

PRESIDENT

Sir David Wills, CBE, TD, DL

COUNCIL OF MANAGEMENT

Chairman

Sir Antony Acland, GCMG, GCVO

Vice-Chairman

Lord Windlesham, CVO, PC

Members of the Council:

Sir Michael Angus

Baroness Blackstone

HE The Hon William J Crowe, Jr.

The Hon David Douglas-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

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NOTICE OF MEETING

NOTICE OF HEREBY GIVEN that the ANNUAL GENERAL MEETING of the Foundation will be held on Saturday 15 July 1995, 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, 1995.
2. To elect Council Members.
 - (a) The following Member has retired pursuant to Article 36 and, being eligible, offers himself for re-election.

HE DR JÜRGEN OESTERHELT

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

ANTHONY LOEHNIS
BRYAN MAGEE
LORD TUGENDHAT
BARONESS WARNOCK
BARONESS YOUNG

3. To reappoint the auditors, Coopers & Lybrand.
4. To transact any other business.

Dated this twentieth day of June 1995

By order of the Council of Management
HEATHER WEEKS

Secretary

Ditchley Park
Enstone
Chipping Norton
Oxfordshire

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 behalf. A proxy need not be a member of the Foundation.

Report of the Chairman of the Council of Management

We have had in the financial year 1994/95 our customary total of fifteen conferences. They covered what was, even for Ditchley, an exceptionally diverse range of themes; and Governors will know from the Director's Reports regularly circulated with the thrice-yearly Newsletter that all fifteen have been fruitful. This is a continuing tribute to the leadership provided by a distinguished sequence of Conference Chairmen, as well as the efforts of working-group chairmen and rapporteurs. All have the Council's warmest thanks.

In April this year both the President and I were able to attend Ditchley's first-ever conference on the continent of Europe. The former President of Germany, Dr Richard von Weizsäcker, took the chair of a notable gathering in beautiful surroundings in Bavaria, made available through the generous support of Deutsche Bank. In the following month we renewed agreeably, at a new venue in Illinois, our much-valued cooperation with the Chicago Council on Foreign Relations.

There are three changes to report in the composition of the Council. We welcome Sir Michael Angus to membership; and we say *au revoir* to Dr Peter Hartmann, who relinquished in the spring his post as German Ambassador in London in order to take up that of State Secretary at the Ministry of Foreign Affairs in Bonn. We thank him for his keen interest, and wish him well in his new responsibilities. Sir Nicholas Henderson has resigned from the Council; we shall miss his wise advice there, but happily he remains a Governor.

We welcome as Governors HE Dr Jürgen Oesterhelt, the new Ambassador of Germany; HE The Hon Royce Frith, QC, High Commissioner for Canada; and HE Signor Paolo Galli, in succession as Italian Ambassador to Count Giacomo Attolico, for whose association with us we have been most grateful.

Three Governors have chosen to retire - Mr Frank J Cumiskey, Mr John Edmonds and Lord Murray of Epping Forest. They take with them our warm thanks for their interest and support over the years.

We have heard with particular sorrow of the death during the past year of two stalwarts of the Foundation's early years - Sir Patrick Dean, a Governor from the start and Chairman of the Programme Committee through the 1970s; and Sir Michael Stewart, the Foundation's second Director. We have also sadly lost Lord Goodman and Lord Shackleton, Governors for a long period, and Sir Alastair Pilkington, not only a Governor but also a member of the Council of Management for several years.

American Ditchley's year has been marked by the resignation of the Hon Cyrus Vance as Chairman of the Board, though to our great satisfaction he remains a Member. His leadership has been an immense asset for over fourteen years, and Ditchley is deeply in his debt. In succession to him we welcome the Hon John Brademas, a long-standing supporter of Ditchley; and we are keenly grateful for his enthusiastic involvement. We welcome to the Secretaryship of American Ditchley Mr George W Newcombe, and to membership of the Advisory Council Mr James Chace, Mr Richard C Leone, Mrs Wendy W Luers, Dr Jessica Tuchman Matthews, Dr Rodney W Nichols, Ms Margaret Osmer-McQuade and Professor Seymour Topping. Mr Colin G Campbell has

resigned from the Board of Directors and Dr Lincoln Gordon from the Advisory Council; we thank them for their service. We were saddened to learn of the death last year of the Hon Charles E Saltzman, long a member of the Advisory Council.

