, they will find the grounds in excellent order, the state rooms on the ground and first floors looking beautiful, the technology and connectivity the best in Europe and work well advanced on phase one of the second floor bedroom scheme.

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FOR THE YEAR ENDED 31 MARCH 2021

Financial Review

The impact of the coronavirus crisis

The start of the financial year was dominated by the coronavirus crisis and the Foundation's response and rapid adaptation to the new working environment. For an organisation focused on face to face meetings, there was understandable concern that the crisis could have a major impact on operations and finance and of course impact. But the investments made over the last three years in connectivity and technology allowed us to move almost seamlessly to remote working for most of our staff and to execute throughout the year a successful virtual programme, in order to continue to deliver impact against the Foundation's objectives.

Financially, we lost almost £300,000 in income from postponed guest events but this was balanced over the course of the period by savings in operational costs derived in the main from the suspension of the face-to-face programme and external business activity requiring travel.

In view of the uncertainty surrounding income from events, in addition to the negative impact on the financial markets early on in the crisis, we furloughed a small number of the permanent staff with exclusively events-related roles, in addition to the regular cohort of casual events staff, who were missing out on income. While our use of furloughing was limited to the first four months of the scheme, the continuing uncertainty over when events would resume at Ditchley led to the necessity of a handful of redundancies. These measures ensured that we were in a strong position to weather the extended crisis.

The absence of events at the house meant that we were able to opt to use the Ditchley in-house team to carry out major restoration projects including in the library and on the second floor as covered above. This meant extending the work over a longer time frame but has resulted in major savings, in excess of £1m, in terms of our capital investments in Ditchley.

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 £19.6m at the end of the financial year, recovering from a low of £17.5m at the same point the previous year following a 21% performance gain in the period net of fees and before our withdrawals. The Investment Sub-Committee (ISC) view is that investment managers Partners Capital steered the portfolio through the turbulence as well as could be expected, with the Foundation's conservative investment strategy proving once again successful at limiting losses compared to the previous financial crises of 2003 and 2008.

Drawdown from the portfolio at year end was £1.44m, marginally under the budget target, itself a 13% reduction on the £1.64m drawdown in the previous financial year. For the coming year the budgeted figure for drawdown is set at £1.3m, a deliberate further reduction of 10%. This is the next step on a glidepath of reduction targets to bring down the annual withdrawal amount to a sustainable 4% of portfolio value by financial year 24/25.

An ESG investment policy was adopted by the Council of Management this financial year, empowering our investment managers to report on the exposure of the diverse funds of 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, and diversification within, the portfolio; continued work on development; and if necessary further reduction of costs.

Management of finances

Financial year 2020/2021 expenditure in the annual accounts was under budget at £2.87m, while income was close to £1.23m, with donations accounting for 84% of this. The total loss of DPCC revenue from guest events was fully offset by savings – operational expenditure was 20 percent below the budgeted figure.

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The spend for the year included £920,000 on estate, programme and campaign development, the bulk of which were two major sponsored projects: the creation of a state-of-the-art teleconference facility (the Bridge) in the redecorated and refitted Library; and the upgrade of guest accommodation on the second floor including ensuite and dedicated bathroom facilities. The project spend, of which £390,000 was capitalised at year end for the Bridge, ended up higher than initially budgeted but this was fully funded by higher than budgeted donations.

Expenditure in 2021/2022 is budgeted, in the management accounts, to be just over £3m. This includes both normal running costs and an element of £490,000, earmarked for capability development and infrastructure upgrades, including the ongoing second floor works. No new work will be undertaken without funding. Income in the management accounts for the year is anticipated at a little over £1.363m. Tight controls remain in place to ensure spending does not get ahead of donation income and projects will be delayed if donated funding is not available.

Development Report

2021 brings successfully to a close the first phase of Ditchley's development and associated campaign. We have managed to fund all the improvements and expansion of the programme planned. On the major investments on the library and the second floor the pandemic year has proved an opportunity with the reduced costs of the works meaning over £1m less to raise to meet our objectives.

We raised close to £1.03m in donations during the year. As of writing, the running total for the campaign is £4.7m in donations and firm pledges, bringing us close to our revised target (see immediately above) of £4.8m for the first phase of development.

The increasing maturity of our development effort is evident, yet our expenditure on development remains low compared to most comparable organisations. The team, which now comprises a development lead officer, an assistant and a part time external consultant, is supported by a development steering group and valuable expert volunteer help from Ditchley's community. We continue to seek donors' support for our programme; earmarked capital projects; and growth of our invested portfolio as the bedrock of our operations and independence.

We have continued to secure funds from a variety of sources, including a number of new individual donors, trusts and foundations, complementing the continued support from regular donors and Fellows.

