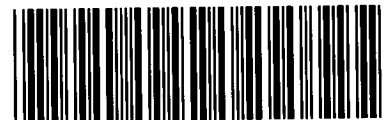


THE DITCHLEY FOUNDATION

THE COUNCIL'S ANNUAL REPORT AND ACCOUNTS 2016-2017

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TABLE OF CONTENTS

The Ditchley Foundation

Notice of Meeting	page 2
Office Holders, Trustees and Committee Members	page 3
Finance and General Purposes Committee	page 4
Investment Sub-Committee	page 4
Programme Committee	page 5
Business Committee	page 5
Aims, Objectives, Activities and their Public Benefit	page 6
The Conference Programme	page 7
Report of the Chairman on Achievement and Performance	page 8
Report of the Director	page 10
Participation and Impact	page 13
Plans for the Future	page 14

The Trustees' Annual Report

Financial Review	page 16
Structure, Governance and Management	page 17
Trustees' Responsibilities	page 20

Consolidated Accounts

Report of the Auditors	page 21
Consolidated Statement of Financial Activities	page 23
Consolidated Balance Sheet	page 24
Charity Balance Sheet	page 25
Consolidated Cash Flow Statement	page 26
Notes to the Accounts	page 27

THE DITCHLEY FOUNDATION

Charity Number: 309657 Company Number: 599389

Registered Office:

The Ditchley Foundation, Ditchley Park, Enstone, Chipping Norton, Oxfordshire. OX7 4ER

NOTICE OF MEETING

NOTICE IS HEREBY GIVEN that the ANNUAL GENERAL MEETING of the Foundation will be held on Saturday 8 July, 2017 at 2.15pm at Ditchley Park, Enstone, Chipping Norton, Oxfordshire.

BUSINESS:

1. To receive the Statement of Accounts and Report of the Council of Management for the year ended 31 March, 2017.
2. a) The following resolution to elect Council Members will be put to the Annual General Meeting:

Pursuant to Article 36, the following are elected to the Council:

THE RT HON LORD HILL OF OAREFORD CBE PC
MS EMMA REYNOLDS

- b) The following resolution to elect Council Members will be put to the Annual General Meeting:

Pursuant to Article 42, the following Council Members have retired at the end of their current term and, being eligible, offer themselves for re-election:

MR CHARLES GRANT CMG
THE RT HON BARONESS JOWELL DBE
MS BRONWEN MADDOX
SIR NIGEL SHEINWALD GCMG
DR CATHERINE WILLS

3. A resolution to re-appoint *James Cowper Kreston* as auditors for the year ending 31 March 2018 will be put to the Annual General Meeting.
4. To transact any other business.

Dated this 14th day of June, 2017

By order of the Council of Management
KATIE WILLIAMS

Secretary



Ditchley Park,
Enstone, Chipping Norton,
Oxfordshire. OX7 4ER.

NOTE:

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

Office Holders, Trustees and Committee Members

HONORARY LIFE PRESIDENT

Lady Wills JP

COUNCIL OF MANAGEMENT

[Trustees of the Foundation]

Chairman

The Right Honourable Lord Robertson of Port Ellen KT GCMG Hon. FRSE

Vice-Chairman

Mr Philip Stephens

Members of the Council

The Lord Aldington

* His Excellency Dr Peter Ammon

The Lord Bilimoria of Chelsea CBE DL

The Lord Chadlington of Dean

* Her Excellency Ms Janice Charette

Mr Charles Grant CMG

The Rt Hon Mr Dominic Grieve QC

The Lord Hennessy of Nympsfield FBA

Mr Joseph Johnson MP

The Right Honourable the Baroness Jowell DBE

Professor Sir David King FRS FRSC

Ms Rachel Lomax

Ms Bronwen Maddox

Dr Pippa Malmgren

Mr Paul Newman

Sir Nigel Sheinwald GCMG

Sir Martin Smith

Dr Catherine Wills

Secretary

Ms Katie Williams

** The Ambassador for Germany and the High Commissioner for Canada, serve as ex-officio members of the Council of Management for the duration of their tenure as representatives to the Court of St James.*

THE FOUNDATION'S EXECUTIVE STAFF

Director: Mr James Arroyo OBE

Bursar: Colonel Mike Montagu

Communications Officer and Company Secretary: Ms Katie Williams

Auditors: James Cowper Kreston

Bankers: Barclays Bank plc, Oxford

Investment Managers: Partners Capital LLP

Solicitors: Herbert Mallam Gowers & Co., Oxford

FINANCE AND GENERAL PURPOSES COMMITTEE

Chairman

The Lord Aldington

Members

Mr James Arroyo OBE

Ms Rachel Lomax

Mr Paul Newman

Mrs Elizabeth Padmore

Dr Catherine Wills

Secretary

Colonel Mike Montagu

INVESTMENT SUB-COMMITTEE

Chairman

Mr Nicholas Ferguson

Members

The Lord Aldington

Mrs Elizabeth Padmore

Secretary

Colonel Mike Montagu

PROGRAMME COMMITTEE

Chairman

Mr Charles Grant CMG

Members

Mr Bim Afolami
Mr James Arroyo OBE
Ms Tania Freiin von Uslar-Gleichen
Dr Dougal Goodman OBE FREng
The Lord Hennessy of Nympsfield FBA
Lady Judge CBE
Dr Ian Kearns
Mr Alan Kessel
Mr Jonathan Lacôte
Ms Elizabeth Linder
Mr Lewis Lukens
Mr Peter Mather
Dr Edwina Moreton OBE
Mr Rajay Naik
Mr Yo Osumi
Professor Sir Adam Roberts KCMG FBA
Dr Liane Saunders
Mr Shao Zheng
Mr Rory Stewart OBE
Ms Jo Swinson MP
Mrs Xenia Wickett
Dr Catherine Wills

Secretary

Ms Katie Williams .

BUSINESS COMMITTEE

Chairman

The Lord Bilimoria of Chelsea CBE DL

Members

The Lord Aldington
The Right Honourable Baroness Bottomley DL
Lady Judge CBE
Dr Philippa Malmgren
Sir Richard Mottram GCB
Mrs Elizabeth Padmore
Mr John Weston CBE

Secretary

Mrs Yvonne Arnold

The Trustees' Annual Report

Aims, Objectives, Activities and their Public Benefit

The overarching aim 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”. More specifically its objectives are the advancement of education and improvement of public policy-making in the UK, North America and beyond. It thereby benefits the public in all those countries and regions.

