

Think
new things
Make
new connections

THE COUNCIL'S
ANNUAL REPORT
AND ACCOUNTS
2022-2023

DITCHLEY

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Office Holders, Trustees and Committee Members

COUNCIL OF MANAGEMENT

[Trustees of the Foundation]

Chairman

The Right Honourable the Lord Hill of Oareford CBE

Members of the Council

Ms Rushanara Ali MP

The Lord Bridges of Headley MBE

Ms Pamela Dow

Mrs Marjorie Neasham Glasgow BEM LL

* His Excellency the Honorable Ralph Goodale PC

The Right Honourable Dominic Grieve QC

Sir Julian King GCMG, KCVO

Mr James Landale

The Rt Hon the Lord Mandelson

Mr Jamie P Merisotis

Mr David Morrison

Mrs Elizabeth Padmore

Ms Emma Reynolds

The Most Honourable The Marquess of Salisbury KCVO PC DL

The Hon. Robert Wills

Company Secretary

Ms Katie Williams

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

THE FOUNDATION'S EXECUTIVE STAFF

Director: Mr James Arroyo OBE

Chief Operating Officer: Ms Wendy Shepherd

Head of Programme Delivery and Company Secretary: Ms Katie Williams

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

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

Auditors: Critchleys Audit LLP, Oxford
Bankers: Barclays Bank plc, Oxford
Investment Managers: Partners Capital LLP
Solicitors: Julian Taylor Solicitors, Bicester

FINANCE AND GENERAL PURPOSES COMMITTEE

Chairman

Mr David Morrison

Members

Mr James Arroyo OBE

Ms Rachel Lomax

Mrs Elizabeth Padmore

The Hon. Robert Wills

Secretary

Ms Wendy Shepherd

INVESTMENT SUB-COMMITTEE

Chairman

Mr Nicholas Ferguson CBE

Members

Mr David Morrison

Mrs Elizabeth Padmore

Secretary

Ms Wendy Shepherd

PROGRAMME COMMITTEE

Chairman

The Rt Hon. Douglas Alexander

Members

Mr Bim Afolami MP
Mr James Arroyo OBE
Ms Melinda Bohannon
Mr Rüdiger Bohn
Mr Robert Fry
Mr Charles Grant CMG
Mr Darren Jones MP
Ms Elizabeth Linder
Mr Hiroshi Matsuura
Ms Alison McGovern MP
Professor Rana Mitter OBE FBA
Dr Edwina Moreton OBE
Mr Rajay Naik
Professor Sir Adam Roberts KCMG FBA
Ms Sonia Sodha
Mr Rory Stewart OBE
Ms Jo Swinson CBE
Mrs Xenia Wickett

Secretary

Ms Liz Greenhalgh

The Trustees' Annual Report

Aims, Objectives, Activities and their Public Benefit

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

This broad statement devised for the inauguration of the Foundation in 1958 still holds true but has been clarified for the challenges facing the world 65 years on. Our aim is to help sustain peace, freedom and order. We work towards the renewal of democratic societies, states and alliances.

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

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

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

We publish the outcomes of conferences and other events for public benefit. We also share insights and conclusions with government ministers, civil servants, journalists, business and technology leaders and others in a targeted way, either by direct briefings, post-conference briefings to the Ditchley community, or through subsequent small group discussions exploring particular ideas or themes which require further examination. Ditchley has an increasingly 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.

Ditchley is a global public good. In a world where there are shrinking opportunities for open, frank, and respectful discussion on key global issues, Ditchley fills an increasingly critical need. If you want a high-powered marketplace of ideas, Ditchley is it!

Mr John Hancock - Head, Policy Development, World Trade Organisation - A
Profound Economic Crisis: finding a way through to a better future, January 2023

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 and develop the thinking on key issues of many respected journalists and news outlets.

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

Ditchley offers the house and its gardens without charge to charities in Oxfordshire and the surrounding area for several fundraising events per annum. In the last year Ditchley has hosted four such events.

The Foundation maintains Ditchley Park as a historic house, part of the national heritage. It is open by appointment to individuals, groups and societies to study its history, art and architecture. The public is given access to the building in the form of pre-booked guided tours for a small charge. The practice of setting aside a number of days in the calendar year as Public Access Days continues.

Ditchley remains committed to reducing its carbon footprint and engaged Small World Consultancy to undertake a comprehensive analysis of greenhouse gas emissions to provide a baseline from which to develop a responsible and deliverable approach to being carbon neutral by 2025. Ditchley's fleet of vehicles has been reduced to an EV people carrier thanks to the generous support of the John H & Marjorie N Glasgow Foundation. The kitchen garden is now cleared, providing a means of growing more fruit and vegetables on site. Other Initiatives which continue to be explored include the possibility of installing discrete hidden roof solar panels, rainwater harvesting and ground source energy solutions.

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, Europe, North America and far beyond, to explore opportunities for collaboration, attract expert participants to the Ditchley programme, and to share insights from Ditchley discussions.

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

All new Trustees are provided with a copy of the Charity Commission's guidance "The Essential Trustee (CC3)" together with Ditchley's Articles of Association. The training needs of trustees are kept under review.

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

Report of 2022-2023

The twelve months covered by the period of this annual report were momentous internationally, nationally and for Ditchley.

The impact of Russia's invasion of Ukraine on 24 February 2022, acknowledged in last year's report, was more fully realised as it became apparent that this was not going to be a short military operation, but instead a long battle requiring resilience on the part of Ukrainians and increasing military support on the part of sympathetic democracies.

The rising military cost was in the face of a global surge in inflation, affecting even the wealthiest of nations.

Alongside this, unprecedented global heat waves and catastrophic droughts and flooding in different parts of the world also raised the prospect of further political destabilisation with an increasing focus on the impact of climate change and corresponding increase in climate activism.

In the UK, a tumultuous year has found the country led by three different Prime Ministers, the death of Queen Elizabeth II and the succession to a new monarch, King Charles III. Stepping away from the world stage, Ditchley mourned the loss first of Lady Wills, and then Dr Catherine Wills.

The 2022-2023 Programme of Events

In the light of the events of the last year, Ditchley's programme evolved and adapted at speed to address the emerging challenges. There were nine Ditchley conferences over the period covered by this report, each followed by a post-conference briefing via 'the Bridge', the world-leading audio-visual capability installed in the Library. This now established format for sharing findings to emerge from discussions with the wider Ditchley community has been extended to other strands of the programme, such as on Climate.

I just wanted to congratulate you and the whole team to the technical quality of the conference - this "TV study [sic] effect" is really amazing."

Feedback following A Profound Economic Crisis: finding a way through to a better future, January 2023

Beyond the core conference programme, Ditchley has hosted in excess of one hundred other sessions ranging from large scale events to small working group discussions. The programme of working group discussions, hosted by the team of Network Leads, with each focussed on informing and defining a specific theme, are now a core element of the Ditchley methodology. These sessions also often act as a first introduction to Ditchley style of discussion for new contacts identified through research or recommendations.