A full list of donors for 2020/2021 is included below in alphabetical order:

Anonymous Foundation

The American Ditchley Foundation
The John H and Marjorie N Glasgow Foundation
The Lennox Hannay Charitable Trust
The Loveday Charitable Trust
Lumina Foundation
Microsoft Corporation
The William Delafield Charitable Trust

Anonymous Individuals

Lord and Lady Aldington
George and Ally Bailey
Mr Sam Blyth
Dr Kate Bronfenbrenner
Sir Andrew Cahn KCMG
Mr Dominic Casserley
Ms C K Coombs
Ms Bronwyn Curtis OBE
Mr Sam Daws
Sir Simon Fraser GCMG
Mr Stephen Glascock
In memory of Sir John Graham Bt GCMG

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Sir Christopher Greenwood GBE CMG QC
The Rt Hon. Dominic Grieve QC
Ms Jan Hall OBE
The Rt Hon. the Lord Hill of Oareford CBE
Dame DeAnne Julius DCMG, CBE
Ms Rosie Kay FRSA
Sir John Kemp-Welch
John and Caitlin Kennedy
Ms Rachel Lomax
Mr Chris Mairs CBE
The Rt Hon. Sir John Major KG CH
Ambassador P. Michael McKinley Ret
Col Mike and Caroline Montagu
Sir Mark and Lady Moody-Stuart
Mr Edward Mortimer CMG
Marc and Odile Mourre
Mr Paul Newman
Ms Margaret Nibbi
Mr Ismet Oztanik
Mrs Elizabeth Padmore
Mr Jonathan Paris
Luke and Nicky Ponsonby
Mr Eric Reguly
The Rt Hon. Sir Malcolm Rifkind KCMG QC
Sir John Sawers GCMG
Sir Martin and Lady Smith
Mr David Soanes
Mr Philip Stephens
Mr Bobby Vedral
Dr Diana Walford CBE MD FRCP FRCPATH FFPH
Mr Simon Webb CBE, FICE
The Rt Hon. the Lord Willetts FRS FAcSS
Mr Peter Wilson-Smith
Dr Dawn Wright

We thank all our donors for their support this year.

Private Events and Other Income

Ditchley Park Conference Centre Limited was unable to operate over the course of the last financial year due to the pandemic, meaning no guest event income (but also reduced DPCC costs). Most events were postponed, however, rather than cancelled and there are a significant number of bookings or enquiries in place for 2021/2022. The signs are promising that this revenue stream, where all profits from Ditchley Park Conference Limited are donated to the Foundation in support of its charitable aims, will return to or exceed pre-pandemic levels.

For the new financial year the forecast turnover has been set at a modest £108,000, based upon a resumption of face to face events in mid-July with the number and scale of bookings gradually ramping up from September out to the financial year end, but this will depend entirely on the progress of the crisis and the freeing up of restrictions as anticipated by the Roadmap.

Looking beyond this, the outlook for DPCC is very positive as the new technological capabilities and restoration of the Mansion to a high standard are set to make Ditchley an even more sought after venue, including for high level private sector company clients when appropriate.

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Reserves Policy

The Foundation's core finances are based upon its investment portfolio (valued at £19.6m as at end March 2021), which provides still 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 2021, the invested assets under management could provide some £800,000 to be available within a week, with 60 percent 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 is able to track the approach of Oxford colleges and take around 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 24/25, 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 2021, total funds stood at £26,495,157 of which £186,683 were restricted. The level of unrestricted free reserves, after excluding fixed assets and designated funds, stood at £22,847,131.

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 12 months from the date of approval of these financial statements. The Budget endorsed for FY 21/22 allows for an unrestricted cash balance of £350k at the end of the period, in addition to the Foundation's invested portfolio of £19.6m, 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, supported by professional consultants. 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.

THE DITCHLEY FOUNDATION
(A Company Limited by Guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

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 has been in abeyance over the course of the last financial year.

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, as of 2021/2022, annually by the Council of Management. The Register assesses the following risks:

- COVID-19 pandemic
- 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 DITCHLEY FOUNDATION
(A Company Limited by Guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

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.

THE DITCHLEY FOUNDATION
(A Company Limited by Guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

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 2021. 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 20 - 21. 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: 26th May 2021

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 2021 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 2021 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 Trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditor's Report thereon. 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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

THE DITCHLEY FOUNDATION
(A Company Limited by Guarantee)

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

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.

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- 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 over the risk of 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 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.

