

599385

*The Ditchley Foundation*

THE COUNCIL'S  
ANNUAL REPORT  
AND ACCOUNTS  
1996-1997



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The Purposes and Management of the Foundation

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**PRESIDENT**

Sir David Wills CBE, TD, DL

**COUNCIL OF MANAGEMENT**

*Chairman*

Lord Gillmore of Thamesfield, GCMG

*Vice-Chairman*

Lord Windlesham, CVO, PC

*Members of the Council:*

Sir Michael Angus

HE The Hon William J Crowe, Jr.

The Earl of Home, CBE

Andrew Knight

Anthony Loehnis, CMG

Bryan Magee

Glen R Moreno

The Rt Hon Sir Patrick Nairne, GCB, MC

HE Dr Jürgen Oesterhelt

Lord Tugendhat

Baroness Warnock, DBE

Dame Margaret Weston, DBE

Dr Catherine Wills

Sir David Wills, CBE, TD, DL

Baroness Young, PC, DL

*Director:* Sir Michael Quinlan, GCB

*Secretary:* Heather Weeks

Registered Office: The Ditchley Foundation, Ditchley Park, Enstone, Oxfordshire

Auditors: Coopers & Lybrand

Bankers: Barclays Bank plc, Oxford

Investment Managers: Cazenove Fund Management Ltd

Solicitors: Herbert Mallam Gowers & Co, Oxford

## **PROGRAMME COMMITTEE**

### *Chairman*

Lord Windlesham, CVO, PC

### *Members*

Robert Bradtke

Sir Samuel Brittan

George Brock

Peter von Butler

Lord Gillmore of Thamesfield, GCMG

Professor Peter Hennessy

Mariot Leslie

Bronwen Maddox

Peter Mandelson, MP

Edward Mortimer

Sir Michael Quinlan, GCB

Dr Matthew Ridley

Professor Adam Roberts, FBA

Dr Catherine Wills

Sir David Wills, CBE, TD, DL

## NOTICE OF MEETING

NOTICE IS HEREBY GIVEN that the ANNUAL GENERAL MEETING of the Foundation will be held on Saturday, 12 July 1997, at 11.00 a.m. at Ditchley Park, Enstone, Chipping Norton, Oxfordshire.

### BUSINESS:

1. To receive and adopt the Statement of Accounts and Report of the Council of Management for the year ended 31st March, 1997.
2. To elect Council Members.

The following Council Members have retired by rotation pursuant to Article 42 and, being eligible, offer themselves for re-election:

SIR MICHAEL ANGUS  
THE EARL OF HOME  
ANDREW KNIGHT  
THE RT HON SIR PATRICK NAIRNE  
DAME MARGARET WESTON

3. A resolution to reappoint the auditors, Coopers & Lybrand, will be proposed at the Annual General Meeting.
4. To transact any other business.

Dated this seventeenth day of June 1997

By order of the Council of Management  
HEATHER WEEKS

*Secretary*

Ditchley Park,  
Enstone,  
Chipping Norton,  
Oxford.



### NOTE:

A member entitled to attend and vote at the above meeting is entitled to appoint one or more proxies to attend and vote on his or her behalf. A proxy need not be a member of the Foundation.

## *Report of the Chairman of the Council of Management*

The past year has been another one of continued success by Ditchley in its central mission of broadening and deepening international understanding in key areas of public policy, both domestic and external.

I had the privilege, at the July 1996 Annual General Meeting, of taking over from Sir Antony Acland as Chairman of the Council of Management. On behalf of everyone involved with Ditchley I offer grateful tribute to the special contribution which his wise and committed leadership made during his five years at the head of the Foundation's affairs. It is a pleasure to us all that he remains closely linked with us as a Governor.

Baroness Blackstone has retired from the Council, and as a Governor, on her appointment as a Government Minister. I offer our warm thanks for her support. Three other Governors have chosen to retire - Mr Roy Grantham, Dame Mary Green and Sir Kit McMahon. We are in their debt for their interest in and help to Ditchley over the years.

It is with keen sadness that I report the deaths, since the last Report, of Mr Michael Belmont, Miss Ellen Schneider-Lenné, Baroness Seear and Lord Sherfield. All had been good friends and supporters of Ditchley; and Lord Sherfield in particular had been a key figure in the Foundation's formative years, both as a guiding voice in the initial design and as one of our earliest Chairmen of Council. He will be particularly missed.

We welcome as a Governor HE The Hon Roy MacLaren on his succession to HE The Hon Royce Frith as High Commissioner of Canada in London.

American Ditchley has been able to report a further year of vigorous and successful activity under the Hon John Brademas, with new enterprises and widening reach underpinned by a steadily-improving financial position. For the first time within memory American Ditchley held its main annual gathering at Ditchley itself, in April 1997. The event was a resplendent success, with discussions of stimulating quality partnered by dinner in the magnificence of Magdalen College Oxford (our founder's *alma mater*) by kind permission of the College's President and featuring the Rt Hon Douglas Hurd as main speaker; the event was further enriched by a delightful concert provided through Mr and Mrs Robert Conway's generosity. The Hon Kenneth W Dam has resigned from American Ditchley's Board of Directors, and Mr Frederick P Rose and Mr Peter S Paine Sr from the Advisory Council; our thanks go to them all. We welcome the addition to the Board of Mr Robert M Conway, and to the Advisory Council of Mr Charles B DeWitt and Mr Charles Muller.

Canadian Ditchley too is thriving under the Presidency of Mr Grant L Reuber, who himself attended the April weekend at Ditchley. Plans are going forward smoothly for our next conference in Canada, in Toronto in October 1997. Our gratitude is due to two retiring members of the Board, Mr Michel Bélanger and the Hon Allan Blakeney (both chairmen of highly successful conferences in recent years). We welcome in their stead Mr Joseph L Rotman, the Hon Robert K Rae, and Mr Richard Drouin.

It gave us especial pleasure that Mr Charles Muller's decades of dedicated service as Administrative Director of American Ditchley were marked by his appointment as an honorary Officer of the Order of the British Empire. And the importance of our link with Germany was signalled by the appointment of Ambassador Hans-Heinrich Noebel, for nearly ten years our representative and adviser in Bonn, as an honorary Member of the Order of the British Empire. We offer warmest congratulations to them both.