As everyone who attends our conferences knows, the staff at Ditchley continue to maintain admirable standards in every way, and I extend to them the Council's warmest thanks. We are greatly indebted too to all those at American and Canadian Ditchley who support the conferences and sustain recruitment to them so well. We offer a special tribute to Mr John Banks, who completed last autumn twenty-five years of dedicated work reaching back to the foundation of Canadian Ditchley. We are most grateful too for the efforts of our correspondents in Paris, Bonn, Tokyo and Canberra.

We have reason once more to be grateful to the firms and other institutions whose donations continue to play a crucial part in sustaining the weight and quality of the Foundation's work, and the spread of participation in our programme. We draw both material support and welcome encouragement from their generosity, which testifies to the continuing relevance and importance of the Foundation's work.

The Director's Report

The 1994/95 range of conferences has again been varied, the quality of those attending has remained high, and the continuing efficacy of the Ditchley pattern has proved itself consistently. The character of our themes, as it happens, has not brought in the ex-Communist countries quite as frequently as in 1993/94, but that is a temporary factor; and we reached out more diversely in other directions. During the twelve months formally covered by this report we have had chairmen from seven different countries and participants from thirty-three and from nine international organisations, all these figures being higher even than last year's notable levels. A typical conference will reflect ten or more different origins, to the enrichment of the discussions. We are, as always, much indebted to Deutsche Bank, the German Marshall Fund of the United States and the Dulverton Trust for their support with travel costs; and to American and Canadian Ditchley for the unfailing standards which their efforts keep up in recruiting and financing the transatlantic contingents whose attendance remains cardinal to the Foundation's purpose. I pay tribute also to those who help our recruitment in other countries, notably Hans-Heinrich Noebel in Bonn and Diana Geddes in Paris. I have continual reason to be grateful for advice and help readily given by members of the British Diplomatic Service at home and abroad.

Governors will have received, with regular Newsletters, copies of my reports on the various conferences, and there is accordingly no need to traverse them all in detail here. Any selection from among them must be subjective, but I note in particular the stimulating pair of conferences - one led by our first chairman from New Zealand, the second by our first from Japan - which considered the condition, prospects and challenges of the United Nations at the end of its initial half-century; a conference (possibly Ditchley's first) on the Western Mediterranean, agreeably marked by a particularly high level of French participation; and a notable gathering to look afresh, under Lord Carrington's chairmanship, at the future of the North Atlantic Alliance in new circumstances.

In April we made our début very successfully on the continent of Europe, helped by the generosity of Deutsche Bank in making available to us the splendid hospitality of their country club in Bavaria, and, by the distinguished presence of former President Richard von Weizsäcker in the chair. In May we enjoyed again, in fine surroundings west of Chicago, our established and fruitful collaboration with the Chicago Council on Foreign Relations.

A glance at the conference schedule later in this Report will show that the eminence of our successive conference chairmen needs no underlining. We are keenly grateful to them for their involvement and their skill; and also to those conference participants whose services in the chair or as rapporteurs of working groups are so essential to the success of the Ditchley formula.

That formula itself, for all its experience-proven value, is one we keep under careful review, and we weigh carefully the possibilities for improving it. Neither our own consideration, however, nor the consultation we seek with our participants leads us to believe that modifications - for example to starting or finishing times - would offer net advantage.

The Mansion

Work continues steadily on the maintenance of and improvements to the mansion, with some notable advances. From the West Wing terrace a splendid bust of Sir Winston Churchill - generously donated jointly by Mr and Mrs Glen Moreno and by our President and Lady Wills, in commemoration of Sir Winston's historic links with the mansion - now gazes genially and aptly westward, over the rehabilitated Jellicoe Pool with its handsome water-lilies. Internally we have completed the work on the Saloon's magnificent ceiling and entablatures and, under expert guidance arranged for us by Dr Catherine Wills, we have re-distributed our fine collection of pictures to more vivid effect. In the summer the programme of rewiring was completed with the refurbishment of the West Wing. Concurrently with this work other much-needed improvements were made to the West Wing colonnade, undercroft, kitchen and plumbing systems.