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 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: 28th May 2021

THE DITCHLEY FOUNDATION
(A Company Limited by Guarantee)

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2021**

| | | Unrestricted funds 2021 £ | Restricted funds 2021 £ | Total funds 2021 £ | Total funds 2020 £ |
|--|------|------------------------------------|----------------------------------|-----------------------------|-----------------------------|
| Income from: | | | | | |
| Donations, grants and legacies | 3 | 647,383 | 381,916 | 1,029,299 | 1,153,147 |
| Trading turnover of subsidiary | | 3,781 | - | 3,781 | 217,254 |
| Investment income | 4 | 67,094 | - | 67,094 | 141,203 |
| Other sources | | 127,922 | - | 127,922 | 75,991 |
| | | <u>846,180</u> | <u>381,916</u> | <u>1,228,096</u> | <u>1,587,595</u> |
| Total income | | | | | |
| Expenditure on: | | | | | |
| Raising funds: | | | | | |
| Voluntary income | | 45,000 | - | 45,000 | 16,025 |
| Fundraising trading (DPCC costs) | | 3,660 | - | 3,660 | 140,641 |
| Investment management fees | | 199,182 | - | 199,182 | 128,611 |
| Charitable activities: Conference programme costs | 5 | 2,187,866 | 435,027 | 2,622,893 | 2,440,994 |
| | | <u>2,435,708</u> | <u>435,027</u> | <u>2,870,735</u> | <u>2,726,271</u> |
| Total expenditure | | | | | |
| Net expenditure before net gains on investments | | | | | |
| | | <u>(1,589,528)</u> | <u>(53,111)</u> | <u>(1,642,639)</u> | <u>(1,138,676)</u> |
| Net gains on investments | 9,10 | 3,714,337 | - | 3,714,337 | 534,277 |
| Net income / (expenditure) | | | | | |
| | | <u>2,124,809</u> | <u>(53,111)</u> | <u>2,071,698</u> | <u>(604,399)</u> |
| Transfers between funds | 14 | 512,600 | (512,600) | - | - |
| Net movement in funds | | | | | |
| | | <u>2,637,409</u> | <u>(565,711)</u> | <u>2,071,698</u> | <u>(604,399)</u> |
| Reconciliation of funds: | | | | | |
| Total funds brought forward | | 23,671,065 | 752,394 | 24,423,459 | 25,027,858 |
| Net movement in funds | | 2,637,409 | (565,711) | 2,071,698 | (604,399) |
| Total funds carried forward | | | | | |
| | | <u>26,308,474</u> | <u>186,683</u> | <u>26,495,157</u> | <u>24,423,459</u> |

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 2021

All activities relate to continuing operations.

| | 2021 | 2020 |
|--------------------------------|-------------------------|----------------|
| | £ | £ |
| Investment and rental income | 67,094 | 141,203 |
| Net gains on investment assets | 3,714,337 | 534,277 |
| Total | <u>3,781,431</u> | <u>675,480</u> |

For information, total cash drawdown from the investment portfolio was £1,440,000 (2020: £1,635,000). The Consolidated Statement of Financial Activities includes all gains and losses recognised in the year. The notes on pages 25 - 44 form part of these financial statements.

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

CONSOLIDATED BALANCE SHEET
AS AT 31 MARCH 2021

| | Note | 2021 £ | 2020 £ |
|--|------|------------|------------|
| Fixed assets | | | |
| Tangible assets | 8 | 3,461,343 | 3,195,053 |
| Investments | 10 | 19,614,331 | 17,536,471 |
| Investment property | 9 | 2,988,000 | 2,926,000 |
| | | 26,063,674 | 23,657,524 |
| Current assets | | | |
| Stocks | 11 | 59,371 | 38,184 |
| Debtors | 12 | 121,693 | 79,797 |
| Cash at bank and in hand | | 508,284 | 799,932 |
| | | 689,348 | 917,913 |
| Creditors: amounts falling due within one year | 13 | (257,865) | (151,978) |
| | | 431,483 | 765,935 |
| Total assets less current liabilities | | 26,495,157 | 24,423,459 |
| Total net assets | | 26,495,157 | 24,423,459 |
| Charity funds | | | |
| Restricted funds | 14 | 186,683 | 752,394 |
| Unrestricted funds | 14 | 26,308,474 | 23,671,065 |
| | | 26,495,157 | 24,423,459 |

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: 26th May 2021

The notes on pages 25 to 44 form part of these financial statements.

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

COMPANY BALANCE SHEET
AS AT 31 MARCH 2021

| | Note | 2021 £ | 2020 £ |
|--|------|------------|------------|
| Fixed assets | | | |
| Tangible assets | 8 | 3,461,343 | 3,195,053 |
| Investments | 10 | 19,614,333 | 17,536,473 |
| Investment property | 9 | 2,988,000 | 2,926,000 |
| | | 26,063,676 | 23,657,526 |
| Current assets | | | |
| Stocks | 11 | 59,371 | 38,171 |
| Debtors | 12 | 121,693 | 69,787 |
| Cash at bank and in hand | | 507,566 | 758,078 |
| | | 688,630 | 866,036 |
| Creditors: amounts falling due within one year | 13 | (257,270) | (176,716) |
| | | 431,360 | 689,320 |
| Net current assets | | 431,360 | 689,320 |
| Total assets less current liabilities | | 26,495,036 | 24,346,846 |
| Total net assets | | 26,495,036 | 24,346,846 |
| Charity funds | | | |
| Restricted funds | 14 | 186,683 | 752,394 |
| Unrestricted funds | 14 | 26,308,353 | 23,594,452 |
| | | 26,495,036 | 24,346,846 |
| Total funds | | 26,495,036 | 24,346,846 |