I extend our sincere thanks to Mr John J O'Connor in the United States, Mr John Banks in Canada, Ambassador Klaus Blech in Germany and Ms Diana Geddes in France, as well as to

our special collaborators at the Keidanren in Japan and at the Australian National University, for the energy and courteous efficiency which they bring to bear in sustaining and enhancing the Ditchley enterprise. That effort is matched by our staff at all levels at Ditchley itself, and to them also I express our gratitude.

A later part of this Report summarises our financial condition, which remains essentially sound. The prime basis for this is our founder's generosity; but we need also, and greatly value, the help given to us by a wide range of individuals and corporate institutions. I know, on the clearest evidence, that this help is put to careful and fruitful use.

June 1997

### *Report of the Director*

We look back upon a year's set of conferences marked, like its predecessor, by a very broad span of both subject and participation, and by a succession of chairmen of great eminence. The regular circulation of reports with our thrice-yearly Newsletter makes it unnecessary to review all fifteen gatherings. The superhighlights since my last report have however been a most positive and stimulating conference in December 1996 on "Preventing youth crime", with United States Attorney General Janet Reno in the chair and Her Royal Highness The Princess Royal initiating the discussion with a contribution of evident weight and expertise; and a January 1997 conference on "Nations in transition to democracy", where an ex-Prime Minister, Lord Callaghan, led an attendance list from fifteen nations, most notably including - for the first time in active participation at Ditchley, we believe - a Head of State. President Yoweri Museveni of Uganda engaged in the debates with candour and skill. His presence illustrates the enhanced interest our programme has reflected in the problems and challenges of Africa. We chose an African theme when in May 1997 we renewed in Atlanta our established cooperation with the Southern Center for International Studies, who received us with generous hospitality.

During the year we have had seven British, seven US and one German chairman. Participants have come from a total of 33 countries and 10 international organisations. Our outreach has been multiplied by the wide circulation we now give to our Newsletter, which recipients warmly welcome. The development of the Internet availability of Ditchley information, led by the work of American Ditchley, will progressively give still further enhancement.

I echo the thanks which the Council Chairman has expressed to those who serve so diligently as our key collaborators outside the United Kingdom. All our conferences moreover owe a great deal to those participants who, within the gatherings, take on the burden of special roles - as conference chairmen or rapporteurs, as group chairmen or rapporteurs, or as special introductory speakers. We are constantly fortunate in their willingness, skill and care.

Particular collaboration with other organisations remains a frequent and fruitful feature of our work. In addition to the Southern Center for International Studies, Crime Concern, the Royal Agricultural Society of England and the Chicago Council on Foreign Relations have in the past year strengthened conferences by their expert advice, their wide-ranging contacts and their direct and lively participation.

I offer an especial tribute of thanks to the ready and efficient response we invariably receive from government missions to requests for help whenever we seek it, whether to secure the participation of individuals or otherwise. The help comes ungrudgingly both from missions to the Court of St James's in London and from the United Kingdom Diplomatic Service at Embassies and High Commissions around the world. Our effort would be seriously

impoverished without this. In a complementary manner, we remain in the debt of the Dulverton Trust for the support we continue to receive towards travel costs for numerous individuals who would not otherwise be able to come.

We are fortunate that so many people are ready to prove in all these practical ways the esteem in which they hold Ditchley and the value they attach to its goals. But no thanks can rank higher than those I owe to the work that is the precondition of all that we achieve : the contribution made so unfailingly and loyally by all our staff. They are our greatest single asset.

I record with sadness the unexpected death during the year of Derek James, who had served as our Accountant during six years of commitment and integrity.

The mansion and grounds remain in fine order, though the task of keeping them so is an unending demand. The past year has seen substantial work, mostly of an unglamorous precautionary character, and we maintain a careful forward programme based on thorough professional advice.

### *Financial Review*

A surplus of £51,196 has been generated on the operating-cost account, mainly as the result of a yield significantly better than expected on the investment portfolio. Other contributory reasons were the postponement into 1997/98 of the purchase of carpets and curtains; lower than forecast architectural fees; and savings on air fares following the decision by the American Ditchley Foundation to hold their spring Board meeting in the United Kingdom. Major works projects completed during the year included re-roofing the Colonnade; damp-proofing the south-east undercroft; replacement of the luggage-lift; external re-decoration of the West Wing; lead repairs; asbestos removal from the roof voids of the Mansion; and repairing subsidence damage to the Stable Block. The cost of the works was £87,401 after capitalisation of the cost of the replacement lift and receipt from insurance underwriters of 40% of the cost of stabilising the Stable Block. Capital expenditure also included the purchase of a new mini-bus and the replenishment of the Foundation's wine stocks.

The response to our special donations appeal in 1996 yielded a total of £45,219. We are keenly grateful to all who contributed.

In August the Foundation bought one hundred and five acres of land and five properties from the HDH Wills 1965 Charitable Trust. The purchase was funded from a sum earmarked for that purpose from Mr Martin Wills's bequest, supplemented by a generous subvention from the Trustees of the General Fund of the HDH Wills Charitable Trust.

Major works projects planned for 1997/98 are costed at £98,600. They include re-roofing the Servedy; repairing and renovating the Velvet Room and the White Drawing Room; stabilising the Lions Court garden wall; damp treatment to the East Wing; refurbishment of Ditchley-owned properties let to tenants; and repairs to the lake culvert. We have been able to make a provision of £40,000 towards the cost of certain of these projects from the 1996/97 end-of-year surplus, leaving a net surplus of £11,196.

The Foundation's Accounts have been prepared to meet the requirements of the new Statement of Recommended Practice for Charities. This has resulted in a number of presentational changes in the Accounts for 1996/97.



## ***Report of the Council of Management***

The Council of Management (having powers of directors under the Articles of Association) submit their report and audited financial statements for the year ended 31 March 1997.

### ***Principal activities and business review***

The consolidated income and expenditure account for the year is set out on page 12.

The constitution of the Ditchley Foundation and its principal activities are set out inside the back cover. A review of the Foundation's business during the year is contained in the Chairman's Report on pages 4 - 5 and the Director's Report on pages 5 - 6.

### ***Dividends***

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

### ***Directors***

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

The Members of Council retiring by rotation at the Annual General Meeting are Sir Michael Angus, The Earl of Home, Mr Andrew Knight, The Rt Hon Sir Patrick Nairne and Dame Margaret Weston. Being eligible they offer themselves for reappointment.