The Ditchley Foundation brings global doers and thinkers together to develop big ideas on tough problems and the networks to implement them. Ditchley's unique strength is its power to convene and sustain the frank conversations that are needed to address the complex problems that face the world today. We generate creative solutions by convening opposing views in an atmosphere of trust. Our blend of intellectual rigour, informality and discretion, in an unique setting, brings new understanding, fresh thinking and better decision-making.

Ditchley aims to deliver on its mission with a range of interventions, with actions that might range from the simple introduction of two influential people who would otherwise not meet, to arranging a series of conferences for global leaders. The majority of these events take place at Ditchley Park, making full use of this important asset to the Foundation. However, in order to reach a wider audience, other activities take place away from Ditchley, such as the annual event in the Houses of Parliament. In addition, events occasionally take place overseas, for instance the annual conference at Greentree, New York, hosted by American Ditchley, or the bi-annual conference in Canada, hosted by Canadian Ditchley.

Through the events, and in future a planned residency programme, Ditchley gathers together brilliant and diverse people including scientists, philosophers, financiers, business leaders, innovators and civil servants. Bringing such diverse experiences together creates new and often challenging perspectives, and some unexpected and productive friendships.

All events are by invitation only and devised to improve policy approaches and problem-solving on complex issues of international concern such as redefining and renewing the political concept of the West; understanding the potential for technological innovation to transform society; the development of a sustainable global economy; and how to reduce the threat from terror and the disruption of mass migration.

There is no restriction on who might be invited to attend conferences, other than the criterion of expertise or interest or influence in the subject area being discussed. One of Ditchley's core strengths is the care taken to compose the cast for each discussion, which has been compared to the assembling of a chamber orchestra with each person selected for good reason to contribute to the whole. As part of this process, travel funds are sometimes made available for participants unable to meet the cost of their travel to Ditchley Park, especially those from non-OECD countries.

The Foundation publishes the outcome and findings of conferences on its website, and also disseminates them to government ministers, civil servants, journalists and others either by direct briefings or through subsequent panel discussions, co-hosted with the Royal United Services Institute in London or similar organisations. The aim is to spread the conclusions of Ditchley conferences, and to explore in more depth key themes or issues arising from them.

The benefits generated by the conferences are a deeper understanding amongst decision makers and influencers of issues of international concern and a subsequent improvement in public policy-making. These benefits are difficult to quantify, but are clearly attested to by

participants' feedback. One of the strongest pieces of evidence that Ditchley helps people who have to take difficult decisions is that exceptionally busy people continue to make time to attend Ditchley events over two and a half days. This is because the outcomes are directly relevant to policy development and are seen by government participants, by thoughtful business leaders, and by other observers and commentators, as a valuable contribution to public life.

An integral part of the organisation's purpose is to maintain Ditchley Park as an effective location for wide-ranging debate and discussion which, in turn, encourages senior international experts to make use of it. Being a premier venue for discussion, policy development and intellectual exchange allows the Foundation to maximise the benefit to the public at large. No individual receives financial benefit from the Foundation. Board and accommodation are provided in exchange for participants' time and expertise.

The Foundation's main objectives over the past year have been met principally by the holding of the events listed in the relevant section below. It also hired out its facilities to other organisations convening similar events. All proceeds earned by Ditchley Park Conference Centre in this way were donated to the Foundation to be used for its charitable aims. In addition, as in past years, the Park's facilities were made available several times this year without charge to charities in Oxfordshire and the surrounding region for fundraising events.

The Foundation maintains Ditchley Park as a historic house, part of the national heritage. It is open to societies and individuals to study its history, art and architecture. The public is given access to the building in the form of pre-booked guided tours for a small charge.

The Director and other officers of the Foundation undertake a range of other activities to promote the reputation and objectives of the Foundation and to attract new participants and supporters for the Foundation. They regularly meet with policy-makers in the UK, North America and beyond, to attract expert participants and disseminate the findings of previous conferences. They attend other organisations' seminars to pass on key findings of Ditchley conferences and to encourage further debate and action.

Some of the objectives stated in the Foundation's original Memorandum of Association of 1948 (such as "to establish fellowships, scholarships and prizes" and "to establish paid residential or other fellowships") cannot currently be fulfilled because of budgetary constraints but are under review as part of the new director's development plans.

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

The 2016-2017 Conference Programme

The US and Europe: renewing the Transatlantic partnership

(16-18 September 2016)

In partnership with the American Ditchley Foundation, conference held at Greentree, New York

Co-Chairs: Professor Nicholas Burns and Ms Jami Miscik

The EU divorce and after: rebuilding Britain's relationships

(6-8 October 2016)

Chair: Mr Radosław Sikorski

ASEAN: the key to East Asia's future?

(13-15 October 2016)

Chair: The Lord Williams of Baglan Ph.D, M.Sc (Econ)

Will we still have a single global internet in 2025?

(17-19 November 2016)

In partnership with Vodafone Group

Chair: Mr John Higgins CBE

21st-century manufacturing: the jobs, workers and technology for a new era

(8-10 December 2016)

In partnership with the Canadian Ditchley Foundation

Chair: Ms. Linda S. Hasenfratz

Investment in Africa: new frontier v. old insecurities

(26-28 January 2017)

In partnership with The Brenthurst Foundation

Chair: His Excellency Olusegun Obasanjo

Drones, remote weapons and other robots: the military, commercial, legal and ethical implications

(16-18 February 2017)

Chair: General Sir Richard Barrons KCB CBE

Which way is West and is the West still best? What do President Trump, Brexit and the technological revolution mean for the future of the West?

(16-18 March 2017)

Chair: Mr Peter Thiel, JD

Non-state actors and the changing nature of conflict

(6-8 April 2017)

Chair: Dr David M Malone

Can Saudi Arabia lead the Gulf to a knowledge economy and a sustainable and stable future?

(18-20 May 2016)

Chair: Ms Karen Elliott House

The Arctic at the crossroads: cooperation or competition?