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: 26th May 2021

The notes on pages 25 to 44 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 2021

| | 2021 | 2020 |
|---|--------------------|------------------|
| | £ | £ |
| Cash flows from operating activities | | |
| Net cash used in operating activities (note 17) | (1,341,587) | (954,538) |
| | <hr/> | <hr/> |
| Cash flows from investing activities | | |
| Dividends, interest and rents from investments | 46,057 | 45,493 |
| Purchase of tangible fixed assets (note 8) | (436,118) | (57,128) |
| Drawdown from investments | 1,440,000 | 1,635,296 |
| | <hr/> | <hr/> |
| Net cash provided by investing activities | 1,049,939 | 1,623,661 |
| | <hr/> | <hr/> |
| Change in cash and cash equivalents in the year | (291,648) | 669,123 |
| Cash and cash equivalents at the beginning of the year | 799,932 | 130,809 |
| | <hr/> | <hr/> |
| Cash and cash equivalents at the end of the year (note 18) | 508,284 | 799,932 |
| | <hr/> <hr/> | <hr/> <hr/> |

The notes on pages 25 to 44 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 2021

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.

THE DITCHLEY FOUNDATION
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

1. Accounting policies (continued)

1.3 Going concern

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 12 months from the date of approval of these financial statements. The Budget endorsed for financial year 21/22 allows for an unrestricted cash balance of £350k at the end of the period, in addition to the Foundation's invested portfolio of £19.6 million, with sufficient liquidity to cover any short term urgent needs.

The pandemic significantly impacted the operation of The Ditchley Foundation and Ditchley Park Conference Centre for the whole of the financial year 20/21. But there were positive as well as negative consequences. Ditchley conferences and dialogue events were immediately resumed virtually (save for two hybrid events in the Autumn) and the Foundation's profile and impact were maintained and arguably advanced with more high level figures able to participate remotely and new series of events conceived such as the successful virtual Ditchley Summer Project for the Ditchley community. Costs were significantly reduced by not holding face to face events. This offset in entirety the loss of income from private events via the Foundation's for profit subsidiary (Ditchley Park Conference Centre).

In the absence of events at Ditchley Park, construction was able to press forward on both the transformation of the library with the fitting of state of the art audio visual equipment to enable world class hybrid events and the long planned complete restoration of the second floor bedrooms. Being able to take longer over these projects, and use the in-house team more, allowed Ditchley to save significant capital sums. In addition, the new skills developed by the in-house team will reduce maintenance and restoration costs for years to come.

The projects will substantially enhance Ditchley's attraction as a meeting venue, underpinning further Ditchley's financial stability. Most of the events planned originally for 20/21 have been rescheduled rather than cancelled so this income will be recouped.

1.4 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 2021

1. Accounting policies (continued)

1.5 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 activities comprises the costs of running the conference programme.

All resources expended are inclusive of irrecoverable VAT.

1.6 Basis of consolidation

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

The company has taken advantage of the exemption contained within section 408 of the Companies Act 2006 not to present its own Income and expenditure account.

1.7 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.

1.8 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.

THE DITCHLEY FOUNDATION
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

1. Accounting policies (continued)

1.8 Tangible fixed assets and depreciation (continued)

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 |

1.9 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.

1.10 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.

1.11 Stocks

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

1.12 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.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

1. Accounting policies (continued)

1.13 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.

1.14 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.

1.15 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.

1.16 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.

1.17 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
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

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.

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 2021 £ | Restricted funds 2021 £ | Total funds 2021 £ | Total funds 2020 £ |
|--------------------------------|--|--|---------------------------------------|---------------------------------------|
| Donations, grants and legacies | 647,383 | 381,916 | 1,029,299 | 1,153,147 |
| Total 2020 | 473,430 | 679,717 | 1,153,147 | |

THE DITCHLEY FOUNDATION
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

4. Investment income

| | Unrestricted funds 2021 £ | Total funds 2021 £ | Total funds 2020 £ |
|--------------------------------|--|---------------------------------------|---------------------------------------|
| Distributions from investments | 21,037 | 21,037 | 95,710 |
| Rents | 45,269 | 45,269 | 44,413 |
| Bank interest | 788 | 788 | 1,080 |
| Total 2021 | <u>67,094</u> | <u>67,094</u> | <u>141,203</u> |
| Total 2020 | <u>141,203</u> | <u>141,203</u> | |