Staff

It is hard to find new words in which to convey my gratitude for the huge support which the Foundation receives from the commitment, the loyalty and the good-humoured efficiency of our staff at all levels. The tributes which flow in after every conference testify to their value. We are fortunate too in the stability of their service with us. Most have been with us for long periods, and in the spring we saluted twenty-five years at Ditchley by Roger Williams, whose work as head of our maintenance team is reflected in the admirable standards apparent throughout the mansion. Sadly, we say goodbye after this year's Annual Lecture to Mrs Hazel Lloyd, whose calm efficiency as Assistant Bursar has been of unflagging reassurance to both her colleagues and our visitors; we offer her our warm thanks and good wishes.

Financial Review

The principal feature of this year has been the transformation of a forecast deficit of £58,750 into a surplus of £46,592. The surplus has enabled us to make a provision of £46,000 towards the cost of the planned 1995/96 works programme, estimated at £80,000. This programme includes a much-needed enhancement to the bathroom facilities on the top floor of the mansion, in addition to a number of other essential maintenance projects.

The major reasons for the satisfactory 1994/95 result included an unforeseen increased dividend from an investment; extra income from an in-year decision to switch from index-linked to conventional stock; and continuation of interest from the capital earmarked for the purchase of further land, due for completion in this financial year but deferred into 1995/96. In addition a number of smaller but collectively significant economies have been made in our general running expenses.

Major works projects completed during the year were structural repairs to the West Wing colonnade and undercroft; rewiring and upgrading the kitchen and plumbing in the West Wing; redecoration of the Saloon; improvements to the heating in the West Wing Drawing Room; and the external redecoration of the East Wing and the east elevation of the mansion. The total cost of this work charged to Income and Expenditure amounted to £99,262 after the capitalisation of a proportion of the costs of upgrading the West Wing kitchen.

Capital expenditure of some £34,000 also included upgrading the office computer system, replacing the obsolescent telephone system and photocopier, and buying new beds.

For the future, it is likely that an annual investment in excess of £60,000 for the next decade or so will be necessary to fund the maintenance programme. Our ability to underwrite this work and sustain and develop our charitable purposes will continue to depend on the buoyancy of our invested endowment funds and on support from our generous benefactors.

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 1995.

Principal activities and business review

The consolidated profit and loss 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 page 3 and the Director's Report on page 4.

Result for the year

In accordance with the Memorandum of Association, no dividends may be paid to Members. The surplus for the year of £592 (1994: £434) will be transferred to reserves.

Directors

The Members of the Council of Management are listed on page 1. HE Dr Peter Hartmann has resigned during the year.

The Members of Council retiring by rotation at the Annual General Meeting are Mr Anthony Loehnis, Mr Bryan Magee, Lord Tugendhat, Baroness Warnock and Baroness Young, who being eligible offer themselves for reappointment. HE Dr Jürgen Oesterhelt retires pursuant to Article 36 and being eligible offers himself for reappointment. Sir Nicholas Henderson also retired by rotation on 4 April 1995 and is not offering himself for re-election.

Changes in fixed assets

The movements of fixed assets during the year are set out in note IX to the financial statements.

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 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 (having the powers of directors under the Articles of Association) 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 1995. 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
16 May 1995



The Conference Programme

Concluding Phase of the 1993-94 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 five conferences, during the period April-July 1994, fell during the financial year 1994-95 but were included in the list of conferences contained in last year's annual report.