(9-11 June 2017)

In partnership with the Canadian Ditchley Foundation, conference held at Whitehorse, Yukon

Co-Chairs: The Hon. Jean Charest PC and Mr Duane Smith

Concluding Phase of the 2016-2017 Programme

Ditchley's conference year runs from September to June and does not correspond to the financial year to which this report, strictly speaking, relates. Thus three conferences during the period April-June 2016 fell during the financial year 2016-2017 but were included in the list of conferences in last year's Annual Report. This year's report follows the same practice.

Report of the Chairman on Achievement and Performance

The turbulent political events of this year suggest that Ditchley's ability to bring together senior decision makers and to help generate new thinking is perhaps needed more now than at any time since the end of the Cold War. The shock UK referendum result on Brexit and the equally unexpected election of President Trump have revealed the depth of popular frustration with politics as usual and a demand for change, no matter how unpredictable. Political debate has reached new levels of polarisation and polemic meaning that Ditchley is one of the few places, globally perhaps, where opponents from each side of this debate can come together for quiet dialogue despite their differences.

The well-attended and productive conferences of the last year have been complemented by a range of other events and developments. I will focus particularly on some of these in my report, leaving the details of the conferences to the Director.

The 2016 Annual Lecture was delivered in deceptively homely but masterly style by Honourable Stephen Bryer, a member of the US Supreme Court. A former assistant special prosecutor in the Watergate investigation, he was appointed to the Senate Judiciary Committee in 1979, and became Chief Judge of the US Court of Appeals in 1990, before joining the Supreme Court in 1994. He is an acclaimed writer on legal issues, with his latest book on 'The Court and the World' published in October 2015. Justice Bryer laid out, with some prescience given later political events, how the Supreme Court protected American democracy from authoritarian threats from within the system by upholding the separation of powers of the executive and the judiciary. The 2017 Annual Lecture will be delivered by former US Secretary of State the Honourable John F. Kerry, which promises to be a landmark event for Ditchley.

The November 2016 Ditchley Parliamentary event, with the continued support of the British American Parliamentary Group, addressed the implications of Brexit for the Transatlantic Relationship. 80 members of both Houses listened to comments from Ambassador Tony Lane, the Obama Administration's representative to the EU; Sir Martin Sorrell, a global advertising magnate; and Sir Peter Westmacott, former British ambassador to the US. All the speakers argued powerfully on what Brexit risked for Transatlantic ties and the position of the UK in particular. Evidence of the polarisation of politics was perhaps found in the lack of pro-Brexit challenge from the audience. And of course, the negative view of the Obama Administration on Brexit has now been replaced by warm encouragement for the break-up of the EU from President Trump.

November 2016 at Ditchley also saw the third edition of the partnership between Ditchley and the Australian Lowy Institute, with the support of our respective foreign ministries, aimed at improving policy cooperation between the two countries in the Asia-Pacific. This takes the form of an annual gathering of outside experts and government officials to look at developments in the region and how the two countries should be reacting to them. Policy recommendations were made to the two governments, feeding into the annual bilateral ministerial consultations known as AUKMIN. This arrangement is a good fit for Ditchley's continuing concern to strengthen our own links with the region in general, and access to Australian expertise in particular.

This year saw the retirement of Sir John and Lady Penny Holmes after six highly successful and committed years at Ditchley which has left Ditchley in strong intellectual shape as a centre for helping international decision-making and policy making and with the House also looking as good as anyone can remember thanks to the Fabric Fund, to which so many have so generously contributed, and which Penny has championed with such passion.

In many ways Ditchley is in good financial shape with well-run accounts and significant reserves. It remains true, however, that these reserves are insufficient for the long term and also Ditchley needs to make capital investments if it is not to undermine its mission with out of date facilities that over time could detract from its convening power. We are in the process of planning a major campaign to win the support we need.

The new director, James Arroyo, with the full support of Council, is approaching this task in strategic fashion with advice from our fundraising consultants', Asiability. The first stage saw James consult a large number of people associated with Ditchley on their experience of the Foundation, their hopes for it and their sense of its mission. He has also done extensive research in the archives to capture Sir David Will's original vision and the input to it from thinkers such as the philosopher, Isaiah Berlin. American Ditchley and Canadian Ditchley have been thoroughly involved in this process. Currently, Asiability are now following up this survey

with face to face interviews with governors and others across the UK, the US and soon Canada. The purpose is to develop the strongest possible vision for Ditchley's mission, which will then drive the campaign. I hope all governors will think hard about how they might be able to contribute, either directly or through others whom you may know who might be willing to help on a significant scale. We will keep you in close touch with the plans as they develop.

The success of Ditchley is above all a team effort, and I know I speak for all the friends of Ditchley when I thank all the small, overworked and dedicated team there for the hard work and commitment they put in to make that success a reality. From those working on the conferences and the other events, through the waiting staff and Chef and their colleagues making sure that the hospitality is all it should be, to the Bursar and his garden, maintenance and cleaning teams, not forgetting the caretaker, all concerned deserve our thanks and congratulations.

Meanwhile let me take this opportunity to pay a warm tribute to all the people who give so freely of their time and energies to help Ditchley keep running smoothly: to my colleagues on the Council of Management, and on the Finance and General Purposes, Programme, Business and Nominations Committees; to all those who work so hard for the American and Canadian Ditchley Foundations, particularly the officers of both; and to the Governors for their support and suggestions throughout the year. Ditchley would not be able to continue and flourish without this well of support and goodwill from so many people. All have my special gratitude.

I must thank particularly once again Lady Wills and Dr Catherine Wills for their unfailing support and commitment to the aims of the Foundation set up with such prescience and generosity by David Wills almost 60 years ago.

Finally, I will stand down at the end of this year after nine years Chairing the Council of Management. The Council has chosen Lord Hill of Oareford as my successor. These have been exciting and stimulating times and I have enjoyed every minute and been inspired by what Ditchley has done and can do. We don't fit into any simple category. We are not a think tank or a conference centre or an academic institution. We are different because we are all of these and more too. To have been part of Ditchley and its remarkable heritage is a great privilege and I thank all who have made it such an amazing experience.

Report of the Director

I have now been director at Ditchley for just over eight months and I view myself as being at the end of the beginning. Each day has underscored for me the great privilege and responsibility in stewardship of such a revered and valuable institution. This has many aspects, from the glorious landscape; through the Palladian architecture; to the historic fine paintings and furniture that adorn the house. But overlaying this there is the sense of being part of an extraordinary historical and contemporary network of people. It is this that is most enriching, echoing the experience that almost everyone has in attending a Ditchley event.