5. Analysis of expenditure on charitable activities

Summary by fund type

| | Unrestricted funds 2021 £ | Restricted funds 2021 £ | Total funds 2021 £ | Total funds 2020 £ |
|----------------------------|--|--|---------------------------------------|---------------------------------------|
| Conference programme costs | <u>2,187,866</u> | <u>435,027</u> | <u>2,622,893</u> | <u>2,440,994</u> |
| Total 2020 | <u>2,257,236</u> | <u>183,758</u> | <u>2,440,994</u> | |

Summary by expenditure type

| | Staff costs 2021 £ | Depreciation 2021 £ | Other costs 2021 £ | Total funds 2021 £ | Total funds 2020 £ |
|----------------------------|-----------------------------------|------------------------------------|-----------------------------------|---------------------------------------|---------------------------------------|
| Conference programme costs | <u>1,181,778</u> | <u>169,828</u> | <u>1,271,287</u> | <u>2,622,893</u> | <u>2,440,994</u> |
| Total 2020 | <u>1,270,438</u> | <u>164,321</u> | <u>1,006,235</u> | <u>2,440,994</u> | |

THE DITCHLEY FOUNDATION
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

6. Analysis of expenditure by charitable activities

| | Activities undertaken directly 2021 £ | Support costs 2021 £ | Total funds 2021 £ | Total funds 2020 £ |
|----------------------------|--|---|---------------------------------------|---------------------------------------|
| Conference programme costs | 2,594,447 | 28,446 | 2,622,893 | 2,440,994 |
| Total 2020 | 2,390,280 | 50,714 | 2,440,994 | |

Analysis of direct costs

| | Conference programme cost 2021 £ | Total funds 2021 £ | Total funds 2020 £ |
|--|---|---------------------------------------|---------------------------------------|
| Staff costs | 1,181,778 | 1,181,778 | 1,270,438 |
| Depreciation | 169,828 | 169,828 | 164,321 |
| Administration | 147,909 | 147,909 | 170,406 |
| Repairs and maintenance | 185,772 | 185,772 | 175,918 |
| Household and service costs | 237,757 | 237,757 | 245,396 |
| Conference and events | 45,647 | 45,647 | 155,347 |
| Irrecoverable VAT | 91,121 | 91,121 | 68,336 |
| Development programme costs | 71,294 | 71,294 | 139,407 |
| Costs attributable to DPCC | (3,660) | (3,660) | (140,641) |
| Bridge project, Lumina costs and Rotunda | 55,642 | 55,642 | 92,430 |
| Campaign and communication costs | 27,009 | 27,009 | 48,922 |
| Asbestos removal | 317,418 | 317,418 | - |
| Second floor refurbishment costs | 66,932 | 66,932 | - |
| Total 2021 | 2,594,447 | 2,594,447 | 2,390,280 |
| Total 2020 | 2,390,280 | 2,390,280 | |

THE DITCHLEY FOUNDATION
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

6. Analysis of expenditure by charitable activities (continued)

Analysis of support costs

| | Unrestricted 2021 £ | Total funds 2021 £ | Total funds 2020 £ |
|--|------------------------------------|---------------------------------------|---------------------------------------|
| Trustees' meeting costs and travel expenses on Foundation business | 221 | 221 | 10,267 |
| Auditor's remuneration | 8,990 | 8,990 | 9,540 |
| Non-audit fees - other financial services | 19,235 | 19,235 | 30,907 |
| Total 2021 | <u>28,446</u> | <u>28,446</u> | <u>50,714</u> |
| Total 2020 | <u>50,714</u> | <u>50,714</u> | |

7. Staff costs

| | Group 2021 £ | Group 2020 £ | Company 2021 £ | Company 2020 £ |
|--|-----------------------------|-----------------------------|-------------------------------|-------------------------------|
| Wages and salaries | 1,049,616 | 1,096,107 | 1,049,536 | 1,045,669 |
| Social security costs | 95,483 | 96,512 | 95,483 | 96,512 |
| Contribution to defined contribution pension schemes | 81,679 | 77,819 | 81,679 | 77,819 |
| | <u>1,226,778</u> | <u>1,270,438</u> | <u>1,226,698</u> | <u>1,220,000</u> |

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

| | Group 2021 No. | Group 2020 No. |
|----------------|-------------------------------|-------------------------------|
| Administration | 15 | 14 |
| Establishment | 13 | 13 |
| Conference | 1 | 6 |
| | <u>29</u> | <u>33</u> |

THE DITCHLEY FOUNDATION
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

7. Staff costs (continued)

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

| | Group 2021 No. | Group 2020 No. |
|---------------------------------|-------------------------------|-------------------------------|
| In the band £110,001 - £120,000 | 1 | 1 |

No members of the Council of Management received any emoluments during the year (2020: £Nil).