### ***Directors' responsibilities***

The directors are required by United Kingdom company law to prepare for each financial year financial statements that give a true and fair view of the state of affairs of the company and the group as at the end of the financial year, and of the profit or loss of the group for that period.

The Members of the Council of Management 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 ended 31 March 1997. The Members of Council also confirm that applicable accounting standards have been followed and that the financial statements have been prepared on the going-concern basis.

The Members of Council are responsible for keeping proper accounting records and for taking reasonable steps to safeguard the assets of the company and the group and to prevent and detect fraud and other irregularities.

By order of the Council of Management

HEATHER WEEKS

Secretary

20 May 1997



## ***The Conference Programme***

### ***Concluding Phase of the 1995-96 Programme***

Ditchley's conference year runs from September to July and does not correspond to the financial year to which this report, strictly speaking, relates. Thus four conferences, during the period April-June 1996, fell during the financial year 1996-97 but were included in the list of conferences in last year's annual report. This year's report follows the same practice.

### ***The 1996-97 Conference Programme***

<i><b>1996</b></i>	<i><b>Title</b></i>	<i><b>Chairman</b></i>
13-15 September	Controlling the arms trade.	The Hon Cyrus Vance
27-29 September	The treatment of refugees and asylum-seekers.	Sir Brian Cubbon
18-20 October	The future of state provision for welfare.	The Rt Hon Sir Patrick Nairne
1-3 November	The evolution of the transatlantic partnership.	The Hon Richard N Gardner
15-17 November	The future global pattern of agriculture: can there be a truly free market?	Lord Plumb
29 November - 1 December <i><b>1997</b></i>	Preventing youth crime.	The Hon Janet Reno
17-19 January	Nations in transition to democracy: the management of radical transformation.	Lord Callaghan of Cardiff
31 January - 2 February	What future for quality newspapers?	Mr Andrew Knight
14-16 February	Defence against ballistic missiles: options and implications.	The Hon Harold Brown
28 February - 2 March.	Security and stability in the Middle East.	Sir John Coles
21-23 March	Extra-territorial application of national laws regulating business activities.	Mr Keith Highet

<i>1997</i>	<i>Title</i>	<i>Chairman</i>
25-27 April	Russia and its neighbours.	Sir Rodric Braithwaite
8-10 May	Sub-Saharan Africa: how can the developed world help? (Joint conference with the Southern Center for International Studies, in Atlanta.)	The Hon Louis Sullivan
23-25 May	Social justice and the relief of poverty in the global economy: tensions between social priorities and market pressures.	Baroness Williams of Crosby
20-22 June	After the US and UK elections: impacts and prospects. (Joint conference with the Chicago Council on Foreign Relations, at Ditchley)	The Hon Raymond Seitz

# THE DITCHLEY FOUNDATION

A Company (Registered 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

## REPORT OF THE AUDITORS TO THE MEMBERS OF THE DITCHLEY FOUNDATION

We have audited the financial statements on pages 11 to 23.

### Respective responsibilities of directors and auditors

As described on page 7 the Foundation's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

### Basis of opinion

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

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

### Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the Foundation and Group at 31st March 1997 and of the operating surplus, net movement of funds and cash flow of the Group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



COOPERS & LYBRAND  
Chartered Accountants and Registered Auditors  
Reading  
20th May 1997

THE DITCHLEY FOUNDATION

*Consolidated Statement of Financial Activities for the year ended 31 March 1997*

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total 1997 £	Total 1996 £
<b>INCOMING RESOURCES</b>					
Donations & gifts	71,190	0	277,000	348,190	89,562
Investment income	675,288	5,731	0	681,019	642,525
Other income	7,502	0	0	7,502	11,408
Net income of trading subsidiary (prior to management charges of £46,370)	63,628	0	0	63,628	39,673
<b>Total incoming resources</b>	<b>817,608</b>	<b>5,731</b>	<b>277,000</b>	<b>1,100,339</b>	<b>783,168</b>
<b>RESOURCES EXPENDED (NOTE IV)</b>					
Direct charitable expenditure	415,976	5,731	0	421,707	419,805
Other expenditure					
Administration	165,254	0	0	165,254	158,270
Maintenance of land & buildings	225,182	0	0	225,182	204,716
<b>Total resources expended</b>	<b>806,412</b>	<b>5,731</b>	<b>0</b>	<b>812,143</b>	<b>782,791</b>
<b>NET INCOMING RESOURCES</b>	<b>11,196</b>	<b>0</b>	<b>277,000</b>	<b>288,196</b>	<b>377</b>
<b>GAINS/(LOSSES) ON INVESTMENT ASSETS</b>					
Realised	0	0	(148,867)	(148,867)	130,710
Unrealised	0	0	1,196,349	1,196,349	2,040,234
<b>NET MOVEMENT IN FUNDS</b>	<b>11,196</b>	<b>0</b>	<b>1,324,482</b>	<b>1,335,678</b>	<b>2,171,321</b>
Fund balances brought forward at 1 April 1996	122,897	0	16,168,949	16,291,846	14,120,525
<b>FUND BALANCES CARRIED FORWARD AT 31 MARCH 1997</b>	<b>£134,093</b>	<b>£0</b>	<b>£17,493,431</b>	<b>£17,627,524</b>	<b>£16,291,846</b>

THE DITCHLEY FOUNDATION

*Consolidated Income and Expenditure Account for Year Ended 31st March 1997*

		Note	1997 £	1996 £
<b>INCOME</b>				
DIVIDENDS, INTEREST AND RENTS		II	681,019	642,525
DONATIONS		III	71,190	89,562
GUEST CONFERENCES			66,206	44,800
OTHER			13,244	14,590
			<u>£831,659</u>	<u>£791,477</u>
<b>EXPENDITURE</b>				
ADMINISTRATION	Executive and office staff costs	V	207,309	203,175
	Non-staff costs	VII	81,779	96,319
			<u>289,088</u>	<u>299,494</u>
ESTABLISHMENT	Household and services staff costs	V	137,130	131,607
	Non-staff costs - Repairs	VIII	123,358	105,610
	- Other	IX	60,006	55,325
			<u>320,494</u>	<u>292,542</u>
CONFERENCES	Costs of extra staff	V	41,992	37,115
	Non-staff costs	X	101,650	106,717
			<u>143,642</u>	<u>143,832</u>
DEPRECIATION	Tangible assets		39,042	34,439
VALUE ADDED TAX			28,197	20,793
TOTAL			<u>£820,463</u>	<u>£791,100</u>
OPERATING SURPLUS FOR THE YEAR (Page 11)			<u>£11,196</u>	<u>£377</u>