Another significant development enhancing the programme over the last twelve months is the increasing number of collaborations with organisations aligned with Ditchley's purpose and objectives. There have been collaborations with, for example, Oxfam, Schmidt Ocean Futures, the US National Security Council, the London Institute for Mathematical Sciences and the China Forum. The decision as to whether to partner with another organisation, is always dependent on whether the proposed discussion is aligned to Ditchley's programme, aims and values.

Ditchley Germany is also taking shape with the core board now in place and a conference to launch the initiative scheduled for June 2023 and to be hosted at a venue located just outside of Frankfurt.

I Geopolitics

The Russian invasion of Ukraine and its impact has been a thread running through much of the programme over the last year. Alongside five conferences addressing different aspects of the topic, there was also a series of small group discussions in April and May 2022 and, of course, the Annual Lecture.

Perhaps the most significant of the conferences was *Russia: countering the worst and engaging the best* in June 2022. The new Supreme Allied Commander of Europe, General Chris Cavoli, participated in this conference in order to think through the challenges he would encounter in advance of assuming command of NATO the following week.

The four other conferences addressing this theme and related issues were *Geofinance: the impact of the Ukraine war, China, cyber security and other strategic issues on the global financial system* in April 2022; *China and the world: the impact of Russia's war with Ukraine* in September 2022; *A hungry world on the move: the impact of the food crisis on migration and how we must respond* in October 2022; and *Zeitenwende: a new Germany for new times?* in March 2022.

The Ditchley Foundation has created an outstanding environment to discuss the most pressing policy issues on open and diverse grounds. The brilliant guests brought truly unique perspectives to the room, enriching our understanding of European challenges and inspiring new ideas to build on.

Mr Julian Zelaznowski - Master of Public Policy candidate, University of Oxford - *Zeitenwende: a new Germany for new times?*, March 2023

In addition, Ditchley hosted a successful breakfast discussion in the margins of the Munich Security Conference in February 2023, attended again by NATO commander General Cavoli and others of note.

Ditchley's most publicly prominent geopolitical discussion of the year, however, in February 2023, was a conference on *how to make Brexit work better with our European neighbours*. This brought together prominent leavers and remainers, including members of the Cabinet and the Labour front bench, to address how to make the best of the Trade and Cooperation Agreement and to look forward.

Annual Lecture

The 58th Ditchley Annual Lecture was delivered on Saturday 16th May by The Right Honourable Sir Tony Blair on the subject of *After Ukraine, What Lessons Now for Western Leadership?* He argued that western democracies, with living standards stagnating, millions struggling to meet their basic needs and political turmoil fuelled by social media, are facing an inflection point that is perhaps graver than those of 1945 and 1980. Within democracies, the solutions to these problems lie in the creation of a governing project which makes sense of the world, and which harnesses fundamentally the technological revolution. The ability to plan and deliver are in short supply in modern politics, but more important than ever. Abroad, Ukraine is a pivot point, demonstrating the need for increased defence spending and adoption of a stance of 'strength plus engagement' with China. We must recognise that we are now in a world where the East is on equal terms with the West. We need to respond to developing nations' needs, if we are to retain influence and soft power and tackle climate change.

II Education and democracy

There were two major conferences and a series of small-scale discussions, together with five linked sessions forming the annual Lumina Summit during September and October 2022.

The two conferences were: *The New Fourth Estate: building a resilient 21st-century information eco-system* in December 2022, a topic to be revisited in December 2023; and *A Profound Economic Crisis: finding a way through to a better future* in January 2023.

The theme was also explored through cross-party discussions on regionalism and devolution in England.

III Technology and democracy

There were two major conferences in the technology and democracy strand, the first, *Digital security for democratic, social and economic prosperity* in Ottawa in November 2022, and the second in February 2023 which addressed *AI and creative destruction: how will current rapid advances in AI through large 'foundation' models impact on society, the economy and governments?* The latter gathered many of the leading companies in the field and positioned

Ditchley at the centre of the urgent debate on this fast moving form of AI with potentially profound economic and social consequences.

This was complemented by the Data in Democracies programme which has the objective of accelerating the development of norms for data sharing and technology regulation across democratic states. A series of smaller scale discussions culminated in a one-day conference, *Data in Democracies: unifying visions, building shared infrastructure and preparing for a tsunami of legislation, in order to support democratic resilience, competitiveness and fundamental values across democracies*, in September 2022.

A new initiative for 2023 was the inaugural *Ditchley Winter Dialogue* which brought together Peter Thiel and Hermann Hauser to debate, in person, *how technology can best strengthen and renew democratic societies, states and alliances in an era of global competition*. Hosted at the Royal Institution in London, this second major event of the year is designed to complement the summer Annual Lecture, putting technology and its dilemmas at the heart of democratic renewal.

IV Climate and energy

The climate and biodiversity programme continues to gain in strength and momentum, building from small working group discussions into a larger hybrid Summit in March 2023 on *Critical Minerals & the Green Transition*. One of the emerging issues challenging climate action in a geopolitically competitive world.

In October 2022, there was a follow up discussion on earlier work on oceans and data: *Credit where credit is due: authorship of open ocean data*,

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

Other Projects

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

Internship programme

The intern programme is now well-established with a rigorous selection process to identify around 50 candidates for intern roles over the course of the academic year. We are in the final stages of recruiting some 40 interns for the forthcoming summer programme. This will include five Canadian undergraduates selected and supported by the Canadian Ditchley Foundation, who will be resident at Ditchley for a week in July 2023.

All our interns are either paid for their work (at, or above, the Oxford living wage) and/or receive credits towards their degree. Interns work largely remotely, ensuring that geography does not prevent participation in all aspects of the Ditchley interning experience. The programme includes induction and celebration days at Ditchley and engagement with the Ditchley Intern Alumni Network, which is now organising its own events in partnership with Ditchley.

The intern programme is of value in itself, providing an opportunity for those taking part to explore ideas, consider alternative career paths and connect with a growing alumni network of similarly thoughtful individuals on the cusp of transitioning from academia to the world of work. It also provides a pipeline of emerging talent with which Ditchley actively engages over the longer term.

Ditchley's digital presence

An important project nearing completion is the migration of the current CRM (ie database) to Salesforce. This has been a complex challenge, seeking to combine Ditchley's bespoke and personalised approach to the organisation of events, whilst benefitting from the efficiencies and greater cyber security of the globally leading CRM. This will enable the delivery of an expanded programme and the capacity to respond agilely to opportunities as they arise. Alongside this, the new website is also in development, which will reflect the breadth of the current Ditchley programme and make it more accessible.

Heritage Projects

The completion of the Elizabethan Rooms, the restoration of Ditchley's second floor, is in touching distance. The 14 bedrooms all benefit from dedicated or ensuite bathrooms and are decorated to the highest standards. This means that Ditchley will be able to host all participants in its events in an equal way.

Alongside this huge undertaking, the estates team have been renovating other properties on the estate to enable them to be made available as rentals on the open market.