I conclude this first period of my time at Ditchley with some firm views, not just thought up but drawn from encounters with many people and extensive research. One chastening element of this experience has been that every time I have thought myself to have come up with an original idea, I have found it in an earlier incarnation in Ditchley's history. I have decided to put this down to the brilliance of Ditchley's alumni rather than my own lack of imagination.

- In its long history there have been periods when Ditchley was useful and periods when it was essential. We are back in an essential period now. Nothing else in international governance and politics is working particularly well. There is an important role to play

in bringing people together and generating fresh thinking and new relationships across divides.

- A big element in this is redefining and renewing what we still casually refer to as “the West” without thinking through what that means. The West has become something that others instinctively attack, rather than something we instinctively defend. As we are under attack, we need to think about that and Ditchley is a good place to do so. In fact this is the purpose for which Ditchley was originally established by Sir David Wills, to avoid as he put it “another catastrophe... overwhelming our... civilisation”.
- Ditchley was founded at a time of great global uncertainty and we are back in those times today, poised between hope and fear. This is the moment to reimagine the Ditchley Project for the 21st century, charting a way through the next stage of human development, industrialisation and global politics.
- Ditchley should stand at the crossroads of government, business and technology. This is where the challenges of globalisation are unfolding, but also where the solutions will be found from innovative combinations of regulation, capital and technology. Ditchley should aim to help people learn from the past whilst glimpsing the future.

Taking these basic precepts we are building on the existing themes for conferences to develop themes for impact. The Ditchley conference will remain the backbone of our activities, but these will be augmented by a wide range of other events such as small lunch gatherings, panel discussions, and one-to-one meetings. We start with the aim of impact and then judge what type of event could best push forward that aim at that moment. It is worth noting that there are many previous examples of this in Ditchley's history, for example series of conferences on particular themes culminating in the writing of a book by an expert who had attended all of them.

My approach to the challenge of fundraising is deliberate but fundamentally simple.

- If we can show we are making a real difference to the serious problems the world faces then people with resources will recognise this and give us serious support. If we cannot show this, then we will be reliant on affection and nostalgia, which will win some support but not sufficient for the major capital projects required to secure Ditchley for the future.
- No one gives serious financial support to an organisation believed to be in financial trouble or weakness. We are neither weak nor in trouble. We have strong finances and a well-run budget. We need to win more financial support to realise our potential.
- No one gives serious support to a vision that they have not had a chance to contribute to or to shape. The vision for Ditchley has to be shared if it is to win support.

These are the precepts behind the work going on at present: the honing of Ditchley's purpose and mission statement; the survey and other forms of consultation.

In parallel to the major campaign we are also preparing bids for heritage and programme funding from numerous foundations and trusts. And finally we are also relaunching our commercial offer to ensure we maximise income from the House without damaging our profile or values.

The conference programme since my arrival has included many highlights. Here is a personal selection of what I judge to have been most significant:

- At the Greentree estate on Long Island in September 2016 we discussed the Transatlantic relationship. Even then it was palpable that the relationship was in trouble and not as central to either side perhaps as it had been or should be. Many at the conference argued strongly for better explanation to populations of free trade and the liberal international order. The debate was led by Dr Henry Kissinger and Dr Larry Summers from the political and economic perspectives respectively. One of the

sharpest issues of contention was Russia, what had gone wrong and how to fix it. This was an excellent example of how a Ditchley conference can have impact. We created one of the few forums in the world where Henry Kissinger could learn something or deepen his thinking on international politics. Two months later, at 93, he was advising President Trump on his policy towards Russia and China.

- On Brexit, we held, at short notice, a conference in October 2016 bringing together disappointed Remainers from the UK and frustrated Europeans. The European line was that the UK had committed economic suicide and had a moral duty to be dead for the good of the rest of Europe. British participants were naturally inclined to take a more hopeful view. The conference conclusions went directly to those charged with negotiating Brexit terms.
- On Trump and globalisation, Peter Thiel, Silicon Valley investor and Trump adviser, chaired March's conference on the future of the West. This was an edgy discussion that brought together wide divergences of opinion from Silicon Valley, Europe and beyond. This was probably the most detailed and civilised conversation as yet between people who normally trade accusations of populism and global elitism.
- On technology, Ditchley's conference on drones in February highlighted the enormous difficulty the world will face in resisting the rise of autonomous weapons, given that the most powerful innovation will not be in government labs but in the commercial world. It became clear that drones, "smart phones with wings", will transform many aspects of the economy as the technology matures.
- Our work on the Internet, with the conference in November in association with Vodafone on preserving a global Internet, is building in importance and our relationships with the major technology companies in Silicon Valley deepening. We plan this to be a major theme for Ditchley's impact over the coming years.
- Finally, January's conference on Africa in January, chaired by former Nigerian President Olusegun Obasanjo, was an unforgettable experience with a very strong cast of African leaders from a range of countries. We plan to restage the conference in 2019, aiming, in conjunction with the Brenthurst Foundation, to support those African leaders pressing for economic, social and political reform to realise Africa's potential.

The conference programme was supported by a range of other events that included:

- Brexit conference at Canada House jointly sponsored by the Canadian High Commission, the Ditchley Foundation and OpenText (24 October 2016)
- Brexit and the Transatlantic relationship, Parliamentary debate, Speakers House, Westminster (26 October 2016)
- LSE Ideas event at Ditchley on the relationship between ministers and the Civil Service, jointly sponsored by Ditchley, (10-11 November 2016)
- HPDS senior civil service seminar and dinner, Ditchley Park (28-29 November 2016)
- Data initiative lunch, Ditchley Park (6 December 2016)
- New York and Washington meetings to build relationship with American Ditchley and to begin to network on fundraising (16-19 January 2017)
- Germany-UK Dialogue lunch, Brooks (20 January 2017)
- Challenging Perceptions reception for 150, M&C Saatchi (9 February 2017)
- The untold implications of remote warfare panel discussion, RUSI (28 February 2017)
- The changing nature of conflict panel discussion, RUSI (20 April 2017)
- Toronto, New York, Washington, San Francisco; meetings to build relationships with Canadian tech industries; Wall Street; National Security Council; and Silicon Valley.
- Hard Power Softens: examining the interplay between defence and social media, Kinross House (25 May 2017)

Participation and Impact

Once again, attendance at the conferences over the last twelve months has remained consistent with the average number of participants at 39. We continue to send out a large number of invitations from a carefully curated long list in order to ensure the right diversity of thought, background, experience and geography. Age diversity no longer feels an issue, with a good mix of experienced people and those at the very start of their careers.