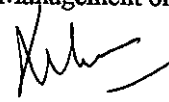
Notes:

- (1) As permitted by Section 230 of the Companies Act 1985, the Foundation's Income and Expenditure Account has not been included in these accounts. The subsidiary company retained neither a profit nor a loss in either year.
- (2) The results for the years above are derived from continuing activities.
- (3) There is no difference between the operating surplus for the years stated above and their historical cost equivalents.
- (4) Total income comprises £825,928 for unrestricted funds and £5,731 for restricted funds. A detailed analysis of income by source is provided in the Statement of Financial Activities on page 11.
- (5) Guest conference income relates to the turnover of Ditchley Park Conference Centre Ltd, details of which are shown on page 26.
- (6) The Consolidated Income and Expenditure Account is derived from the Statement of Financial Activities on page 11 which, together with the notes to the accounts on pages 15 to 23, provides full information on the movements during the year on all the funds of the Group.

THE DITCHLEY FOUNDATION  
*Balance Sheets at 31st March 1997*

	Note	1997		1996	
		Group £	Foundation £	Group £	Foundation £
<b>FIXED ASSETS</b>					
Tangible assets	XI	251,002	251,002	252,428	252,428
Investments	XII	17,266,466	17,266,466	15,957,322	15,957,322
Investment in subsidiary	XIII	0	2	0	2
		<u>17,517,468</u>	<u>17,517,470</u>	<u>16,209,750</u>	<u>16,209,752</u>
<b>CURRENT ASSETS</b>					
Stocks	XIV	45,483	34,498	33,271	26,999
Debtors	XV	59,808	66,400	77,433	80,326
Bank balances and cash		185,219	181,889	113,416	111,236
		<u>290,510</u>	<u>282,787</u>	<u>224,120</u>	<u>218,561</u>
<b>CURRENT LIABILITIES</b>					
Creditors falling due within one year	XVI	(180,454)	(172,733)	(142,024)	(136,467)
		<u>110,056</u>	<u>110,054</u>	<u>82,096</u>	<u>82,094</u>
<b>NET CURRENT ASSETS</b>					
		<u>110,056</u>	<u>110,054</u>	<u>82,096</u>	<u>82,094</u>
<b>NET ASSETS</b>		<u>£17,627,524</u>	<u>£17,627,524</u>	<u>£16,291,846</u>	<u>£16,291,846</u>
<b>SHARE CAPITAL</b>	XVII	Nil	Nil	Nil	Nil
<b>RESERVES</b>					
Endowment Fund	XVIII	17,493,431	17,493,431	16,168,949	16,168,949
Unrestricted Fund					
Accumulated Fund		134,093	134,093	122,897	122,897
		<u>£17,627,524</u>	<u>£17,627,524</u>	<u>£16,291,846</u>	<u>£16,291,846</u>

The accounts on pages 11 to 23 were approved by the Council of Management on 20th May 1997 and were signed on its behalf by:

  
GILLMORE  
OF THAMESFIELD

Chairman of the  
Council of Management

20th May 1997

THE DITCHLEY FOUNDATION

*Consolidated Cash Flow Statement - Year Ended 31st March 1997*

	Notes	1997 £	1996 £
Net cash inflow from net incoming resources	A	364,854	52,141
Investing activities and capital expenditure:			
Purchase of tangible fixed assets		(37,098)	(41,704)
Proceeds of sale of fixed assets		6,227	22
Purchase of investments		(3,890,611)	(4,418,885)
Purchase of investment properties		(777,000)	0
Proceeds from sale of investments		4,478,480	3,809,047
(Increase)/decrease in short term deposits		(73,049)	609,838
Net cash outflow from investing activities		(293,051)	(41,682)
		71,803	10,459
Management of liquid resources:			
Cash deposited on 14 days notice	B	(10,263)	(12,561)
Increase/(decrease) in cash during year	B	£61,540	£(2,102)

Notes to the Cash Flow Statement

A.	Reconciliation of net cash flow from net incoming resources		1997 £	1996 £	
	Net operating surplus		11,196	377	
	Gift from HDH Wills 1965 Trust		277,000	0	
	Changes in resources before revaluation		288,196	377	
	Depreciation		39,042	34,439	
	Profit on disposal of fixed assets		(6,227)	(22)	
	Increase in creditors		38,430	4,683	
	Decrease in debtors		17,625	14,694	
	Increase in stocks		(12,212)	(2,030)	
			£364,854	£52,141	
B.	<u>Bank balances and cash:</u>	<u>Current</u>	<u>Deposit</u>	<u>Total 1997</u>	<u>Total 1996</u>
	At 1st April	12,062	101,354	113,416	102,957
	Increase/(decrease) in year	61,540	10,263	71,803	10,459
	At 31st March	£73,602	£111,617	£185,219	£113,416



THE DITCHLEY FOUNDATION

*Notes to the Accounts - 31st March 1997*

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I. PRINCIPAL ACCOUNTING POLICIES