Work was completed on the Rotunda at the end of 2022, with the occasion marked by an informal celebration with the Historic Houses Foundation as the principal donor to the project.

Finally, a high-quality copy of the *Ditchley portrait* of Queen Elizabeth 1 by Marcus Gheeraerts the Younger now resides at the bottom of the Elizabethan staircase, thanks to the generosity and commitment of Amanda and Rupert Ponsonby and advice from the National Portrait Gallery where the original has hung since it left Ditchley in the 1930s.

The Ditchley Team and Governance

The members of the three Ditchley Foundations have worked ever more closely to steer a course through the turbulent events of the past year and Ditchley is indebted to all those involved with UK, American and Canadian Ditchley.

There were five new Members elected to Council in the last twelve month period. Ms Rushanara Ali MP and Mr David Morrison were elected at the June 2022 Annual General Meeting. At the subsequent Extraordinary General Meeting in December 2022, they were joined by Mr James Landale, Mr Jamie Merisotis and The Hon Robert Wills.

We would like to acknowledge with sadness the deaths over the last year of the Earl of Home and Professor Sir Laurence Martin, both Governors of Ditchley for many years; Sir Richard Lloyd who was a former Chairman of the Finance and General Purposes Committee, and Robert Conway who was a Director of the American Ditchley Foundation at the time of his death, and an Honorary Governor. He had previously served as a Governor, and member of both the Council of Management and Finance and General Purposes Committee.

After the sadness of losing Lady (Eva) Wills in May of last year, there was further shock with the death of Dr Catherine Wills two months later. Ditchley had been a part of Catherine's life since childhood, and during her adulthood she had been a presence at virtually every conference and Annual Lecture. Her absence continues to be keenly felt, but her wish to see Ditchley thrive and deliver on her father's vision was demonstrated by her extraordinarily generous legacy.

The scale of her gift amounts to a re-founding of Ditchley, the institution into which she and her family had already invested so much. Whilst respecting the modesty with which this was done, and continuing her father's tradition of quiet philanthropy, Ditchley will seek to honour

their memory in deeds and action as a testament to the great vision of Sir David Wills and the continued belief and trust of his daughter, Catherine.

Plans for the Future

Thanks to Catherine's substantial legacy Ditchley's future is secure. The Director, supported by the members of the team and Chairman and Members of the Council of Management and Finance and General Purposes Committee, are working to develop a strategy to maximise its value and consequent impact for Ditchley. Beyond this, discussions with Members of the Council of Management and F&GP were focussed on the twin tracks of ensuring Ditchley's financial sustainability and delivering on its purpose.

Ditchley will continue to convene a variety of discussions to address the most pressing issues, providing a space for frank conversation across divides. Above all, Ditchley will continue its efforts to build a community of 'thoughtful doers', drawn from all parts of society and many nations.

Financial Review

2022-2023

The year began with a gradual return to normality after the uncertainty of the pandemic but also a recasting of the Operations Team and investment in skills to ensure that it is able to support the level and ambition of the Estate and the programme. The Estate Team was rationalised, retaining highly skilled staff, augmented by additional contract support as needed. The restoration of the second floor East and West corridors was externally tendered, and works commenced early in 2023. This released the in-house team to work on wider estate properties, three of which have been refurbished and added to our commercial letting portfolio. In addition a staff property was refurbished, and a Staff Hub created in the East Wing to provide accommodation for remote staff to visit Ditchley in person to host and contribute to events. This has strengthened structure and cohesion, allowing a geographically distributed team to work effectively in a hybrid way. Equipment and estate vehicles were audited and rationalised and, with an ambition to move to electric power whenever possible, we replaced vehicles and added time and cost saving equipment.

We were able to secure a substantial filming contract, fortuitously coinciding with the summer programme break, which contributed to the healthy £318k Ditchley Park Conference Centre Limited revenue for the year. Moving furniture for filming was disruptive but with the benefit that items were added adding to our Collections Management Database (CMD) and in the process a number of historic items were restored. The CMD, introduced during the financial year, is invaluable, creating a digital asset register and housekeeping record. The database will also help greatly in the management of the many items of art and furniture included in Catherine Will's legacy.

The cost of living continued to rise throughout the year and in recognition of the impact on staff, the F&GP agreed to a one off payment to all staff of £1k, with a note to review inflationary increases when setting staff budgets for 23/24. We continue to monitor energy use throughout the Ditchley Estate and explore alternatives.

Alongside the existing Ditchley Estate, work was undertaken to begin to understand the extent of the legacy, the property and land potential, and the integration of the movable assets. Visits were made to all the properties and surveys commissioned. We identified liabilities and risks

and commissioned further investigation and processes where required. Additional accounts support is being secured and Scottish legal advice sought.

Management and role of the invested portfolio

The legacy, and particularly the renewables potential on the Scottish estate which forms the bulk of the legacy, is transformational to the Foundation, creating a diverse portfolio of revenue generating assets. The role of the invested portfolio is not however diminished as a result. The agreed strategy is, over the longer term, to grow and diversify the invested portfolio as assets are realised and the cash reinvested.

The portfolio had a value of £18.4 million in March 2023, compared to £20.4m in March 2022. Allowing for the drawdown in the year of £1.5m the portfolio decreased by 2.6% including fees. The Investment Sub-Committee (ISC) view is that investment managers Partners Capital performed well and steered the portfolio through the current Ukraine conflict and its global impact on energy costs and inflation. Since inception, on 1st September 2010, the portfolio has delivered an annualised return of +7.2% pa.in GBP (net of fees). The drawdown from the portfolio at year end of £1.5m was below budget, set at £1.7m.

For the coming year the budgeted figure for drawdown is set again at £1.7m, currently 9% of the reduced portfolio value. It is acknowledged that the level of drawdown is unsustainable and only appropriate in light of Catherine's legacy. The budget will be reviewed when probate is granted. The longer-term capital waterfall projections, reflecting the proposed management of the legacy, allow for the drawdown to be reduced to 4% by financial year 25/26.

An ESG investment policy was adopted by the Council of Management in 20/21 financial year, empowering our investment managers to report on the exposure of the diverse funds in which the portfolio is invested.

Strategic financial risks

At the start of the year our main strategic financial risk was a sustained collapse in the markets and in the value of our invested portfolio. This risk was substantially reduced towards the end of the year when the full extent and potential value of the legacy became apparent. When the assets are transferred, after probate is granted, their diversity and revenue generating potential will add further income streams to decrease the reliance on the performance of the portfolio and reduce the drawdown. We will however continue to maintain careful management of the portfolio alongside continued work on development and careful management of costs. As we plan capital investment, we will look at the individual projects strategically as part of an overall plan for the estate and the Foundation's programme. The aim will be to maximise the value of the legacy and to build a strong base for further strategic fundraising to support Ditchley's impact.

Management of finances

FY 2022/2023 expenditure in the Annual Accounts was £3.287m, while income was over £3.083m including portfolio drawdown of £1.5m. DPCC revenue was £318k. A larger number of commercial revenue days (due to the lengthy filming contract) will also provide a boost to our VAT reclaim for the year.