Gender balance is still a big challenge given that we need to weave this type of balance with balance on ideology, national viewpoint and expertise. We achieved some notable successes, for example the October conference on the future of a single, global Internet was close to evenly balanced between male and female attendees. On the other hand, some other conferences, and particularly those on economic issues, continued to be overly dominated by men. More work to do.

We continue to work to draw senior people from business to Ditchley conferences with some success but still with more work to do on this too. The particular focus of this year has been to build our network in Silicon Valley and the burgeoning UK technology sector, adding to the work of the business committee in nominating business leaders to attend events. The Canadian Ditchley sponsored conference on the future of manufacturing, chaired by Linda Hazenfratz, CEO of Canada's Linamar company, also contributed to this objective.

We have continued the practice of including a student from one of the major scholarship schemes, and/or the Blavatnik School of Government in Oxford, at nearly every conference. In this reporting period, we have welcomed three scholars from the Fulbright programme; one Rhodes scholar; and three Weidenfeld scholars. One scholar came to us from the Saïd Business School. They are almost universally of a high calibre and we trust they leave us with a lasting impression of the Foundation and its value to society. We have further expanded this pipeline of young excellence via a direct relationship with the wider Oxford postgraduate community through Balliol College's Holywell Manor postgraduate centre. This is also delivering nominees for most conferences. This initiative will be further buttressed by Ditchley's inaugural Festival of Ideas on 15 July, aimed primarily at the postgraduate community.

Feedback

We seek feedback from conference participants by means of an online questionnaire but also receive comments directly via email or letters. The overwhelming majority of comments are positive and almost always highly complimentary, but some constructive criticism is also included below to show concerns occasionally raised.

In terms of statistics, 83% of respondents found the overall experience of Ditchley to be excellent, and a further 16% thought it above average compared to other conferences ie 99% of respondents thought the experience good and the large majority of those thought it excellent. Showing consistency with previous years, more than 94% considered that the level of expertise around the conference table, and the quality of the discussions, to be above average or excellent and 83% reported that they had got new insights or perspectives into their fields of expertise by attending a Ditchley conference. It is also clear that those attending Ditchley conferences appreciate the opportunity to make new contacts (92%), validating our efforts to be a convenor of brilliant people to address today's thorny questions.

It is noteworthy that, consistently, more than 80% of conference attendees find the existing format to be ideal, albeit with recommendations, which will be addressed in the comments section, below. Whilst the format should not be treated as liturgy and we should be ready to experiment, we firmly believe that it is the quality and mix of participants that make the conference. It is on this that we will continue to focus maximum effort.

Comments we received in the year included the following:

"I just wanted to reiterate what a wonderful experience it was for me to attend Ditchley ... Ditchley is truly something special. As most people in the kind of world we inhabit, we get invited to various conferences and confabs all over the world, and it's rare that any particular one sticks out in your mind once you've left it. But there's something truly special here, about being plucked from the world for a few days, being put in these unique surroundings, and interacting in both formal and informal settings with this select group of diverse views, that is not just unique, but powerful. It's been a week now, and yet I still find myself thinking back to conversations, or insights or experiences from my stay at Ditchley and my brain is still fizzing. ... I'd be lying if I said writing this email wasn't also a way of trying to get re-invited ... Ditchley is a special thing and I'd be happy to help it or be part of it in any way I can."

"I have been stimulated and made contemplative each time I have been involved in a Ditchley Foundation conference. This time was no exception. I thought the good number of senior businesspeople ... added to the event and gave it a good balance."

"What I most enjoyed about the conference was the platform it provided for the participants to listen and understand each other, and share facts and opinions in an atmosphere which engendered reasoned dialogue, rather than adversarial debate."

"I would like to say thank you for what was an incredible event on free trade and investment, one of the most meaningful and memorable conferences I have ever attended. The two days in Ditchley Park were worth a year of independent study on the topic."

"The concept note for the conference was truly outstanding. It distilled important themes and raised new issues on the horizon very effectively. This framing made the topic fresh – even for those deeply engrossed in conversations on these topics."

"The attendees were the leaders in the field, which I believe is the right criteria for selecting participants."

And where it did not quite work for people:

"The scope of topics was enormous. While that did provide some freedom to hit a range of issues, it seemed to limit the capacity to delve deeply into possible solutions for any one issue."

"The final working group session always feels a bit low-energy and a bit of an add-on. I wonder whether it would be better to stick to two, perhaps a bit longer?"

With regards to connectivity: "We managed, but had to get work done and thus, it wasn't convenient. Would recommend prioritizing improvements."

Plans for the Future

The Foundation intends to continue meeting its purpose by the holding of conferences, with the full participation of senior international experts, on the preliminary programme listed here for the remainder of 2017. A programme for 2018 will be devised on the basis outlined below. Ditchley Park will also continue to be available for hire as a venue for debate and study to outside organisations.

The Conference Programme

September – December 2017 Conference Programme

The challenge to the political West and the world order

(8-10 September 2017)

In partnership with the American Ditchley Foundation, conference at Greentree, New York

Co-Chairs: The Hon Madeleine Albright and Mr Stephen J Hadley

From words and pictures to impact: how can think tanks, convenors, socially responsible companies and other not for profit organisations have more impact?

(19-21 October 2017)

(Chair: TBC)

Russia's role in the world

(16-18 November 2017)

Chair: Ambassador William J. Burns

Artificial intelligence: brave new world or the seeds of our own destruction?

(7-9 December 2017)

In partnership with Vodafone Group

(Chair: TBC)

January to June 2018

The conference programme for 2018 and subsequent years will be devised around four themes for impact:

- To help redefine and renew the West after Brexit and Trump.
- To help sustain the global Internet and technology's capability to transform society.
- To support the development of a sustainable global economy.
- To help release the potential of the Middle East and Africa and to reduce the disruption of mass migration.