1. Basis of Accounting - The Foundation prepares its annual accounts in accordance with the historical cost convention modified by the revaluation of investment properties and other investments and in accordance with the principal provisions of the Statement of Recommended Practice for Charities, applicable accounting standards and, except for the non-depreciation of investment properties, with the Companies Act 1985. An explanation of the departure from the requirements of the Act is given below in section 6.
2. Changes in Accounting - Policies - The Council of Management have adopted the principal elements of accounting policies recommended in the Statement of Recommended Practice for Charities issued in October 1995. Accordingly, the following changes have been made. Comparative figures have been amended where necessary.
  - (i) - Investment properties are included in the balance sheet at the market valuation estimated by the Council of Management based on professional advice. The properties have been valued as individual investments on an open market basis, and, where appropriate, subject to and with the benefits of the current leases, underlettings and agreements.
  - (ii) - Investments are stated at market value as set out below in section 7. Previously they were held at cost.
  - (iii) - In previous years profits and losses on the sale of investments were included in the Endowment Fund based on the difference between proceeds and historical cost. The Endowment Fund now reflects realised and unrealised gains and losses on disposal of investments and the change in market value of investments held at the year end and compared with either the previous year end valuation or purchase price during the year.
  - (iv) - The effect of the changes to the accounting policies referred to above has been to increase the reported total funds of the Foundation at 31 March 1997 by £5,786,483 and 31 March 1996 by £5,959,053. It had no effect on the reported net surplus for the years then ended.
3. Changes in Presentation - of Financial Information - FRS 8 'Related party disclosures' requires the disclosure of the details of material transactions between the reporting entity and any related parties. The new standard came into effect for accounting periods commencing on or after 23 December 1995. There are no related party transactions or balances to be disclosed.
4. Basis of Consolidation - The Consolidated Statement of Financial Activities, Income and Expenditure Account and Balance Sheet include the financial statements of the Foundation and its subsidiary undertaking. Intra-group charges are eliminated fully on consolidation.

THE DITCHLEY FOUNDATION

*Notes to the Accounts - 31st March 1997 (continued)*

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- |                                      |  |                   |                           |                                      |                          |                |           |
|--------------------------------------|--|-------------------|---------------------------|--------------------------------------|--------------------------|----------------|-----------|
| 5. Freehold Property                 | - The house and land at Ditchley Park, acquired by gift, are not valued (see Note XI). Expenditure on renovation and improvements is at cost less depreciation.  |                   |                           |                                      |                          |                |           |
| 6. Depreciation and Amortisation     | <p>- Depreciation is calculated to write off, by equal instalments, the cost of tangible fixed assets over their useful lives, which are estimated to be:</p> <p style="margin-left: 40px;">Renovation and improvements to</p> <table border="0" style="margin-left: 40px;"> <tr> <td>freehold property</td> <td>- Between 20 and 40 years</td> </tr> <tr> <td>Furniture, equipment and furnishings</td> <td>- Between 5 and 10 years</td> </tr> <tr> <td>Motor vehicles</td> <td>- 4 years</td> </tr> </table> <p style="margin-left: 40px;">Investment properties: in accordance with the SSAP19, no depreciation is provided in respect of investment properties. This treatment may be a departure from the requirements of the Companies Act concerning depreciation of fixed assets. However these properties are not held for consumption but for investment and it is considered that systematic annual depreciation would be inappropriate. The accounting policy adopted is therefore necessary for the financial statements to give a true and fair view. Depreciation or amortisation is only one of the many factors in the annual valuation and the amount which would otherwise have been shown cannot reasonably be separately identified.</p> | freehold property | - Between 20 and 40 years | Furniture, equipment and furnishings | - Between 5 and 10 years | Motor vehicles | - 4 years |
| freehold property                    | - Between 20 and 40 years  |                   |                           |                                      |                          |                |           |
| Furniture, equipment and furnishings | - Between 5 and 10 years   |                   |                           |                                      |                          |                |           |
| Motor vehicles                       | - 4 years  |                   |                           |                                      |                          |                |           |
| 7. Investments and Cash              | <p>- Investments, including property, are valued on the following basis:-</p> <p style="margin-left: 20px;">(i) Freehold properties held for investment purposes are valued each year at the balance sheet date based on professional advice.</p> <p style="margin-left: 20px;">(ii) Quoted investments have been valued at the middle market price at the close of business at the year end. The market value of unit trusts and managed funds units is taken as the average of the bid and offer prices at the year end as advised by the investment managers. Fixed interest securities are valued inclusive of accrued interest. Investments in overseas currencies are translated into sterling at the exchange rate ruling at the year end.</p>  |                   |                           |                                      |                          |                |           |
| 8. Stocks                            | - Stocks are valued at the lower of cost and net realisable value. Cost is determined on a weighted average basis.   |                   |                           |                                      |                          |                |           |
| 9. Maintenance and Renewals          | - Expenditure on repairs and maintenance, together with renewals of minor items of equipment and furnishings, is charged to the Income and Expenditure Account.  |                   |                           |                                      |                          |                |           |

THE DITCHLEY FOUNDATION

*Notes to the Accounts - 31st March 1997 (continued)*

- 
- |                         |   |
|-------------------------|---|
| 10. Income              | - Income is accounted for on an accruals basis.<br>Dividends are accounted for by reference to the declared payment date.<br>Donations are accounted for in the period in which they are received.<br>Guest conference income excludes value added tax and represents the invoiced value of goods and services supplied.  |
| 11. Endowment           | - Gifts for the Endowment are credited to the Endowment Fund.   |
| 12. Cash Flow Statement | - Although the Foundation qualifies as a small company under the terms of section 247 of the Companies Act 1985 and, as a consequence it is exempt from the requirement to publish a cash flow statement, the Council of Management believes that such statement provides useful information and it is therefore included in the accounts.  |
| 13. Fund Accounting     | - Ditchley Foundation has the following types of funds for which it is responsible:<br><br><b>Unrestricted Funds.</b> Funds which are expendable at the discretion of the Council of Management in furtherance of the objects of the Foundation.<br><br><b>Restricted Funds.</b> Donations or funds received which are earmarked by the donor for specific purposes. Such purposes are within the overall aims of the Foundation. These funds may be income only (where the capital must be retained) or income and capital (where the donation and income deriving therefrom may be utilised).<br><br><b>Endowment Fund</b> - Permanent endowments which were made by the HDH Wills family and family trusts, augmented by profits on the sale of investments up to 31 March 1972. |