The £3.287m expenditure includes the completion of restoration costs for the mid-section of the main house, carried out predominantly by the in-house team. The final total cost of the restoration (to be completed in 23/24) is estimated at £1.2m, still far below the QS estimate of £4m. Additional costs relate to the initial building costs of the 2nd Floor Wings, externally contracted, which include over £110k relating to additional asbestos removal before work

could commence. The restoration will deliver 14 bedrooms with either ensuite or dedicated bathroom facilities. The transformation is extraordinary and places the quality of the bedrooms on a par with the 1st floor state bedrooms.

Income included over £1m in externally generated project funding (see below) and just under £140k of Estate income. The latter is budgeted to increase in 23/24 with the conversion of an additional two properties from our service accommodation to our commercial portfolio.

Expenditure in FY 2023/2024 is budgeted, in the management accounts, to be just over £3.8m. External funding secured accounts for nearly £644k of project and staff expenditure in the budget. All scheduled work has been budgeted and additional work and projects will not be committed until probate is granted. Tight controls remain in place to ensure externally funded projects are carefully monitored. A particular focus in 23/24 will be consolidating and updating all the existing estate architectural plans to produce a strategic plan for capital investment over the next four years.

Within the budget an initial 5% pay rise was agreed to reflect the rise in inflation, with a further review to take place during the year. We maintain our commitment to the Oxford Living Wage for all staff, both permanent and casual, to protect the lowest paid members of our team and to ensure consistency of terms and conditions.

Development Report

Ditchley raised just over £1.1m in donations during this year from a strong mix of individuals, trusts and foundations, and corporations bringing our total donations and pledges to around £7 million since 2018. We thank our dedicated and growing community of supporters who have made reaching this ambitious target possible over the last five years.

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

Our 1580 Fellowship income continues to rise steadily - this year we have raised £88,000. Since inception, the Fellowship has generated £250,000 and we aim to grow this much-needed unrestricted income stream.

We are working through the implications of Catherine's legacy for our development campaign. The added solidity of our finances will allow us to focus fundraising firmly on the programme and Ditchley's impact. The aim will be to build a set of strategic partnerships, allowing Ditchley further to expand the programme and to consider new initiatives.

A full list of donors – trusts and foundations, and individuals – for 2022/2023 is included below in alphabetical order

The American Ditchley Foundation
Deutsche Bank
The Canadian Ditchley Foundation
John H and Marjorie N Glasgow Foundation
Historic Houses Foundation
The Leche Trust

Lumina Foundation
Microsoft Corporation
Open Text Corporation
John Palfrey and Catherine Carter Family Fund*
JH Whitney Investment Management*

Anonymous Donor
Ms Angelica Anton MSc
Lord and Lady Aldington
Dr Nathan Benaich
Mr Sam Blyth
The Rt Hon. Baroness Virginia Bottomley DL and Sir Peter Bottomley MP
John and Susan Burns OBE
Sir Andrew Cahn KCMG
Ms Jessica Cecil
Dr Pinar Emirdag
Sir Simon Fraser GCMG
Sir Christopher Greenwood GBE CMG KC
The Rt Hon. Dominic Grieve KC
Russell and Andrea Hartley
The Rt Hon. The Lord Hill of Oareford CBE
Mr Will Hutton
Dame DeAnne Julius DCMG, CBE
Sir John Kemp-Welch
Mrs Caitlin Kennedy
Ms Rachel Lomax
Mr Chris Mairs CBE FREng
The Rt Hon Sir John Major KG CH
Mr Jamie Merisotis*
Mr Dan Morrison*
Mr David Morrison
Col Mike and Caroline Montagu
Marc and Odile Mourre
Dr Eric Newell, O.C., A.O.E**
Mr Paul Newman
Ms Margaret Nibbi
Mr Ismet Oztanik
Mr Jonathan Paris
Mr Mark Patrick
Luke and Nicky Ponsonby
Rupert and Amanda Ponsonby MBE+
Mr Gerard Russell MBE
Eric and Wendy Schmidt Fund for Strategic Innovation
Sir John Sawers
Dr Ishaka Shitu Almustapha
Mr Philip Stephens
Elisabeth Stheeman
Mr Bobby Vedral
Dr Diana Walford CBE MD FRCP FRCPath FFPH'
The Rt Hon. the Lord Willetts FRS FAcSS
Mr Peter Wilson-Smith
Dr Dawn Wright*

*Supporters of The American Ditchley Foundation.
**Supporters of The Canadian Ditchley Foundation
+Gift-in-kind

Thank you to the many individuals who support our work.

Private Events and Other Income

Ditchley Park Conference Centre Limited started the year in April with events held by key network contacts including the Civil Service and Oxford Character Project. We hosted a major filming project, Netflix's *The Diplomat*, for six weeks of the summer when programme activity is reduced within the house and the focus is on the external maintenance programme.

Reserves Policy

The Foundation's core finances are based upon its investment portfolio (valued at £18.4m as at end March 2023), which still provides the principal source of income until probate is granted. 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 £400k 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 2023, the invested assets under management could provide some £2m to be available within a week, with 60% of the portfolio available to be liquidated within a four-to-seven-month period.

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

Strategic long-term reserves

The Foundation's strategic aim is to build its invested portfolio through the strategic management of the legacy, with the ambition to grow the portfolio to £48m by 29/30. The aim will be to take no more than a 4% drawdown annually, allowing the invested portfolio to grow over time. We are exploring a range of investment options to generate the necessary income, including renewable energy income.

As at 31 March 2023, total funds stood at £25,094,124 of which £25,496 were restricted. The level of unrestricted free reserves, after excluding fixed assets and designated funds, stood at £21,452,187.

Financial Resilience Statement

Ditchley's trustees (the Council of Management) are assured that The Ditchley Foundation has sufficient funds to enable it to continue its activities on a going concern basis for a period

of at least twelve months from the date of approval of these financial statements. The budget endorsed for FY 2023/2024 allows for an unrestricted cash balance at the end of the period, in addition to the Foundation's invested portfolio of £18.4m with sufficient liquidity to cover any short-term urgent needs.

Fundraising Compliance Notice

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

Structure, Governance and Management

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

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

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

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

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

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

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

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

- COVID-19 pandemic
- 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, for example due to the impact of the Ukraine war on the economy and invested assets.
- Data loss or privacy breach endangering reputation and damaging interests
- Loss of Business Continuity and reputational damage due to insufficient resilience in staff and infrastructure
- Serious damage to reputation due to failure to keep up with shifting public attitudes and perceptions

The Disaster Recovery Plan is subject to ongoing review, particularly regarding the business continuity aspects as impacted by the current pandemic. The key controls used by the Foundation include:

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

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

Trustees' Responsibilities

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

The Trustees confirm that suitable accounting policies have been used and applied consistently, and that reasonable and prudent judgements and estimates have been made in the preparation of the financial statements for the year ending 31 March 2023. 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 23-27. A review of the Foundation's business during the year is contained in the Trustee's Annual Report starting on page 5 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 2.