Outline conferences topics proposed for next year within this framework include:

- The future of the EU and the Euro without the UK
- The future of policing and the impact of technology
- Globally connected cities and their challenges to the nation state
- The crisis in America – to be defined!
- China and the West: mutual respect, different values, single economic system. Is it possible?
- The future of the family: marriage, gender and identity in society
- Cyber security: how to bring states and companies together to defend the Internet without damaging privacy and values?
- The future of the global financial system and the impact of technology on stability
- Economic insecurity: how can it be mitigated by the state and other actors?
- The oceans: a place to practice new levels of international cooperation or the new Wild West?
- Does Overseas? Development? Aid Work?
- Does Turkey still want to be part of the West and does the West still want it?

We will be seeking the best Chairs for each conference and developing the programme around a detailed understanding of their availability. This in turn will give us the best chance of attracting the right people to the conference.

Financial Review

The Foundation continues to monitor spending closely but this cannot change the strategic fact that the invested portfolio (also known as the endowment), at its current value of £19.2m, is not large enough to support in the medium term the level of expenditure required to sustain activities and maintain assets of the profile and scale that characterise Ditchley. The Council of Management has endorsed the need for a concerted and substantial fundraising effort and this, under careful preparation now, will be launched this autumn. This will go hand in hand with an ambitious development plan. We will be seeking funds from visionary supporters to extend Ditchley's impact when it is most needed politically and to sustain that impact into the future.

In FY 2016/2017 expenditure was just over £2.04m, with the operational spend 5% over budget after donations were credited to cover Fabric Fund-related spends. The Income as reported was a little under £982k. This consisted of Investment Income of £352k, which was reinvested in the endowment portfolio, the balance being the monies which the Foundation raises through donations and its own business activities, which totalled £630k, 5% above forecast, despite a disappointing year for Ditchley Park Conference Centre.

Drawdown from the endowment by year end was £1.21m, 7.5% over budget expectation. This amounted to 6.3% of current endowment value (£19.2m). In the management accounts, expenditure in 2017/2018 is budgeted to be just over £1.826m, with non-investment income anticipated at a little below £0.55m. For budgetary purposes an additional figure of 4% of endowment value (£0.76m) is fed into forecast income to help keep sight of a drawdown target more in line with peer institutions' annual take from their own portfolios.

FY 2017/2018 drawdown from the endowment is forecast to be just over £1.56m. This includes a development pot of £200k specifically authorised to fund early initiatives in the Director's development plan, the actual drawdown total for operational expenditure spending is £1.36m. These early initiatives are designed to establish a credible platform for the major fundraising effort to come. This will include steps such as enhancing broadband capability, making the most of the archive and website, and upgrading some of the most out of date elements of the guest facilities. This money (i.e. a portion of the £200k) is also funding professional advice and support to design the major campaign to come, such as the survey of Ditchley supporters already conducted.

The Foundation's endowment portfolio made a return in calendar year 2016 of 11.6% in Pounds Sterling terms, but the return was 5.5% excluding currency factors (ie the gains we made from deposits in dollars after the collapse of sterling). It is very unlikely therefore that this high level of performance, 11.6%, will be repeated. At the end of the Foundation's financial year (March 2017), the total endowment value stood at £19.2m. Partners Capital, the endowment managers, have continued to perform to the satisfaction of the Investment Sub-Committee, which is now firmly established in the Foundation governance structure under the strong leadership of its Chairman. The conservative balanced asset allocation strategy has enabled the portfolio to grow in value at a reasonable if not striking rate in the uncertain market conditions. The investment strategy is necessarily relatively conservative, compared say to an Oxbridge college, because of the Foundation's high dependence on income from the invested funds to meet running costs.

Ditchley Park Conference Centre (DPCC) had a relatively disappointing year, experiencing an unusually quiet start to FY 2016/2017. Net income was £213k, realising a pure return to the Foundation of £81.6k once costs and management charges had been deducted. However, takings for the new financial year look set to recover, with a revised forecast turnover of £325k helped by a filming commitment and additional guests events booked in the first quarter. The push for additional revenue will continue, including developing a more bespoke and

remunerative offer for the private sector, which is to be facilitated by the recruitment of a new post of House Manager and restructuring the kitchen staff.

A number of conferences have received financial assistance in this financial year, including contributions from: American Ditchley for *The US and Europe*; Canadian Ditchley for *21st Century Manufacturing*; Vodafone for *The Global Internet*; and The Brenthurst Foundation for *Investment in Africa*. The Thiel Foundation funded travel for US participants for *The Future of the West* conference. Hybrid conferences were run for Statoil and the Australia/UK Asia Dialogue.

Collective income from the Government Renewable Heat Incentive and heat sales from the biomass plant, now into its fifth year of operation, exceeded budget. In addition to projects, the maintenance team has been busy as ever, with spending exceeding budget. This is down in part to the team's improving capacity through restructuring and team development and training to complete a wider array of projects ie they are getting through more stuff that needs fixing. An additional allocation of £20k has been made in the new financial year to offset the impact of contingency repairs. At the same time, a concerted effort is being made to get onto a more preventative footing, for which an integrated maintenance plan was introduced earlier in 2017. This includes work undertaken on projects funded by donations made to the Fabric Fund, which at year end stood at £76.4k. For the outlying properties (a £10.5m portfolio in replacement terms), a Properties Plan is being drawn up to put on a more structured footing their maintenance and upgrade following the under-investment that occurred in wake of the 2008 financial crisis.

The Foundation has maintained the policy of maintaining a liquid reserve of £400,000 available for withdrawal from the portfolio within one week. During the year, a comprehensive reserves policy has been developed and incorporated into the governance section of this Annual Report.

Structure, Governance and Management

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

Members of the Foundation are currently designated "Governors". They meet at least once a year, at the Annual General Meeting of the Foundation, to approve the Annual Report and accounts of the Foundation and to receive the report of the auditors; to elect, as necessary, in accordance with the Articles of Association, the Council of Management; and to deal with other business of the Foundation.

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

All Trustees are fully familiar with the aims and ideals of the Foundation. The Foundation's auditors briefed Trustees (ie the Council) on their responsibilities in an interactive session at this year's Spring Council meeting.

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

The salaries of senior members of staff are established with regard to pay levels in the sector for similar positions. From time to time, an external review of pay levels for all staff is commissioned.

Ditchley Park Conference Centre Limited (DPCC) is the trading arm of the Foundation, and oversees events in the House when not in use by the Foundation. These events include visits (the House is a Grade I listed historic building), conferences and meetings organised by outside bodies and use of the House for education, photography and films. DPCC also sells guide books and postcards.