THE DITCHLEY FOUNDATION

*Notes to the Accounts - 31st March 1997 (continued)*

	1997	1996
II. DIVIDENDS, INTEREST AND RENTS	£	£
Dividends on listed investments	585,676	536,875
Interest on short term deposits	77,576	97,037
	<u>663,252</u>	<u>633,912</u>
Rents - short leasehold	4,472	2,680
- other	13,295	5,933
	<u>£681,019</u>	<u>£642,525</u>
III. DONATIONS		
For general purposes	71,190	60,250
Earmarked	0	29,312
	<u>£71,190</u>	<u>£89,562</u>
IV. ANALYSIS OF TOTAL RESOURCES EXPENDED		
	Staff costs £	Other £
Direct charitable expenditure	218,981	175,268
Other expenditure:		
Administrative	88,332	65,338
Maintenance of land & buildings	79,119	146,063
	<u>£386,432</u>	<u>£386,669</u>
		Depreciation £
		27,458
		11,584
		0
		<u>£39,042</u>
		Total £
		421,707
		165,254
		225,182
		<u>£812,143</u>
		1996 £
		419,805
		158,270
		204,716
		<u>£782,791</u>
V. STAFF COSTS		
Expenditure includes the following amounts in respect of staff costs:		
Salaries and wages	340,031	327,087
Social security costs	28,383	27,477
Other pension costs	18,018	17,333
	<u>£386,432</u>	<u>£371,897</u>
Average monthly number of staff	No.	No.
Administration	9	9
Establishment	19	19
Conference - part-time	8	7
	<u>36</u>	<u>35</u>

Note:

None of the Council of Management received any emoluments during the year (1996: £NIL)

THE DITCHLEY FOUNDATION

*Notes to the Accounts - 31st March 1997 (continued)*

VI. PENSION SCHEMES

The Foundation maintains a pension scheme covering substantially all of its employees. It is a defined contribution scheme (employer 5%) administered by trustees. Its funds are kept separate from those of the Foundation.

In addition the Foundation contributes to separate money purchase schemes for senior executives with the Foundation's contribution set at 10%. These funds are also kept separate from those of the Foundation. Pension costs for the year are shown in Note V.

VII. ADMINISTRATION - NON-STAFF COSTS

	1997	1996
	£	£
Travelling	3,725	14,842
Representation abroad	16,123	16,310
Postage and telephones	10,686	10,277
Maintenance of office equipment	3,550	2,636
Printing, stationery and office expenses	10,298	8,040
Vehicle running costs	5,725	5,806
Auditors' remuneration - Audit fee	7,000	6,750
(Foundation £6,400 (1995:£6,150))		
- Other	700	0
Architects' and surveyors' fees	13,030	16,752
Legal and professional fees	8,406	5,500
Bank charges	1,411	724
General expenses	1,125	8,682
	<u>£81,779</u>	<u>£96,319</u>

VIII. ESTABLISHMENT - REPAIRS

Buildings - Major works	87,401	56,937
- Provision for 1995/96	0	(46,000)
- Provision for 1996/97	(40,000)	40,000
- Provision for 1997/98	40,000	0
	<u>87,401</u>	<u>50,937</u>
- General repairs and maintenance	17,773	23,629
Repairs and renewals of furniture and equipment	10,062	23,639
Upkeep and maintenance of roads and gardens	8,122	7,405
	<u>£123,358</u>	<u>£105,610</u>

IX. ESTABLISHMENT - NON-STAFF COSTS - OTHER

Heating and lighting	25,176	23,571
Insurance	23,851	21,031
Rates and water	6,857	6,098
Household and cleaning	4,122	4,625
	<u>£60,006</u>	<u>£55,325</u>

THE DITCHLEY FOUNDATION

*Notes to the Accounts - 31st March 1997 (continued)*

	1997	1996			
	£	£			
<b>X. CONFERENCES - NON-STAFF COSTS</b>					
Catering	37,864	35,707			
Participants' travel costs - to UK (partly funded by earmarked donations)	36,413	34,944			
Participants' travel costs - from UK	2,660	14,192			
Publications	5,207	4,128			
Other conference expenditure	19,506	17,746			
	<u>£101,650</u>	<u>£106,717</u>			
<b>XI. TANGIBLE ASSETS - GROUP AND FOUNDATION</b>					
	Freehold Property	Furniture & Equipment	Furnishings	Motor Vehicles	Total
COST	£	£	£	£	£
At 31 March 1996	255,970	262,824	34,441	33,978	587,213
Additions	13,651	510	0	22,937	37,098
Disposals	0	0	0	(10,400)	(10,400)
At 31st March 1997	<u>269,621</u>	<u>263,334</u>	<u>34,441</u>	<u>46,515</u>	<u>613,911</u>
DEPRECIATION					
At 31st March 1996	76,702	201,080	23,025	33,978	334,785
Charge for year	8,516	22,582	1,691	5,735	38,524
Disposals	0	0	0	(10,400)	(10,400)
At 31st March 1997	<u>85,218</u>	<u>223,662</u>	<u>24,716</u>	<u>29,313</u>	<u>362,909</u>
NET BOOK VALUE					
At 31st March 1996	£179,268	£61,744	£11,416	£0	£252,428
At 31st March 1997	<u>£184,403</u>	<u>£39,672</u>	<u>£9,725</u>	<u>£17,202</u>	<u>£251,002</u>

The net book value at 31 March 1997 represents fixed assets used for:

Direct charitable purposes	184,403	21,560	9,725	15,482	231,170
Administration	0	18,112	0	1,720	19,832
	<u>£184,403</u>	<u>£39,672</u>	<u>£9,725</u>	<u>£17,202</u>	<u>£251,002</u>

Freehold property comprises expenditure on renovations and improvements. The house and land are valued at NIL since they were acquired by gift. No value has been attributed to this asset as, under the terms of the Trust Deed, it is inalienable.

THE DITCHLEY FOUNDATION

*Notes to the Accounts - 31st March 1997 (continued)*

**XII. INVESTMENTS - GROUP AND FOUNDATION**

	Listed Securities	Short Term Deposits	Investment Properties	Short Leasehold	Total
MARKET VALUE	£	£	£	£	£
At 31st March 1996	14,772,875	1,183,929	0	518	15,957,322
Additions	3,890,611	73,049	777,000	0	4,740,660
Disposals	(4,627,347)	0	0	(518)	(4,627,865)
Net unrealised gains	1,196,349	0	0	0	1,196,349
<b>At 31st March 1997</b>	<b>£15,232,488</b>	<b>£1,256,978</b>	<b>£777,000</b>	<b>£0</b>	<b>£17,266,466</b>
<b>Cost at 31st March 1997</b>	<b>£9,446,005</b>	<b>£1,256,978</b>	<b>£777,000</b>	<b>£0</b>	<b>£11,479,983</b>

Disposals are at opening book value, or cost if acquired during the year. Proceeds of disposals amount to £4,478,480 giving rise to a loss of £148,867.