By order of the Council of Management,



KATIE WILLIAMS
Company Secretary

Dated: 28th July 2023

**The Ditchley Foundation
(A Company Limited by Guarantee)**

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

Opinion

We have audited the financial statements of The Ditchley Foundation (the "Charity") for the year ended 31 March 2023 which comprise the Consolidated Statement of Financial Activities, Balance Sheets, the Statements of Cash Flows, and notes to the financial statements, 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 and Charity's affairs as at 31 March 2023 and of the group's income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 Charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC'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 Trust'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.

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.

The Ditchley Foundation
(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT (CONTINUED)

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.

Opinions 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 (incorporating the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' report (incorporating the directors' report) have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the 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 the Companies Act 2006 requires us to report to you if, in our opinion:

- sufficient accounting records have not been kept;
- the financial statements are not in agreement with the accounting records and returns;
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not obtained all the information and explanations necessary for the purposes of our audit.
- the trustees were not entitled to take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

Responsibilities of the trustees

As explained more fully in the trustees' responsibilities statement [set out on page 5], the trustees 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 they 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 Charity'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 Charity or to cease operations, or have no realistic alternative but to do so.

The Ditchley Foundation
(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT (CONTINUED)

Auditor's responsibilities for the audit of the financial statements

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

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:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with directors and other management, and from our knowledge and experience;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company.
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence where applicable; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims;
- reviewing relevant correspondence.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

**The Ditchley Foundation
(A Company Limited by Guarantee)**

INDEPENDENT AUDITORS' REPORT (CONTINUED)

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.

Use of our report

This report is made solely to the Charity's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Charity'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 Charity's members as a body, for our audit work, for this report, or for the opinions we have formed.



Robert Kirtland FCA
Senior Statutory Auditor
for and on behalf of Critchleys Audit LLP
Statutory Auditor
Beaver House, 23-38 Hythe Bridge Street,
Oxford, OX1 2EP
Date: 9 August 2023

The Ditchley Foundation
(A Company Limited by Guarantee)

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2023

	Note	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Income from:					
Donations, grants and legacies	3	1,110,901	18,500	1,129,401	1,043,798
Trading turnover of subsidiary		322,214	-	322,214	143,813
Investment income	4	51,270	-	51,270	49,046
Other sources		<u>84,882</u>	<u>-</u>	<u>84,882</u>	<u>68,502</u>
Total income		<u>1,569,267</u>	<u>18,500</u>	<u>1,587,767</u>	<u>1,305,159</u>
Expenditure on:					
Raising funds:					
Voluntary income		22,872	-	22,872	75,019
Fundraising trading (DPCC costs)		47,703	-	47,703	45,219
Investment management fees		78,561	-	78,561	156,182
Charitable activities: Conference programme costs	5	<u>3,449,311</u>	<u>18,500</u>	<u>3,467,811</u>	<u>2,847,094</u>
Total Expenditure		<u>3,598,447</u>	<u>18,500</u>	<u>3,616,947</u>	<u>3,123,514</u>
Net expenditure before net gains on investments					
		(2,029,180)	-	(2,029,180)	(1,818,355)
Net gains/(losses) on investments	10/11	<u>213,000</u>	<u>-</u>	<u>213,000</u>	<u>2,233,502</u>
Net income / (expenditure)		<u>(1,816,180)</u>	<u>-</u>	<u>(1,816,180)</u>	<u>415,147</u>
Net movement in funds		<u>(1,816,180)</u>	<u>-</u>	<u>(1,816,180)</u>	<u>415,147</u>
Reconciliation of funds:					
Total funds brought forward		26,884,808	25,496	26,910,304	26,495,157
Net movement in funds		<u>(1,816,180)</u>	<u>-</u>	<u>(1,816,180)</u>	<u>415,147</u>
Total funds carried forward		<u>25,068,628</u>	<u>25,496</u>	<u>25,094,124</u>	<u>26,910,304</u>

**The Ditchley Foundation
(A Company Limited by Guarantee)**

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND
EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2023**

All activities relate to continuing operations.

	2023	2022
	£	£
Investment and rental income	51,270	49,046
Net gains/(losses) on investment assets	<u>213,000</u>	<u>2,233,502</u>
Total	<u>264,270</u>	<u>2,282,548</u>

For information, total cash drawdown from the investment portfolio was £1,500,000 (2022: £1,260,000).
The Consolidated Statement of Financial Activities includes all gains and losses recognised in the year.
The notes on pages 28-45 form part of these financial statements.

**The Ditchley Foundation
(A Company Limited by Guarantee)**

**CONSOLIDATED BALANCE SHEET
FOR THE YEAR ENDED 31 MARCH 2023**

	Note		2023 £	2022 £
Fixed assets:				
Tangible assets	9		3,616,441	3,370,821
Investment property	10		3,156,798	2,988,000
Investments	11		<u>18,405,321</u>	<u>20,401,559</u>
			25,178,560	26,760,380
Current Assets				
Stocks	12	49,371	35,890	
Debtors	13	196,130	88,758	
Cash at bank and in hand		<u>193,210</u>	<u>260,231</u>	
		443,433	384,879	
Creditors: amounts falling due within one year	14	<u>(523,147)</u>	<u>(234,955)</u>	
Net current assets			<u>(84,436)</u>	<u>149,294</u>
Total assets less current liabilities			<u>25,094,124</u>	<u>26,910,304</u>
Total net assets			<u>25,094,124</u>	<u>26,910,304</u>
Charity funds				
Restricted funds	16/17		25,496	25,496
Unrestricted funds	16/17		<u>25,068,628</u>	<u>26,884,808</u>
Total funds			<u>25,094,124</u>	<u>26,910,304</u>

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

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



The Right Honourable Lord Hill of Oareford CBE

Dated: 28th July 2023

The notes on pages 28-45 form part of these financial statements.