The 1994-95 Conference Programme

<i>1994</i>	<i>Title</i>	<i>Chairman</i>
September 16-18	International migration and population pressures.	Ambassador Dr Hans Arnold
September 30 -October 2	Co-operation and security in the Western Mediterranean.	Dr Miguel Herrero de Miñón
October 21-23	Science, public purposes and wealth creation: roles for Government and business.	Sir Ronald Oxburgh
November 4-6	Protecting individual and minority rights: options and implications.	Professor Rosalyn Higgins
November 18-20	The future of the North Atlantic Alliance.	Lord Carrington
December 2-4	The U.N. at fifty: its role in security.	Mr Denis McLean
<i>1995</i>		
January 20-22	The management of large cities in the developed world.	The Hon David Dinkins
February 3-5	The Gulf: problems and prospects.	Lord Wright of Richmond
February 24-26	Sustainable development: problems, progress and prospects.	Sir Crispin Tickell
March 17-19	The U.N. at fifty: identity, finance, working and public support.	Ambassador Hisashi Owada

<i>1995</i>	<i>Title</i>	<i>Chairman</i>
April 7-9	Advances in genetic science: issues for public policy.	Professor James Watson
April 28-30	Germany five years after unification: external role, external perceptions. (A conference jointly sponsored by Deutsche Bank, in Bavaria)	Dr Richard von Weizsäcker
May 11-13	The role, function and regulation of political parties. (A joint conference with the Chicago Council on Foreign Relations, near Chicago)	Mr John Rielly
June 9-11	The advance of women to influence and leadership in developed societies.	Lady Howe of Aberavon
June 30 -July 2	Corruption in democratic societies: patterns, implications, remedies.	The Hon John Brademas

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 19.

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 consider 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 1995 and of the operating surplus and source and application of funds 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

16th May 1995

THE DITCHLEY FOUNDATION

ACCOUNTING POLICIES

1. Basis of Accounting - The Foundation prepares its annual accounts on the historical cost basis of accounting.
2. Basis of Consolidation The consolidated profit and loss account and balance sheet include the financial statements of the company and its subsidiary undertaking. Intra-group charges are eliminated fully on consolidation.
3. Freehold Property - The house and land at Ditchley Park, acquired by gift, are not valued. Expenditure on renovation and improvements is at cost less depreciation.
4. Depreciation and Amortisation - Depreciation is calculated to write off, by equal instalments, the cost of tangible fixed assets over their useful lives, which are estimated to be:
 - Renovation and improvements to freehold property - Between 20 and 40 years
 - Furniture, Equipment and Furnishings - Between 5 and 10 years
 - Motor Vehicles - 4 yearsShort leaseholds are amortised by writing off each leasehold over its remaining life by equal instalments.
5. Investments - Investments are held at cost. Provision is made for any permanent diminution in the value of individual investments.
6. Stocks - Stocks are valued at the lower of cost and net realisable value. Cost is determined on a weighted average basis.
7. 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.
8. Income - Income is accounted for on an accruals basis. Dividends are accounted for by reference to the declared payment date. Donations are accounted for in the period in which they are received. Guest conference income excludes value added tax and represents the invoiced value of goods and services supplied.
9. Endowment - Gifts for the Endowment are credited to the Endowment Fund.
10. Cash Flow Statement - The Foundation 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. However, the Council believes that a statement of source and application of funds continues to provide useful information and it is therefore included in the accounts.

THE DITCHLEY FOUNDATION

Consolidated Income and Expenditure Account for Year Ended 31st March 1995

		Note	1995 £	1994 £
INCOME				
DIVIDENDS, INTEREST AND RENTS		I	672,429	606,918
DONATIONS		II	85,135	94,114
GUEST CONFERENCES			65,942	87,794
OTHER			4,997	23,145
			<u>£828,503</u>	<u>£811,971</u>
EXPENDITURE				
ADMINISTRATION	Executive and office staff costs	III	196,590	197,385
	Non-staff costs	V	83,564	89,063
			<u>280,154</u>	<u>286,448</u>
ESTABLISHMENT	Household and services staff costs	III	129,165	123,624
	Non-staff costs - Repairs	VI	141,469	130,317
	- Other	VII	64,374	60,681
			<u>335,008</u>	<u>314,622</u>
CONFERENCES	Costs of extra staff	III	41,905	43,697
	Non-staff costs	VIII	106,723	105,208
			<u>148,628</u>	<u>148,905</u>
DEPRECIATION	Tangible assets and leasehold	IX, X	33,747	31,403
VALUE ADDED TAX			<u>30,374</u>	<u>30,159</u>
TOTAL			<u>£827,911</u>	<u>£811,537</u>
OPERATING SURPLUS TRANSFERRED TO ACCUMULATED FUND				
		XV	<u>£592</u>	<u>£434</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) Movements on the Endowment Fund are shown in Note XIV. The Foundation has no other recognised gains or losses other than those included in the movements above, and therefore no separate statement of total recognised gains and losses has been presented.
- (4) There is no difference between the operating surplus for the years stated above, and their historical cost equivalents.