The investment properties were acquired during the year at open market value which is believed not to have changed by the year end.

**XIII. INVESTMENT IN SUBSIDIARY**

The Foundation's investment in subsidiary relates to a 100% holding of the ordinary share capital of Ditchley Park Conference Centre Ltd, a company incorporated in Great Britain. The principal activity of the company is the provision of guest conference facilities.

**XIV. STOCKS**

	1997		1996	
	Group £	Foundation £	Group £	Foundation £
Wine cellar	31,951	31,951	25,856	25,856
Heating oil	2,547	2,547	1,143	1,143
Publications for resale	10,985	0	6,272	0
	<b>£45,483</b>	<b>£34,498</b>	<b>£33,271</b>	<b>£26,999</b>

**XV. DEBTORS (Due within one year)**

Trade debtors	7,933	0	9,268	9,268
Amount due by subsidiary (Ditchley Park Conference Centre Ltd)	0	14,525	0	2,893
Taxation recoverable	17,311	17,311	21,435	21,435
Prepayments	993	993	1,740	1,740
Accrued Income	33,498	33,498	44,313	44,313
Other	73	73	677	677
	<b>£59,808</b>	<b>£66,400</b>	<b>£77,433</b>	<b>£80,326</b>

THE DITCHLEY FOUNDATION

*Notes to the Accounts - 31st March 1997 (continued)*

XVI. CREDITORS (Due within one year)	1997		1996	
	Group £	Foundation £	Group £	Foundation £
Payments received in advance	98,236	95,257	53,197	51,069
Trade creditors	10,912	10,912	17,828	17,828
Taxation and social security payable	9,493	9,493	8,741	8,741
Other taxation payable	4,253	111	2,829	0
Other	17,560	16,960	19,429	18,829
Provision for repairs	40,000	40,000	40,000	40,000
	<u>£180,454</u>	<u>£172,733</u>	<u>£142,024</u>	<u>£136,467</u>

XVII. SHARE CAPITAL. The liability of members is limited by guarantee and no shares are authorised or issued by the Foundation. Each member undertakes to contribute £1 to the assets of the Foundation in the event of the same being wound up whilst a member, or within one 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.

XVIII. ENDOWMENT FUND	Balance 31 March 1996	Movement in Funds		Balance 31 March 1997
	£	Incoming resources £	Expenditure, gains, losses and transfers £	£
Permanent endowments				
HDH Wills family and family trusts	16,068,949	277,000	1,047,482	17,393,431
Dulverton Travel Fund	100,000	0	0	100,000
	<u>£16,168,949</u>	<u>£277,000</u>	<u>£1,047,482</u>	<u>£17,493,431</u>

The Dulverton Travel Fund was established from a gift by the Dulverton Trust. Under the terms of the gift the income is used to offset the cost of conference participants' travel from overseas. The capital is invested in short term deposits.



THE DITCHLEY FOUNDATION

*Notes to the Accounts - 31st March 1997 (continued)*

**XIX. ANALYSIS OF GROUP NET ASSETS BETWEEN FUNDS**

	Unrestricted funds £	Endowment funds £	1997 Total funds £	1996 Total funds £
Fund balances at 31 March 1997 are represented by:				
Tangible fixed assets	251,002	0	251,002	252,428
Investments	(226,965)	17,493,431	17,266,466	15,957,322
Current assets	290,510	0	290,510	224,120
Current liabilities	(180,454)	0	(180,454)	(142,024)
<b>Total net assets</b>	<b>£134,093</b>	<b>£17,493,431</b>	<b>£17,627,524</b>	<b>£16,291,846</b>
Unrealised gains included above				
On tangible net assets	0	0	0	0
On investment assets (see note A below)	0	5,786,483	5,786,483	5,959,053
<b>Total unrealised gains at 31st March 1997</b>	<b>£0</b>	<b>£5,786,483</b>	<b>£5,786,483</b>	<b>5,959,053</b>
<b>A. Reconciliation of movements in unrealised gains on investment assets</b>				
Unrealised gains at 31 March 1996	0	5,959,053	5,959,053	4,600,272
Deduct: disposals in year	0	(1,368,919)	(1,368,919)	(681,453)
	0	4,590,134	4,590,134	3,918,819
Add: net gains arising on revaluations in year	0	1,196,349	1,196,349	2,040,234
<b>Unrealised gains at 31 March 1997 as above</b>	<b>£0</b>	<b>£5,786,483</b>	<b>£5,786,483</b>	<b>£5,959,053</b>

- XX. Travel Expenses** £3,894.93 was disbursed for travel and associated expenses incurred by five members of the Council of Management while attending to business directly associated with the purposes of the Foundation (1996 - £10,633.24).

## THE DITCHLEY FOUNDATION

(printed to comply with Statement of Recommended Practice for Charities  
issued by the Accounting Standards Committee)

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

The Foundation is registered as a charity with the Charity Commissioners (No. 309657).

The principal object of the Foundation 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'. In pursuing this object it promotes the discussion, study and better understanding of matters of common interest to the British and American peoples, with the participation of other nationalities, particularly from other members of the European Community, as is judged useful in relation to particular topics. The first Anglo-American conferences were held at Ditchley early in 1962.

The Foundation is controlled by a Governing Body composed of the members of the Foundation, who may be designated "Governors". The Governors meet at least once a year, at the Annual General Meeting of the Foundation, to approve the annual report and the 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 the business of the Foundation.

The day-to-day management of the Foundation is conducted by the Director, who is appointed by, and responsible to, the Council of Management.

Copies of the Articles of Association are available for inspection.

The American and Canadian Ditchley Foundations exist under United States and Canadian law respectively with similar purposes and more especially to help the work of the British Foundation.

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## *Report of the Directors*

The directors present their report and the audited financial statements for the year ended 31 March 1997.

### PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The company, Registered No. 1944182, is incorporated in Great Britain. Its principal business activity is the provision of conference facilities for outside bodies. It has also assumed responsibility for the commercial activities of the Ditchley Foundation including, principally, open days, i.e. for visits to Ditchley Park by members of the public during any open period and by individuals and specialist groups at other times by prior arrangement.

A total of four large and three small guest conferences was held during the financial year covered by this report, and these contributed largely to the company's operating profit of £17,258.