The Ditchley Foundation
(A Company Limited by Guarantee)

COMPANY BALANCE SHEET
FOR THE YEAR ENDED 31 MARCH 2023

	Note	2023 £	2022 £
Fixed assets:			
Tangible assets	9	3,616,441	3,370,821
Investment property	10	3,156,798	2,988,000
Investments	11	<u>18,405,323</u>	<u>20,401,561</u>
		25,178,562	26,760,382
Current Assets			
Stocks	12	49,371	35,890
Debtors	13	191,238	61,553
Cash at bank and in hand		<u>190,091</u>	<u>252,044</u>
		430,700	349,487
Creditors: amounts falling due within one year	14	<u>(729,256)</u>	<u>(226,972)</u>
Net current assets		<u>(298,556)</u>	<u>122,515</u>
Total assets less current liabilities		<u>24,880,006</u>	<u>26,882,897</u>
Total net assets		<u>24,880,006</u>	<u>26,882,897</u>
Charity funds			
Restricted funds	16/17	25,496	25,496
Unrestricted funds	16/17	<u>24,854,510</u>	<u>26,857,401</u>
Total funds		<u>24,880,006</u>	<u>26,882,897</u>

The Company's net movement in funds for the year was £(2,002,891) (2022 - £387,861)

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

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



The Right Honourable Lord Hill of Oareford CBE

Dated: 28th July 2023

Company registration number: 599389, Charity registration number: 309657

The notes on pages 28-45 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 2023

	2023	2022
	£	£
Cash flows from operating activities		
Net cash used in operating activities (note 20)	(1,572,364)	(1,407,885)
Cash flows from investing activities		
Dividends, interest and rents from investments	51,270	49,046
Purchase of tangible fixed assets (note 9)	(46,460)	(149,214)
Loss on disposal of tangible fixed assets (note 9)	533	-
Drawdown from investments	<u>1,500,000</u>	<u>1,260,000</u>
Net cash provided by investing activities	1,505,343	<u>1,159,832</u>
Change in cash and cash equivalents in the year	(67,021)	(248,053)
Cash and cash equivalents at the beginning of the year	<u>260,231</u>	<u>508,284</u>
Cash and cash equivalents at the end of the year (note 21)	<u>193,210</u>	<u>260,231</u>

The notes on pages 28-45 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 2023**

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 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 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 charitable company is limited by guarantee, incorporated in England and Wales, and no shares are authorised or issued by the Foundation. The registered office is Ditchley Park, Enstone, Chipping Norton, Oxfordshire OX7 4ER. Each member undertakes to contribute £1 to the assets of the Foundation in the event of the same being wound up whilst a member, or within a year of ceasing to be a member, for the payment of debts and liabilities of the Foundation contracted before ceasing to be a member, and of the cost, charges and expenses of winding up, such as may be required not exceeding £1.

1.3 Going Concern

At the time of approving the financial statements, the Trustees have a reasonable expectation that the Charity has adequate resources to continue operational existence for the foreseeable future. Thus, the Trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

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.

**The Ditchley Foundation
(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

1. Accounting policies (continued)

1.4 Income (continued)

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.

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 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.

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.

The Ditchley Foundation
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

1. Accounting policies (continued)

1.8 Tangible fixed assets and depreciation (continued)

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

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

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

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

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 '(Losses)/Gains 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 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 amount can be measured reliably by the Foundation; this is normally upon notification of the interest paid or payable by the Bank.

The Ditchley Foundation
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

1. Accounting policies (continued)

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.

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 2023**

2. Critical accounting estimates and areas of judgement (continued)

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

Critical accounting estimates and assumptions:

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

Critical areas of judgement:

Tangible fixed assets:

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

Investment properties:

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

3. Income from donations, grants and legacies

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Donations, grants and legacies	<u>1,110,901</u>	<u>18,500</u>	<u>1,129,401</u>	<u>1,043,798</u>
Total 2022	<u>959,923</u>	<u>83,875</u>	<u>1,043,798</u>	

The Ditchley Foundation
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

4. Investment income

	Unrestricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Rents	50,758	50,758	48,999
Bank interest	<u>512</u>	<u>512</u>	<u>47</u>
Total 2023	<u>51,270</u>	<u>51,270</u>	<u>49,046</u>
Total 2022	<u>49,046</u>	<u>49,046</u>	

5. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Conference programme costs	<u>3,449,311</u>	<u>18,500</u>	<u>3,467,811</u>	<u>2,847,094</u>
Total 2022	<u>2,602,032</u>	<u>245,062</u>	<u>2,847,094</u>	

Summary by expenditure type

	Staff costs 2023 £	Depreciation 2023 £	Other costs 2023 £	Total funds 2023 £	Total funds 2022 £
Conference programme costs	<u>1,563,095</u>	<u>259,244</u>	<u>1,645,472</u>	<u>3,467,811</u>	<u>2,847,094</u>
Total 2022	<u>1,294,547</u>	<u>239,736</u>	<u>1,312,811</u>	<u>2,847,094</u>	

6. Analysis of expenditure by charitable activities

	Activities Undertaken Directly 2023 £	Support Costs 2023 £	Total Funds 2023 £	Total funds 2022 £
Conference programme costs	<u>3,445,521</u>	<u>22,290</u>	<u>3,467,811</u>	<u>2,847,094</u>
Total 2022	<u>2,822,931</u>	<u>24,163</u>	<u>2,847,094</u>	

The Ditchley Foundation
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

7. Analysis of expenditure by charitable activities

Analysis of direct costs

	Unrestricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Staff costs	1,537,004	1,537,004	1,294,547
Depreciation	259,244	259,244	239,736
Administration	297,307	297,307	263,749
Repairs and maintenance	343,258	343,258	150,615
Household and service costs	252,837	252,837	212,633
Conference and events	295,685	295,685	68,096
Irrecoverable VAT	71,100	71,100	84,101
Development programme costs	7,911	7,911	65,499
Costs attributable to DPCC	(47,703)	(47,703)	(45,219)
Bridge project, Lumina costs and Rotunda	144,622	144,622	104,498
Campaign costs	-	-	29,366
Second floor refurbishment costs	161,126	161,126	355,310
Asbestos removal	<u>110,940</u>	<u>110,940</u>	<u>-</u>
Total 2023	<u>3,433,331</u>	<u>3,433,331</u>	<u>2,822,931</u>
Total 2022	<u>2,822,931</u>	<u>2,822,931</u>	

Analysis of support costs

	Unrestricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Auditor's remuneration	16,000	16,000	9,500
Non-audit fees – other financial services	<u>6,290</u>	<u>6,290</u>	<u>14,663</u>
Total 2023	<u>22,290</u>	<u>22,290</u>	<u>24,163</u>
Total 2022	<u>24,163</u>	<u>24,163</u>	

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

8. Staff costs

	Group 2023 £	Group 2022 £	Company 2023 £	Company 2022 £
Wages and salaries	1,339,815	1,164,511	1,313,725	1,139,247
Social security costs	120,950	97,911	120,950	97,911
Contribution to defined contribution pension schemes	<u>102,327</u>	<u>87,758</u>	<u>102,327</u>	<u>87,758</u>
	<u>1,563,092</u>	<u>1,350,180</u>	<u>1,537,002</u>	<u>1,324,916</u>

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

	Group 2023 No.	Group 2022 No.
Administration	25	22
Establishment	13	14
Conference	<u>18</u>	<u>13</u>
	<u>56</u>	<u>49</u>

The average headcount expressed as full-time equivalents was:

	Group 2023 No.	Group 2022 No.
Administration	19	18
Establishment	11	12
Conference	<u>3</u>	<u>2</u>
	<u>33</u>	<u>32</u>

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

	Group 2023 No.	Group 2022 No.
In the band £60,001 - £70,000	1	-
In the band £140,001 - £150,000	1	1

No members of the Council of Management received any emoluments during the year (2022: £Nil).