The Council of Management is responsible for the management of risks faced by the Foundation. Detailed considerations of risk are delegated to the Director and his staff. Risks are identified, assessed, and controls established throughout the year with a formal review undertaken annually. Work to prepare and implement a Disaster Recovery Plan is nearing completion, after which attention will focus on developing a Risk Register. This will address issues such as the following:

- Fire risk and precautions
- Security
- Finance
- Personnel
- Health and safety
- Legal matters and compliance
- Reputational risk
- Data Protection

The key controls used by the Foundation include:

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

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

Reserves policy

The Foundation considers its investment portfolio (valued at £19.2m as at end March 2017) to be the main source of any reserve requirements. The Council of Management regard these investments as the financial endowment of the Foundation. Although these funds do not meet the legal definition of endowment funds under charity law, they are intended to provide a capital base for income generation in perpetuity as well as a source of funds for urgent needs such as major repairs. The Council of Management consider it a matter of essential financial discipline that the value of the capital is preserved as far as possible.

Short term reserve

The financial endowment is invested across multiple asset classes and is managed by Partners Capital to have a minimum of £400,000 of liquid reserves available to the Foundation within a week. £400,000 was identified by the Investment Sub-Committee, under the auspices of the Finance and General Purposes Committee, as a suitable amount of short term reserve requirements, for example to cover emergency major repairs. As at March 2017, the financial portfolio had £1.4m available within a week, with the majority [some 60%] of the £19.2m portfolio being able to be liquidated within a 4 month to 7 month period.

The Ditchley Foundation does not hold a separate reserves portfolio outside of the £19.2m financial endowment given the opportunity cost (due to lower expected returns) and the additional administrative burden of operating a separate reserves portfolio.

Strategic long term reserves

The Foundation's strategic aim or policy is to build its reserves through fundraising to the point where it could track the approach of Oxford colleges and take no more than 4% of income from the held funds each year. At current rates of expenditure to meet this target would require increasing the reserves by approximately £10m, which would generate an additional £400,000 of income per annum. It should be stressed that this figure is a target and aspiration. The Council of Management are currently developing fundraising plans accordingly.

As at 31 March 2017, total funds stood at £25,377,992 of which £84,039 were restricted. The level of unrestricted free reserves, after excluding fixed assets and designated funds, stood at £21,821,747. This is lower than the ideal level of reserves and the Council of Management are currently developing fundraising plans accordingly.

Trustees' Responsibilities

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

The Trustees confirm that suitable accounting policies have been used and applied consistently, and that reasonable and prudent judgements and estimates have been made in the preparation of the financial statements for the year ending 31 March, 2017. They are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company in recognition of their responsibilities under the Companies Act 2006. The Trustees are responsible for taking reasonable steps to safeguard the assets of the company, and the group, and to prevent and detect fraud and other irregularities.

As far as the Trustees are aware, there is no relevant audit information (information needed by the Foundation's auditors in connection with preparing their report) of which the Foundation's auditors are unaware; Trustees individually have taken all the steps that they ought to have taken as Trustees in order to make themselves aware of any relevant audit information and to establish that the Foundation's Auditors are aware of that information. The Trustees are required to prepare financial statements on an ongoing concern basis, unless it is inappropriate to presume that the charity will continue in operation.

Principal activities and business review

The consolidated statement of financial activities for the year is set out on page 23. A review of the Foundation's business during the year is contained in the Chairman's Report starting on page 8 and the Director's Report on page 10.

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 3.

By order of the Council of Management,



KATIE WILLIAMS
Secretary
14 June, 2017

THE DITCHLEY FOUNDATION
(A company limited by guarantee)

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

We have audited the financial statements of The Ditchley Foundation for the year ended 31 March 2017 set out on pages 23 to 41. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, section 151 of the Charities Act 2011 and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members, as a body, for our audit work, for this report, or for the opinion we have formed.

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITOR

As explained more fully in the Trustees' responsibilities statement, the Trustees (who are also the directors of the charity for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

We have been appointed as auditor under the Companies Act 2006 and section 151 of the Charities Act 2011 and report to you in accordance with those Acts. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2017 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities Act 2011.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Trustees' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

THE DITCHLEY FOUNDATION
(A company limited by guarantee)

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

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters where the Companies Act 2006 and the Charities Act 2011 requires us to report to you if, in our opinion:

- the parent charity has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charity financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Trustees were not entitled to take advantage of the small companies' exemption from the requirement to prepare a Group strategic report.

MNFarwell

Michael Farwell MA FCA DChA (Senior statutory auditor)

for and on behalf of

James Cowper Kreston

Chartered Accountants and Statutory Auditor

2 Chawley Park
Cumnor Hill
Oxford
Oxfordshire
OX2 9GG

Date:

15/6/2017

James Cowper Kreston is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

THE DITCHLEY FOUNDATION
(A company limited by guarantee)

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND
EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2017**

	Note	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
INCOME FROM:					
Donations, grants and legacies	2	20,565	276,642	297,207	256,569
Trading turnover of subsidiary		212,985	-	212,985	356,538
Investments	3	400,371	-	400,371	293,013
Other sources		71,157	-	71,157	69,891
TOTAL INCOME		705,078	276,642	981,720	976,011
EXPENDITURE ON:					
Raising funds:					
Voluntary income		2,404	-	2,404	-
Fundraising trading		236,042	-	236,042	218,194
Investment management		9,441	-	9,441	12,662
Charitable activity: Conference programme costs	4,6	1,507,597	286,507	1,794,104	1,436,642
TOTAL EXPENDITURE	7	1,755,484	286,507	2,041,991	1,667,498
NET EXPENDITURE BEFORE INVESTMENT GAINS/(LOSSES)		(1,050,406)	(9,865)	(1,060,271)	(691,487)
Net gains/(losses) on investments	11	2,364,939	-	2,364,939	(137,853)
NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES		1,314,533	(9,865)	1,304,668	(829,340)
NET MOVEMENT IN FUNDS		1,314,533	(9,865)	1,304,668	(829,340)
RECONCILIATION OF FUNDS:					
Total funds brought forward		23,979,420	93,904	24,073,324	24,902,664
TOTAL FUNDS CARRIED FORWARD		25,293,953	84,039	25,377,992	24,073,324

All activities relate to continuing operations.