### CHARITABLE CONTRIBUTIONS

During the period the company made a contribution of £17,258 to the Ditchley Foundation.

### RESULTS AND DIVIDENDS

The retained profit for the year amounted to £NIL.

The directors do not recommend the payment of a dividend in respect of this year's profits.

### DIRECTORS

Sir Michael Quinlan, GCB.

Brigadier Michael Willis.

### DIRECTORS' INTEREST IN SHARES

None of the directors has had any interest in the shares of the company at any time during the period.

### DIRECTORS' RESPONSIBILITIES

The directors are required by UK company law to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the company as at the end of the financial year and of the profit or loss of the company for that period.

The directors confirm that suitable accounting policies have been used and applied consistently and reasonable and prudent judgements and estimates have been made in the preparation of the financial statements for the year ended 31 March 1997. The directors also confirm that applicable accounting standards have been followed and that the financial statements have been prepared on the going-concern basis.

The directors are responsible for keeping proper accounting records and for taking reasonable steps to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

### AUDITORS

A resolution to reappoint the auditors, Coopers & Lybrand, will be proposed at the annual general meeting.

By order of the Board,

HEATHER WEEKS

Secretary

20th May 1997



THE DITCHLEY PARK CONFERENCE CENTRE LIMITED  
(Registered No: 1944182)

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**REPORT OF THE AUDITORS TO THE MEMBERS  
OF THE DITCHLEY PARK CONFERENCE CENTRE LIMITED**

We have audited the financial statement on pages 26 to 28.

**Respective responsibilities of directors and auditors**

As described on page 24 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

**Basis of opinion**

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

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

**Opinion**

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 31st March 1997 and of its result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

COOPERS & LYBRAND   
Chartered Accountants and Registered Auditors  
Reading  
20th May 1997

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**ACCOUNTING POLICIES**

The financial statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom. A summary of the more important accounting policies is set out below.

**BASIS OF ACCOUNTING**

The accounts are prepared under the historical cost convention.

**STOCKS**

Stocks are valued at the lower of cost and net realisable value. Cost is determined on a weighted average basis.

**TURNOVER**

Turnover is stated net of Value Added Tax, and represents the invoiced value of goods and services supplied.

**CASH FLOW STATEMENT**

The company qualifies as a small company under the terms of section 247 of the Companies Act 1985. As a consequence it is exempt from the requirement under Financial Reporting Standard No. 1, 'Cash Flow Statements', to publish a cash flow statement.

**FINANCIAL REPORTING STANDARD 8**

FRS 8 "Related Party Disclosures" requires the disclosure of the details of material transactions between the reporting entity and any related parties. The new standard came into effect for accounting periods commencing on or after 23 December 1995. The company has adopted the provisions of FRS 8, however transactions between the company and The Ditchley Foundation have not been disclosed in accordance with the exemption in FRS 8 3(c).

THE DITCHLEY PARK CONFERENCE CENTRE LIMITED  
*Profit and Loss Account for Year Ended 31st March 1997*

	1997	1996
	£	£
TURNOVER		
Conference income	66,206	44,800
Visitors' entrance fees	1,780	997
Sale of publications	3,883	780
Other	80	1,405
	<u>£71,949</u>	<u>£47,982</u>
OPERATING EXPENSES		
Management and service fees	50,964	32,167
Printing, stationery and other	91	3,755
Publications for resale	3,036	143
Auditors' remuneration	600	600
	<u>£54,691</u>	<u>£36,665</u>
OPERATING PROFIT	17,258	11,317
PROFIT ON ORDINARY ACTIVITIES	<u>£17,258</u>	<u>£11,317</u>
PAYMENT UNDER DEED OF COVENANT	(£17,258)	(£11,317)
RETAINED PROFIT FOR THE YEAR	<u>£NIL</u>	<u>£NIL</u>

NOTES:

- (1) The results for the years above are derived from continuing operations.
- (2) The company has no recognised gains or losses other than the profits above and therefore no separate statement of total recognised gains and losses has been presented.
- (3) There is no difference between the operating surplus for the years stated above, and their historical cost equivalents.


THE DITCHLEY PARK CONFERENCE CENTRE LIMITED

*Balance Sheet at 31st March 1997*

	Notes	1997 £	1996 £
<b>CURRENT ASSETS</b>			
Stocks	2	10,985	6,272
Debtors	3	7,933	0
Bank balances and cash		3,330	2,180
		<u>22,248</u>	<u>8,452</u>
<b>CURRENT LIABILITIES</b>			
Creditors falling due within one year	4	(22,246)	(8,450)
		<u></u>	<u></u>
<b>NET ASSETS</b>			
		<u>£2</u>	<u>£2</u>
<b>CAPITAL AND RESERVES</b>			
Called-up share capital	5	<u>£2</u>	<u>£2</u>

The financial statements on pages 26 to 27 were approved by the Board of Directors on 20th May 1997 and were signed on their behalf by:

MICHAEL QUINLAN Chairman and  
Managing Director



THE DITCHLEY PARK CONFERENCE CENTRE LIMITED

*Notes to the Accounts*

1.	<b>DIRECTORS AND EMPLOYEES</b>		
		The company has no employees. (1996: NIL)	
		None of the directors received any remuneration during the year (1996: £NIL)	
2.	<b>STOCKS</b>		
		Stocks comprise publications for resale.	
3.	<b>DEBTORS (Due within one year)</b>		
		1997	1996
		£	£
	Trade debtors	7,933	0
		<u>7,933</u>	<u>0</u>
4.	<b>CREDITORS (Due within one year)</b>		
	Payments received on account	2,979	2,128
	Amount owed to parent company	14,525	2,893
	Other taxation payable	4,142	2,829
	Other	600	600
		<u>22,246</u>	<u>8,450</u>
5.	<b>CALLED-UP SHARE CAPITAL</b>		
	Authorised		
	100 ordinary shares of £1 each	£100	£100
		<u>£100</u>	<u>£100</u>
	Issued, allotted, called-up and fully paid		
	2 ordinary shares of £1 each	£2	£2
		<u>£2</u>	<u>£2</u>
6.	<b>ULTIMATE PARENT COMPANY</b>		
	The company's ultimate parent company and ultimate controlling party is The Ditchley Foundation, a company limited by guarantee and incorporated in Great Britain.		