No members of the Council of Management received payment for professional or other services supplied to the Charity (2022: £Nil).

The Ditchley Foundation
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

8. Staff costs (continued)

During the year, a disbursement of £1,613 (2022: £Nil) for travel and associated expenses was incurred by 1 member of the Council of Management while undertaking activities directly associated with the purposes of the Foundation.

The key management personnel of the Foundation comprise the Council of Management, the Director, the Bursar and the Chief Operating Officer. The total employee benefits of the key management personnel of the Trust were £238,126 (2022: £232,555).

During the year, redundancy costs totalled £38,870 (2022: £19,477) including payments in lieu of notice.

9. Tangible fixed assets

Group	Freehold property £	Motor vehicles £	Fixtures and fittings £	Office and IT equipment £	Total £
Cost of valuation					
At 1 April 2022	4,577,175	44,873	167,238	1,033,443	5,822,729
Additions	-	-	10,283	36,177	46,460
Disposals	-	(17,073)	-	(11,270)	(28,343)
Transfers from investment property	<u>463,140</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>463,140</u>
At 31 March 2023	<u>5,040,315</u>	<u>27,800</u>	<u>177,521</u>	<u>1,058,350</u>	<u>6,303,985</u>
Depreciation					
At 1 April 2022	1,740,526	41,956	30,590	638,836	2,451,908
Charge for the year	144,565	1,000	5,606	107,983	259,154
Depreciation eliminated on disposals	<u>-</u>	<u>(17,073)</u>	<u>-</u>	<u>(6,442)</u>	<u>(23,515)</u>
At 31 March 2023	<u>1,885,091</u>	<u>25,883</u>	<u>36,196</u>	<u>740,377</u>	<u>2,687,547</u>
Net book value					
At 31 March 2023	<u>3,155,224</u>	<u>1,917</u>	<u>141,325</u>	<u>317,972</u>	<u>3,616,438</u>
At 31 March 2022	<u>2,836,649</u>	<u>2,917</u>	<u>136,648</u>	<u>394,607</u>	<u>3,370,821</u>

The Ditchley Foundation
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

9. Tangible fixed assets (continued)

Company	Freehold property £	Motor vehicles £	Fixtures and fittings £	Office and IT equipment £	Total £
Cost of valuation					
At 1 April 2022	4,577,175	44,873	167,238	1,033,443	5,822,729
Additions	-	-	10,283	36,179	46,462
Disposals	-	(17,073)	-	(11,270)	(28,343)
Transfers from investment property	<u>463,140</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>463,140</u>
At 31 March 2023	<u>5,040,315</u>	<u>27,800</u>	<u>177,521</u>	<u>1,058,352</u>	<u>6,303,988</u>
Depreciation					
At 1 April 2022	1,740,526	41,956	30,590	638,836	2,451,908
Charge for the year	144,565	1,000	5,606	107,983	259,154
Depreciation eliminated on disposals	<u>-</u>	<u>(17,073)</u>	<u>-</u>	<u>(6,442)</u>	<u>(23,515)</u>
At 31 March 2023	<u>1,885,091</u>	<u>25,883</u>	<u>36,196</u>	<u>740,377</u>	<u>2,687,547</u>
Net book value					
At 31 March 2023	<u>3,155,224</u>	<u>1,917</u>	<u>141,325</u>	<u>317,975</u>	<u>3,616,441</u>
At 31 March 2022	<u>2,836,649</u>	<u>2,917</u>	<u>136,648</u>	<u>394,607</u>	<u>3,370,821</u>

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

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

**The Ditchley Foundation
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

10. Investment property

Group

	Freehold investment property £
Valuation	
At 1 April 2022	2,988,000
Revaluations	631,938
Transfers to tangible fixed assets	<u>(463,140)</u>
At 31 March 2023	<u>3,156,798</u>

Company

	Freehold investment property £
Valuation	
At 1 April 2022	2,988,000
Revaluations	631,938
Transfers to tangible fixed assets	<u>(463,140)</u>
At 31 March 2023	<u>3,156,798</u>

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. Council decided to increase the value of investment property in line with the Oxfordshire market since the last professional valuation. The farmland was last valued in 2020 and the Council considers this valuation to be materially correct at 31 March 2023.

The Ditchley Foundation
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

11. Fixed asset investments

Group	Investment securities	Uninvested cash	Total
	£	£	£
Cost of valuation			
At 1 April 2022	19,842,168	559,391	20,401,559
Additions	4,906,604	-	4,906,604
Disposals	(6,406,603)	-	(6,406,603)
Revaluations	(418,938)	-	(418,938)
Other movements	<u>(183,448)</u>	<u>106,148</u>	<u>(77,300)</u>
At 31 March 2023	<u>17,739,783</u>	<u>665,539</u>	<u>18,405,322</u>
Net book value			
At 31 March 2023	<u>17,739,783</u>	<u>665,539</u>	<u>18,405,322</u>
At 31 March 2022	<u>19,842,168</u>	<u>559,391</u>	<u>20,401,559</u>

Company	Investments in subsidiary companies	Investment securities	Uninvested cash	Total
	£	£	£	£
Cost of valuation				
At 1 April 2022	2	19,842,168	559,391	20,401,561
Additions	-	4,906,604	-	4,906,604
Disposals	-	(6,406,603)	-	(6,406,603)
Revaluations	-	(418,938)	-	(418,938)
Other movements	<u>-</u>	<u>(183,448)</u>	<u>106,148</u>	<u>(77,300)</u>
At 31 March 2023	<u>2</u>	<u>17,739,783</u>	<u>665,539</u>	<u>18,405,322</u>
Net book value				
At 31 March 2023	<u>2</u>	<u>17,739,783</u>	<u>665,539</u>	<u>18,405,322</u>
At 31 March 2022	<u>2</u>	<u>19,842,168</u>	<u>559,391</u>	<u>20,401,561</u>

12. Stocks

	Group 2023	Group 2022	Company 2023	Company 2022
	£	£	£	£
Finished goods and goods for resale	<u>49,371</u>	<u>35,890</u>	<u>49,371</u>	<u>35,890</u>
	<u>49,371</u>	<u>35,890</u>	<u>49,371</u>	<u>35,890</u>

The Ditchley Foundation
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

13. Debtors

	Group 2023 £	Group 2022 £	Company 2023 £	Company 2022 £
Due within one year				
Trade debtors	9,426	30,750	4,534	3,545
Other debtors	-	9,656	-	9,656
Prepayments and accrued income	143,740	46,407	143,740	46,407
VAT recoverable	<u>42,964</u>	<u>1,945</u>	<u>42,964</u>	<u>1,945</u>
	<u>196,130</u>	<u>88,758</u>	<u>191,238</u>	<u>61,553</u>