No members of the Council of Management received payment for professional or other services supplied to the charity (2020: £Nil).

During the year, there was £221 of disbursements for travel and associated expenses incurred by one member of the Council of Management while undertaking activities directly associated with the purposes of the Foundation (2020: £10,267).

The key management personnel of the Foundation comprise the Council of Management, the Director and the Bursar. The total employee benefits of the key management personnel of the Trust were £198,242 (2020: £197,554).

During the year, redundancy costs totalled £37,504 (2020: £14,120) including pay in lieu of notice.

We drew on the Coronavirus Job Retention Scheme during the period April to July 2020. The total amount received was £60,137.

8. Tangible fixed assets

Group

| | Freehold property £ | Motor vehicles £ | Fixtures and fittings £ | Office and IT equipment £ | Total £ |
|---------------------------|------------------------------------|---------------------------------|--|--|--------------------|
| Cost or valuation | | | | | |
| At 1 April 2020 | 4,577,175 | 42,373 | 64,887 | 552,962 | 5,237,397 |
| Additions | - | 2,500 | - | 433,618 | 436,118 |
| Transfers between classes | - | - | (10,100) | 10,100 | - |
| At 31 March 2021 | 4,577,175 | 44,873 | 54,787 | 996,680 | 5,673,515 |
| Depreciation | | | | | |
| At 1 April 2020 | 1,497,710 | 39,956 | 28,818 | 475,860 | 2,042,344 |
| Charge for the year | 121,408 | 1,000 | 5,296 | 42,124 | 169,828 |
| Transfers between classes | - | - | (10,100) | 10,100 | - |
| At 31 March 2021 | 1,619,118 | 40,956 | 24,014 | 528,084 | 2,212,172 |

THE DITCHLEY FOUNDATION
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

8. Tangible fixed assets (continued)

Group (continued)

| | Freehold property £ | Motor vehicles £ | Fixtures and fittings £ | Office and IT equipment £ | Total £ |
|-----------------------|---------------------------|------------------------|-------------------------------|---------------------------------|------------------|
| Net book value | | | | | |
| 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> |
| At 31 March 2020 | <u>3,079,465</u> | <u>2,417</u> | <u>36,069</u> | <u>77,102</u> | <u>3,195,053</u> |

Company

| | Freehold property £ | Motor vehicles £ | Fixtures and fittings £ | Office and IT equipment £ | Total £ |
|---------------------------|---------------------------|------------------------|-------------------------------|---------------------------------|------------------|
| Cost or valuation | | | | | |
| At 1 April 2020 | 4,577,175 | 42,373 | 64,887 | 552,962 | 5,237,397 |
| Additions | - | 2,500 | - | 433,618 | 436,118 |
| Transfers between classes | - | - | (10,100) | 10,100 | - |
| At 31 March 2021 | <u>4,577,175</u> | <u>44,873</u> | <u>54,787</u> | <u>996,680</u> | <u>5,673,515</u> |

Depreciation

| | | | | | |
|---------------------------|------------------|---------------|---------------|----------------|------------------|
| At 1 April 2020 | 1,497,710 | 39,956 | 28,818 | 475,860 | 2,042,344 |
| Charge for the year | 121,408 | 1,000 | 5,296 | 42,124 | 169,828 |
| Transfers between classes | - | - | (10,100) | 10,100 | - |
| At 31 March 2021 | <u>1,619,118</u> | <u>40,956</u> | <u>24,014</u> | <u>528,084</u> | <u>2,212,172</u> |

Net book value

| | | | | | |
|------------------|------------------|--------------|---------------|----------------|------------------|
| 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> |
| At 31 March 2020 | <u>3,079,465</u> | <u>2,417</u> | <u>36,069</u> | <u>77,102</u> | <u>3,195,053</u> |

THE DITCHLEY FOUNDATION
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

8. Tangible fixed assets (continued)

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 £64,455,769.

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.

9. Investment property

Group

| | Freehold investment property £ |
|------------------------|---|
| Valuation | |
| At 1 April 2020 | 2,926,000 |
| Surplus on revaluation | 62,000 |
| | 2,988,000 |
| At 31 March 2021 | 2,988,000 |

Company

| | Freehold investment property £ |
|------------------------|---|
| Valuation | |
| At 1 April 2020 | 2,926,000 |
| Surplus on revaluation | 62,000 |
| | 2,988,000 |
| At 31 March 2021 | 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 2021.