THE DITCHLEY FOUNDATION
Balance Sheets at 31st March 1995

	Note	1995		1994	
		Group £	Foundation £	Group £	Foundation £
FIXED ASSETS					
Tangible assets	IX	244,478	244,478	243,250	243,250
Investments	X	9,186,791	9,186,791	8,513,388	8,513,388
Investment in subsidiary	X	-	2	-	2
		<u>9,431,269</u>	<u>9,431,271</u>	<u>8,756,638</u>	<u>8,756,640</u>
CURRENT ASSETS					
Stocks	XI	31,241	30,446	36,436	35,370
Debtors	XII	92,127	91,179	68,445	68,414
Bank balances and cash		102,957	98,859	66,491	48,745
		<u>226,325</u>	<u>220,484</u>	<u>171,372</u>	<u>152,529</u>
CURRENT LIABILITIES					
Creditors falling due within one year	XIII	(137,341)	(131,502)	(114,935)	(96,094)
		<u>88,984</u>	<u>88,982</u>	<u>56,437</u>	<u>56,435</u>
NET CURRENT ASSETS					
		<u>88,984</u>	<u>88,982</u>	<u>56,437</u>	<u>56,435</u>
TOTAL ASSETS LESS CURRENT LIABILITIES					
		<u><u>£9,520,253</u></u>	<u><u>£9,520,253</u></u>	<u><u>£8,813,075</u></u>	<u><u>£8,813,075</u></u>
SHARE CAPITAL					
		Nil	Nil	Nil	Nil
RESERVES					
ENDOWMENT FUND	XIV	9,397,733	9,397,733	8,691,147	8,691,147
ACCUMULATED FUND	XV	122,520	122,520	121,928	121,928
		<u><u>£9,520,253</u></u>	<u><u>£9,520,253</u></u>	<u><u>£8,813,075</u></u>	<u><u>£8,813,075</u></u>

The accounts on pages 11 to 19 were approved by the Council of Management on 16th May 1995 and were signed on its behalf by:

ANTONY ACLAND

Chairman of the
Council of Management



16th May 1995

THE DITCHLEY FOUNDATION

Consolidated Source and Application of Funds - Year Ended 31st March 1995

	1995 Group £	1994 Group £
SOURCE OF FUNDS		
Surplus from Income and Expenditure Account	592	434
Adjustment for items not involving the movement of funds:		
Depreciation and amortisation	33,747	31,403
	<hr/>	<hr/>
Total funds generated from operations	34,339	31,837
Funds from other sources:		
Surplus on the sale of investments	681,586	165,084
Donation to Endowment	25,000	25,000
	<hr/>	<hr/>
	706,586	190,084
	<hr/>	<hr/>
TOTAL INFLOW OF FUNDS	740,925	221,921
	<hr/>	<hr/>
APPLICATION OF FUNDS		
Acquisition of investments (net)	674,088	192,821
Purchase of tangible assets (net)	34,290	50,862
	<hr/>	<hr/>
	708,378	243,683
	<hr/>	<hr/>
NET SOURCE/(APPLICATION) OF FUNDS REPRESENTING AN INCREASE/(DECREASE) IN WORKING CAPITAL	<u>£32,547</u>	<u>£(21,762)</u>
COMPRISING		
(Decrease) in stocks	(5,195)	(3,050)
Increase/(Decrease) in debtors	23,682	(30,657)
(Increase) in creditors	(22,406)	(19,709)
	<hr/>	<hr/>
	(3,919)	(53,416)
Net movement in liquid funds:		
Increase in bank balances and cash	36,466	31,654
	<hr/>	<hr/>
	<u>£32,547</u>	<u>£(21,762)</u>