14. Creditors: Amounts falling due within one year

	Group 2023 £	Group 2022 £	Company 2023 £	Company 2022 £
Trade creditors	211,910	99,238	208,497	96,700
Amounts owed to group undertakings	-	-	439,142	19,123
Other taxation and social security	31,596	33,600	30,419	29,772
Other creditors	209,477	8,851	10,679	8,851
Accruals and deferred income	<u>70,164</u>	<u>93,266</u>	<u>40,519</u>	<u>72,526</u>
	<u>523,147</u>	<u>234,955</u>	<u>729,256</u>	<u>226,972</u>

15. Deferred income

	Group 2023 £	Group 2022 £	Company 2023 £	Company 2022 £
Deferred income	<u>29,137</u>	<u>37,442</u>	<u>1,992</u>	<u>1,992</u>

Deferred income is included in the financial statements as follows:

	Group 2023 £	Group 2022 £	Company 2023 £	Company 2022 £
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Deferred income is included within:

Current liabilities	<u>29,137</u>	<u>37,442</u>	<u>1,992</u>	<u>1,992</u>
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Movements in the year:

Deferred income at 1 April 2022	37,442	40,212	1,992	1,992
Released from previous periods	(19,202)	(21,762)	(1,992)	(1,992)
Resources deferred in the year	<u>10,897</u>	<u>18,992</u>	<u>1,992</u>	<u>1,992</u>

Deferred income at 31 March 2023	<u>29,137</u>	<u>37,442</u>	<u>1,992</u>	<u>1,992</u>
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Deferred income relates to rents received in advance and conference deposits.

The Ditchley Foundation
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

16. Statement of funds

Statement of funds – current year

	Balance at 1 April 2022 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 March 2023 £
Unrestricted funds					
General funds	26,884,808	1,569,269	(3,598,447)	213,000	25,068,628
Restricted funds					
Travel fund	25,496	-	-	-	25,496
Earmarked donations	<u>-</u>	<u>18,500</u>	<u>(18,500)</u>	<u>-</u>	<u>-</u>
	<u>25,496</u>	<u>18,500</u>	<u>(18,500)</u>	<u>-</u>	<u>25,496</u>
Total funds	<u>26,910,304</u>	<u>1,587,767</u>	<u>(3,616,947)</u>	<u>213,000</u>	<u>25,094,124</u>

Statement of funds – prior year

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

The Ditchley Foundation
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

17. Summary of funds

Summary of funds – current year

	Balance at 1 April 2022 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 March 2023 £
Unrestricted funds					
General funds	26,884,808	1,569,267	(3,598,447)	213,000	25,068,628
Restricted funds	<u>25,496</u>	<u>18,500</u>	<u>(18,500)</u>	<u>-</u>	<u>25,496</u>
Total funds	<u>26,910,304</u>	<u>1,587,234</u>	<u>(3,616,414)</u>	<u>213,000</u>	<u>25,094,124</u>

Summary of funds – prior year

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

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

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

18. Analysis of net assets between funds

Analysis of net assets between funds – current year

	Unrestricted Funds 2023 £	Restricted Funds 2023 £	Total Funds 2023 £
Tangible fixed assets	3,616,441	-	3,616,441
Fixed asset investments	18,405,321	-	18,405,321
Investment property	3,156,798	-	3,156,798
Current assets	413,215	25,496	438,711
Creditors due within one year	<u>(523,147)</u>	<u>-</u>	<u>(523,147)</u>
Total	<u>25,068,628</u>	<u>25,496</u>	<u>25,094,124</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

19. Analysis of net assets between funds (continued)

Analysis of net assets between funds – prior year

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

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

	Group 2023 £	Group 2022 £
Net income for the year (as per Statement of Financial Activities)	(1,816,180)	415,147
Adjustments for:		
Depreciation charges	259,154	239,736
Investment property gain	(631,938)	-
Gains on investments	418,938	(2,233,502)
Dividends, interests and rents from investments	(51,270)	(49,046)
(Increase)/decrease in stocks	(13,481)	23,481
(Increase)/decrease in debtors	(107,372)	32,935
Increase/(decrease) in creditors	288,192	(22,910)
Other investment movements	77,300	186,274
Exchange rate gains	<u>4,293</u>	<u>-</u>
Total funds	<u>(1,572,364)</u>	<u>(1,407,885)</u>

21. Analysis of cash and cash equivalents

	Group 2023 £	Group 2022 £
Cash in hand	<u>193,210</u>	<u>260,231</u>
Total cash and cash equivalents	<u>193,210</u>	<u>260,231</u>

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22. Analysis of changes in net debt

	At 1 April 2022 £	Cash flows £	At 31 March 2023 £
Cash in hand	<u>260,231</u>	<u>(67,021)</u>	<u>193,210</u>
Total cash and cash equivalents	<u>260,231</u>	<u>(67,021)</u>	<u>193,210</u>

23. Capital commitments

	Group 2023 £	Group 2022 £	Company 2023 £	Company 2022 £
Contracted for but not provided in these financial statements				
Acquisition of tangible fixed assets	<u>—</u>	<u>6,095</u>	<u>—</u>	<u>6,095</u>

24. Operating lease commitments

At the reporting end date the Charity had outstanding commitments for future minimum payments under non-cancellable operating leases, which fall due as follows:

	Group 2023 £	Group 2022 £
Within one year	6,449	2,566
Between two and five years	<u>11,610</u>	<u>—</u>
	<u>18,059</u>	<u>2,566</u>

Amounts recognised in profit or loss as an expense during the period in respect of operating lease arrangements was £17,657 (2022: £10,324).

25. 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 2023 were £10,300 (2022: £8,651). The pension cost charge represents contributions payable by the Foundation in accordance with the rules of the scheme.

26. 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

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27. Principal subsidiary (continued)

The financial results of the subsidiary for the year were:

Name	Income £	Expenditure £	Profit/(Loss) for the year £	Net assets £
Ditchley Park Conference Centre Limited	322,214	108,096	214,118	214,120

The registered office is Ditchley Park, Enstone, Chipping Norton, Oxfordshire OX7 4ER.

28. Related party transactions

In the year, 8 Trustees (2022: 7 Trustees) made donations totalling £53,063 (2022: £20,000) to the Foundation under the 1580 Fellowship Scheme.

Dr C Wills, who is a Trustee, was also a Trustee of The HDH Wills 1965 Charitable Trust. During the year The HDH Wills Charitable Trust charged the Foundation £63,491 (2022: £69,555). At the year end the Foundation owed £7,422 (2022: £Nil).

During the period, the Foundation recharged The HDH Wills 1965 Charitable Trust £2,598 (2022: £14,145). At the year end the Foundation was owed £Nil (2022: £500).

The wife of the Foundation's Director, K Arroyo, was paid £6,000 in the year (2022: £6,000) for interior design consultancy work as part of the second floor and library projects.

Marjorie Neasham Glasgow, who is a Trustee, was also a Trustee of The Glasgow Foundation. During the year, The Glasgow Foundation, donated £39,608 (2022: £Nil) to the Foundation.

29. Post-reporting date events

During the year, the Foundation was made aware of a generous legacy. The legacy has not yet met the threshold to be recognised in these financial statements, but Trustees estimate it to be some tens of millions.