THE DITCHLEY FOUNDATION
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

10. Fixed asset investments

| Group | | Investment securities £ | Uninvested cash £ | Total £ |
|--------------------------|--|------------------------------------|------------------------------|--------------------|
| Cost or valuation | | | | |
| At 1 April 2020 | | 17,048,935 | 487,536 | 17,536,471 |
| Additions | | 1,304,291 | - | 1,304,291 |
| Disposals | | (2,970,573) | - | (2,970,573) |
| Revaluations | | 3,652,337 | - | 3,652,337 |
| Other movements | | (104,553) | 196,358 | 91,805 |
| At 31 March 2021 | | 18,930,437 | 683,894 | 19,614,331 |
| Net book value | | | | |
| At 31 March 2021 | | 18,930,437 | 683,894 | 19,614,331 |
| At 31 March 2020 | | 17,048,935 | 487,536 | 17,536,471 |
| | | 2 | | |
| Company | Investments in subsidiary companies £ | Investment securities £ | Uninvested cash £ | Total £ |
| Cost or valuation | | | | |
| At 1 April 2020 | 2 | 17,048,935 | 487,536 | 17,536,473 |
| Additions | - | 1,304,291 | - | 1,304,291 |
| Disposals | - | (2,970,573) | - | (2,970,573) |
| Revaluations | - | 3,652,337 | - | 3,652,337 |
| Other movements | - | (104,553) | 196,358 | 91,805 |
| At 31 March 2021 | 2 | 18,930,437 | 683,894 | 19,614,333 |
| Net book value | | | | |
| At 31 March 2021 | 2 | 18,930,437 | 683,894 | 19,614,333 |
| At 31 March 2020 | 2 | 17,048,935 | 487,536 | 17,536,473 |

THE DITCHLEY FOUNDATION
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

11. Stocks

| | Group 2021 £ | Group 2020 £ | Company 2021 £ | Company 2020 £ |
|-------------------------------------|-----------------------------|-----------------------------|-------------------------------|-------------------------------|
| Finished goods and goods for resale | 59,371 | 38,184 | 59,371 | 38,171 |

12. Debtors

| | Group 2021 £ | Group 2020 £ | Company 2021 £ | Company 2020 £ |
|--------------------------------|-----------------------------|-----------------------------|-------------------------------|-------------------------------|
| Due within one year | | | | |
| Trade debtors | 12,200 | 13,723 | 12,200 | 3,713 |
| Other debtors | 30,775 | 13,630 | 30,775 | 13,630 |
| Prepayments and accrued income | 46,617 | 52,444 | 46,617 | 52,444 |
| VAT recoverable | 32,101 | - | 32,101 | - |
| | 121,693 | 79,797 | 121,693 | 69,787 |

13. Creditors: Amounts falling due within one year

| | Group 2021 £ | Group 2020 £ | Company 2021 £ | Company 2020 £ |
|------------------------------------|-----------------------------|-----------------------------|-------------------------------|-------------------------------|
| Trade creditors | 77,043 | 58,741 | 77,043 | 58,741 |
| Amounts owed to group undertakings | - | - | 31,378 | 43,412 |
| Other taxation and social security | 26,520 | 29,338 | 26,470 | 29,042 |
| Other creditors | 8,113 | 8,680 | 8,113 | 7,225 |
| Accruals and deferred income | 146,189 | 55,219 | 114,266 | 38,296 |
| | 257,865 | 151,978 | 257,270 | 176,716 |

THE DITCHLEY FOUNDATION
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

14. Statement of funds

Statement of funds - current 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 |
| | <u>752,394</u> | <u>381,916</u> | <u>(435,027)</u> | <u>(512,600)</u> | <u>-</u> | <u>186,683</u> |
| Total of funds | <u><u>24,423,459</u></u> | <u><u>1,228,096</u></u> | <u><u>(2,870,735)</u></u> | <u><u>-</u></u> | <u><u>3,714,337</u></u> | <u><u>26,495,157</u></u> |

THE DITCHLEY FOUNDATION
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

14. Statement of funds (continued)

Statement of funds - prior year

| | Balance at 1 April 2019 £ | Income £ | Expenditure £ | Transfers in/out £ | Gains/ (Losses) £ | Balance at 31 March 2020 £ |
|---------------------------|---------------------------------|-------------------------|---------------------------|--------------------------|-------------------------|-------------------------------------|
| Unrestricted funds | | | | | | |
| General funds | 24,715,594 | 907,878 | (2,542,513) | 55,829 | 534,277 | 23,671,065 |
| Restricted funds | | | | | | |
| Fabric fund | 64,677 | 13,348 | (15,532) | (18,500) | - | 43,993 |
| Travel fund | 15,496 | 10,000 | - | - | - | 25,496 |
| Earmarked donations | - | 656,369 | (67,534) | - | - | 588,835 |
| Dulverton fund | 232,091 | - | (100,692) | (37,329) | - | 94,070 |
| | <u>312,264</u> | <u>679,717</u> | <u>(183,758)</u> | <u>(55,829)</u> | <u>-</u> | <u>752,394</u> |
| Total of funds | <u><u>25,027,858</u></u> | <u><u>1,587,595</u></u> | <u><u>(2,726,271)</u></u> | <u><u>-</u></u> | <u><u>534,277</u></u> | <u><u>24,423,459</u></u> |