THE DITCHLEY FOUNDATION

Notes to the Accounts - 31st March 1995

	1995	1994
I. DIVIDENDS, INTEREST AND RENTS	£	£
Dividends on listed investments	596,616	542,727
Interest on short term deposits	71,753	60,836
	<u>668,369</u>	<u>603,563</u>
Rents - short leasehold	2,680	2,680
- other	1,380	675
	<u>£672,429</u>	<u>£606,918</u>
II. DONATIONS		
For general purposes	68,098	75,810
Earmarked	17,037	18,304
	<u>£85,135</u>	<u>£94,114</u>
III. STAFF COSTS		
Expenditure includes the following amounts in respect of staff costs:		
Salaries and wages	322,808	319,674
Social security costs	27,390	28,018
Other pension costs	17,462	17,014
	<u>£367,660</u>	<u>£364,706</u>
The average weekly number of staff employed during the year was:	No.	No.
Administration	9	9
Establishment	19	19
Conference	8	8
	<u>36</u>	<u>36</u>

Note:

None of the Council of Management received any emoluments during the year (1994: £NIL)

IV. 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 III.

THE DITCHLEY FOUNDATION

Notes to the Accounts - 31st March 1995 (continued)

	1995	1994
	£	£
V. ADMINISTRATION - NON-STAFF COSTS		
Travelling	12,606	5,406
Representation abroad	14,801	14,562
Postage and telephones	10,379	12,460
Maintenance of office equipment	3,245	3,932
Printing, stationery and office expenses	6,860	8,219
Vehicle running costs	5,487	5,332
Auditors' remuneration (Foundation £5,650 (1994: £5,000))	6,250	5,600
Architects' and surveyors' fees	11,000	12,009
Other professional fees	8,910	8,759
Bank charges	2,016	4,167
General expenses	2,010	8,617
	<u>£83,564</u>	<u>£89,063</u>
VI. ESTABLISHMENT - REPAIRS		
Buildings - major works	99,262	77,357
- provision for 1993/94	-	(48,000)
- provision for 1994/95	(56,450)	56,450
- provision for 1995/96	46,000	-
	<u>88,812</u>	<u>85,807</u>
- general repairs and maintenance	17,424	13,523
Repairs and renewals of furniture and equipment	19,402	27,395
Upkeep and maintenance of roads and gardens	4,478	3,592
The Churchill bust (funded by earmarked donations)	11,353	-
	<u>£141,469</u>	<u>£130,317</u>
VII. ESTABLISHMENT - NON-STAFF COSTS - OTHER		
Heating and lighting	20,090	23,708
Insurance	33,218	26,051
Rates and water	6,159	5,737
Household and cleaning	4,907	5,185
	<u>£64,374</u>	<u>£60,681</u>
VIII. CONFERENCES - NON-STAFF COSTS		
Catering	38,421	42,628
Participants' travel costs - to UK	43,286	35,314
(partly funded by earmarked donations)		
Participants' travel costs - from UK	4,543	2,544
Publications	3,252	3,224
Other conference expenditure	17,221	21,498
	<u>£106,723</u>	<u>£105,208</u>

THE DITCHLEY FOUNDATION

Notes to the Accounts - 31st March, 1995 (continued)