THE DITCHLEY FOUNDATION
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

15. Summary of funds

Summary of funds - current 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> |

Summary of funds - prior year

| | Balance at 1 April 2019 £ | Income £ | Expenditure £ | Transfers in/out £ | Gains/ (Losses) £ | Balance at 31 March 2020 £ |
|------------------|---------------------------------|------------------|--------------------|--------------------------|-------------------------|-------------------------------------|
| General funds | 24,715,594 | 907,878 | (2,542,513) | 55,829 | 534,277 | 23,671,065 |
| Restricted funds | 312,264 | 679,717 | (183,758) | (55,829) | - | 752,394 |
| | <u>25,027,858</u> | <u>1,587,595</u> | <u>(2,726,271)</u> | <u>-</u> | <u>534,277</u> | <u>24,423,459</u> |

The General Fund comprises the original gift to the Foundation by HDH Wills family and family trusts together with the changes to the capital value of investments and surpluses and deficits on income and expenditure.

Restricted funds include monies specifically provided to offset the cost of conferences, including participants' travel, earmarked donations and donations to the Fabric Fund.

Earmarked donations relate predominantly to grants received for the removal of asbestos, refurbishment of the second floor, the south front project and the Bridge project, for which there is also a separate restricted fund.

16. Analysis of net assets between funds

Analysis of net assets between funds - current 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 | <u>26,308,474</u> | <u>186,683</u> | <u>26,495,157</u> |

THE DITCHLEY FOUNDATION
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

16. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior year

| | Unrestricted funds 2020 £ | Restricted funds 2020 £ | Total funds 2020 £ |
|-------------------------------|------------------------------------|----------------------------------|-----------------------------|
| Tangible fixed assets | 3,195,053 | - | 3,195,053 |
| Fixed asset investments | 17,536,471 | - | 17,536,471 |
| Investment property | 2,926,000 | - | 2,926,000 |
| Current assets | 165,519 | 752,394 | 917,913 |
| Creditors due within one year | (151,978) | - | (151,978) |
| Total | <u><u>23,671,065</u></u> | <u><u>752,394</u></u> | <u><u>24,423,459</u></u> |

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

| | Group 2021 £ | Group 2020 £ |
|--|---------------------------|-------------------------|
| Net income/expenditure for the year (as per Statement of Financial Activities) | <u>2,071,698</u> | <u>(604,399)</u> |
| Adjustments for: | | |
| Depreciation charges (note 8) | 169,828 | 164,459 |
| Investment property gain (note 9) | (62,000) | (346,000) |
| Gains on investments (note 10) | (3,652,337) | (188,277) |
| Dividends, interests and rents from investments (note 4) | (67,094) | (141,203) |
| (Increase)/decrease in stocks (note 11) | (21,187) | 5,274 |
| (Increase)/decrease in debtors (note 12) | (41,896) | 118,858 |
| Increase/(decrease) in creditors (note 13) | 105,887 | (88,198) |
| Other investment movements | 155,514 | 124,948 |
| Net cash used in operating activities | <u><u>(1,341,587)</u></u> | <u><u>(954,538)</u></u> |

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18. Analysis of cash and cash equivalents

| | Group 2021 £ | Group 2020 £ |
|--|-----------------------------|-----------------------------|
| Cash in hand | 508,284 | 799,932 |
| Total cash and cash equivalents | 508,284 | 799,932 |

19. Analysis of changes in net debt

| | At 1 April 2020 £ | Cash flows £ | At 31 March 2021 £ |
|--------------------------|----------------------------------|-------------------------|-----------------------------------|
| Cash at bank and in hand | 799,932 | (291,648) | 508,284 |
| | 799,932 | (291,648) | 508,284 |

20. Capital commitments

| | Group 2021 £ | Group 2020 £ | Company 2021 £ | Company 2020 £ |
|--|-----------------------------|-----------------------------|-------------------------------|-------------------------------|
| Contracted for but not provided in these financial statements | | | | |
| Acquisition of tangible fixed assets | 75,741 | - | 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 2021 were £9,700 (2020: £15,347). The pension cost charge represents contributions payable by the Foundation in accordance with the rules of the scheme.

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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 | 3,781 | 3,660 | 121 | 123 |

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 (2020: £Nil).

During the period, the Foundation recharged The HDH Wills 1965 Charitable Trust £2,283 (2020: £Nil). At the year end the Foundation was owed £104 (2020: £Nil).

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 £4,503 in 2021 (2020: £Nil). K Arroyo was also paid £8,000 in the year (2020: £nil) for interior design consultancy work as part of the second floor and library projects.