IX. TANGIBLE ASSETS - GROUP AND FOUNDATION					
	Freehold Property	Furniture & Equipment	Furnishings	Motor Vehicles	Total
COST	£	£	£	£	£
At 1st April 1994	211,474	248,155	53,341	33,978	546,948
Additions	16,496	17,794	-	-	34,290
Disposals	-	(6,871)	-	-	(6,871)
At 31st March 1995	227,970	259,078	53,341	33,978	574,367
DEPRECIATION					
At 1st April 1994	60,276	169,756	42,288	31,378	303,698
Charge for year	8,251	17,999	4,212	2,600	33,062
Disposals	-	(6,871)	-	-	(6,871)
At 31st March 1995	68,527	180,884	46,500	33,978	329,889
NET BOOK VALUE					
At 31st March 1994	£151,198	£78,399	£11,053	£2,600	£243,250
At 31st March 1995	£159,443	£78,194	£6,841	-	£244,478

Notes:

1. Freehold property comprises expenditure on renovations and improvements. The house and land are valued at NIL since they were acquired by gift.

2. Leasehold properties are held as investments and are shown in note X.

X. INVESTMENTS - GROUP AND FOUNDATION

	Listed Securities	Short Term Deposits	Short Leasehold	Total
COST	£	£	£	£
At 1st April 1994	7,534,696	976,804	22,389	8,533,889
Additions	2,865,629	3,835,701	-	6,701,330
Disposals	(3,008,504)	(3,018,738)	-	(6,027,242)
At 31st March 1995	7,391,821	1,793,767	22,389	9,207,977
AMORTISATION				
At 1st April 1994			20,501	20,501
Charge for the year			685	685
At 31st March 1995			21,186	21,186
COST/NET BOOK VALUE				
At 31st March 1994	£7,534,696	£976,804	£1,888	£8,513,388
At 31st March 1995	£7,391,821	£1,793,767	£1,203	£9,186,791
MARKET VALUE				
At 31st March 1994	£13,358,496	£976,804	£1,700	£14,337,000
At 31st March 1995	£11,992,093	£1,793,767	£1,400	£13,787,260

Note: 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 and registered in England and Wales. The principal activity of the company is the provision of guest conference facilities.

THE DITCHLEY FOUNDATION

Notes to the Accounts - 31st March, 1995 (continued)

		1995		1994	
		Group £	Foundation £	Group £	Foundation £
XI.	STOCKS				
	Wine cellar	28,608	28,608	31,789	31,789
	Heating oil	1,838	1,838	3,581	3,581
	Publications for resale	795	-	1,066	-
		<u>£31,241</u>	<u>£30,446</u>	<u>£36,436</u>	<u>£35,370</u>
XII.	DEBTORS (Due within one year)				
	Trade debtors	11,906	1,375	1,367	1,336
	Amount due by subsidiary (Ditchley Park Conference Centre Ltd)	-	9,583	-	-
	Taxation recoverable	35,525	35,525	29,250	29,250
	Prepayments	1,640	1,640	7,253	7,253
	Accrued income	42,066	42,066	29,978	29,978
	Other	990	990	597	597
		<u>£92,127</u>	<u>£91,179</u>	<u>£68,445</u>	<u>£68,414</u>
XIII.	CREDITORS (Due within one year)				
	Payment received on account	14,096	12,394	5,351	500
	Trade creditors	45,675	45,675	15,665	15,665
	Taxation and social security payable	9,708	9,708	7,715	7,715
	Other taxation payable	3,537	-	11,069	2,302
	Other	18,325	17,725	18,685	13,462
	Provision for repairs	46,000	46,000	56,450	56,450
		<u>£137,341</u>	<u>£131,502</u>	<u>£114,935</u>	<u>£96,094</u>

THE DITCHLEY FOUNDATION

Notes to the Accounts - 31st March, 1995 (continued)

XIV. ENDOWMENT FUND	Balance at 1st April 1994 £	Additions during year £	Balance at 31st March 1995 £
Original Endowment by H.D.H. Wills, Esq., augmented by profits on sales of investments up to 31st March 1972	274,319	-	274,319
Gift by Trustees of H.D.H. Wills 1960 Charitable Trust	1,806,404	-	1,806,404
Bequest by the late Martin Wills, Esq.	2,000,000	-	2,000,000
Gift by the Dulverton Trust specifically for travel to conferences by invited participants (the Travel Fund)	75,000	25,000	100,000
Other benefactions, augmented by profits on sales of investments up to 31st March 1972	222,707	-	222,707
Net profit on sales of investments and interests in short leaseholds since 31st March 1972	4,269,238	681,586	4,950,824
Rent from leasehold	43,479	-	43,479
	<u>£8,691,147</u>	<u>£706,586</u>	<u>£9,397,733</u>
XV. ACCUMULATED FUND		1995 £	1994 £
Balance at 1st April		121,928	121,494
Transfer from Income and Expenditure Account		592	434
Balance at 31st March		<u>£122,520</u>	<u>£121,928</u>

Directors' Report

The directors present their report and the audited financial statements for the year ended 31 March 1995.

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 seven guest conferences was held during the financial year covered by this report, and these contributed largely to the company's operating profit of £14,147.

Charitable contributions

During the period the company made a contribution of £14,147 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 1995. 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 the group 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
16th May 1995



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

We have audited the financial statement on pages 22 to 24.

Respective responsibilities of directors and auditors

As described on page 20 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 consider 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 1995 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
16th May 1995

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.

THE DITCHLEY PARK CONFERENCE CENTRE LIMITED
Profit and Loss Account for Year Ended 31st March 1995

	1995 £	1994 £
TURNOVER		
Conference income	65,942	87,794
Visitors' entrance fees	1,021	612
Sale of publications	599	616
Other	47	18,098
	<u>£67,609</u>	<u>£107,120</u>
OPERATING EXPENSES		
Management and service fees	52,304	65,407
Printing, stationery and other	287	6,015
Publications for resale	271	226
Auditors' remuneration	600	600
	<u>£53,462</u>	<u>£72,248</u>
OPERATING PROFIT	14,147	34,872
INTEREST RECEIVABLE	-	197
PROFIT ON ORDINARY ACTIVITIES	£14,147	£35,069
PAYMENT UNDER DEED OF COVENANT	(£14,147)	(£35,069)
RETAINED PROFIT FOR THE YEAR	<u>£NIL</u>	<u>£NIL</u>

NOTES:

- (1) The results for the years above are derived from continuing activities.
- (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 1995

	Notes	1995 £	1994 £
CURRENT ASSETS			
Stocks	2	795	1,066
Debtors	3	10,531	31
Cash in bank and in hand		4,098	17,746
		<u>£15,424</u>	<u>18,843</u>
CURRENT LIABILITIES			
Creditors falling due within one year	4	15,422	18,841
NET ASSETS		<u>£2</u>	<u>£2</u>
CAPITAL AND RESERVES			
Called-up share capital	5	<u>£2</u>	<u>£2</u>

The financial statements on pages 22 to 24 were approved by the Board of Directors on 16th May 1995 and were signed on their behalf by:

MICHAEL QUINLAN Chairman and
Managing Director

M. J. Quinlan

THE DITCHLEY PARK CONFERENCE CENTRE LIMITED

Notes to the Accounts

1. DIRECTORS AND EMPLOYEES

The company has no employees. (1994: NIL)

None of the directors received any remuneration during the year (1994: £NIL)

2. STOCKS

Stocks comprise publications for resale.

3. DEBTORS (Due within one year)

	1995	1994
	£	£
Trade debtors	10,531	31

4. CREDITORS (Due within one year)

Payments received on account	1,702	4,851
Amount owed to parent company	9,583	-
Other taxation payable	3,537	8,767
Other	600	5,223
	<u>£15,422</u>	<u>£18,841</u>

5. CALLED-UP SHARE CAPITAL

Authorised		
100 (1994: 100) ordinary shares of £1 each	£100	£100
Issued, allotted, called-up and fully paid		
2 ordinary shares of £1 each	£2	£2

6. ULTIMATE PARENT COMPANY

The company's ultimate parent company is The Ditchley Foundation, a company limited by guarantee and incorporated in Great Britain and registered in England and Wales.

We hereby certify this to be a true copy
of the Accounts for the year 1994/95,
the Auditor's Report thereon
and the Report of the Council of Management.

W.E. Ginter.....Director

..Director

Jason Weeks.....Secretary

Secretary

30 August 1995