	2017 £	2016 £
Return on investments:		
Income from investments	400,371	293,013
Net gains/(losses) on investment assets	2,364,939	(137,853)
	<u>2,765,310</u>	<u>155,160</u>

For information, total cash drawn down from the investment portfolio was £1,210,000 (2016: £910,000).

The notes on pages 27 to 41 form part of these financial statements.

THE DITCHLEY FOUNDATION
(A company limited by guarantee)
REGISTERED NUMBER: 00599389

CONSOLIDATED BALANCE SHEET
AS AT 31 MARCH 2017

	Note	£	2017 £	£	2016 £
FIXED ASSETS					
Tangible assets	9	3,472,206		3,607,480	
Investment property	10	<u>2,502,000</u>		<u>2,502,000</u>	
Total tangible assets			5,974,206		6,109,480
Investments	11		<u>19,238,575</u>		<u>17,732,023</u>
			<u>25,212,781</u>		<u>23,841,503</u>
CURRENT ASSETS					
Stocks	12	32,260		40,067	
Debtors	13	142,473		122,524	
Cash at bank and in hand		<u>111,737</u>		<u>268,523</u>	
		286,470		431,114	
CREDITORS: amounts falling due within one year	14	<u>(121,259)</u>		<u>(199,293)</u>	
NET CURRENT ASSETS			165,211		231,821
NET ASSETS			<u>25,377,992</u>		<u>24,073,324</u>
CHARITY FUNDS					
Restricted funds	15		84,039		93,904
Unrestricted funds	15		<u>25,293,953</u>		<u>23,979,420</u>
TOTAL FUNDS			<u>25,377,992</u>		<u>24,073,324</u>

The financial statements were approved by the Trustees on 14 June 2017 and signed on their behalf, by:



The Right Honourable Lord Robertson of Port
Ellen KT GCMG Hon. FRSE

The notes on pages 27 to 41 form part of these financial statements.

THE DITCHLEY FOUNDATION
(A company limited by guarantee)
REGISTERED NUMBER: 00599389

CHARITY BALANCE SHEET
AS AT 31 MARCH 2017

	Note	£	2017 £	£	2016 £
FIXED ASSETS					
Tangible assets	9	3,472,206		3,607,480	
Investment property	10	2,502,000		2,502,000	
Total tangible assets			5,974,206		6,109,480
Investments	11		19,238,577		17,732,025
			25,212,783		23,841,505
CURRENT ASSETS					
Stocks	12	31,261		38,874	
Debtors	13	167,996		147,480	
Cash at bank and in hand		49,677		192,758	
		248,934		379,112	
CREDITORS: amounts falling due within one year	14	(83,728)		(147,296)	
NET CURRENT ASSETS			165,206		231,816
NET ASSETS			25,377,989		24,073,321
CHARITY FUNDS					
Restricted funds	15		84,039		93,904
Unrestricted funds	15		25,293,950		23,979,417
TOTAL FUNDS			25,377,989		24,073,321

The financial statements were approved by the Trustees on behalf, by: *14 June 2017* and signed on their



The Right Honourable Lord Robertson of Port
Ellen KT GCMG Hon. FRSE

The notes on pages 27 to 41 form part of these financial statements.

THE DITCHLEY FOUNDATION
(A company limited by guarantee)

**CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2017**

	Note	2017 £	2016 £
Cash flows from operating activities			
Net cash used in operating activities	17	<u>(1,405,445)</u>	<u>(991,094)</u>
Cash flows from investing activities:			
Dividends, interest and rents from investments		400,371	293,013
Purchase of tangible fixed assets		(10,100)	(53,408)
Proceeds from sale of investments		2,153,589	2,061,843
Purchase of investments		<u>(1,295,201)</u>	<u>(1,209,804)</u>
Net cash provided by investing activities		<u>1,248,659</u>	<u>1,091,644</u>
Change in cash and cash equivalents in the year		<u>(156,786)</u>	100,550
Cash and cash equivalents brought forward		<u>268,523</u>	167,973
Cash and cash equivalents carried forward	18	<u><u>111,737</u></u>	<u><u>268,523</u></u>

THE DITCHLEY FOUNDATION
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

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

The Statement of financial activities (SOFA) and Balance sheet consolidate the financial statements of the charity and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis.

No separate SOFA has been presented for the charity alone as permitted by section 408 of the Companies Act 2006.

1.2 Company status

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.

1.3 Fund accounting

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

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

THE DITCHLEY FOUNDATION
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

1. ACCOUNTING POLICIES (continued)

1.4 Income

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

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

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

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

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

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

1.5 Expenditure

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

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

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

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

All resources expended are inclusive of irrecoverable VAT.

1.6 Going concern

Council are of the view that the Foundation has sufficient funds to enable the Foundation to continue its activities on a going concern basis for a period of at least 12 months from the date of approval of these financial statements.

THE DITCHLEY FOUNDATION
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

1. ACCOUNTING POLICIES (continued)

1.7 Basis of consolidation

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

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

1.8 Tangible fixed assets and depreciation

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

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

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

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

Land is not depreciated.

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

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

THE DITCHLEY FOUNDATION
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

1. ACCOUNTING POLICIES (continued)

1.9 Investments

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

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

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

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

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

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

1.10 Interest receivable

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

1.11 Stocks

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

1.12 Debtors

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

1.13 Cash at Bank and in hand

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

THE DITCHLEY FOUNDATION
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

1. ACCOUNTING POLICIES (continued)

1.14 Liabilities and provisions

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

1.15 Financial instruments

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

1.16 Pension costs

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

1.17 Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions:

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

Tangible fixed assets:

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

Investment properties:

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

THE DITCHLEY FOUNDATION
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

2. INCOME FROM DONATIONS, GRANTS AND LEGACIES

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Donations- unrestricted funds	20,565	-	20,565	35,711
Earmarked donations - conferences	-	146,367	146,367	91,003
Earmarked donations - travel	-	10,000	10,000	19,974
Fabric fund	-	120,275	120,275	109,881
Total donations, grants and legacies	20,565	276,642	297,207	256,569

In 2016, of the total income from donations and legacies, £35,711 was to unrestricted funds and £220,858 was to restricted funds

3. INVESTMENT INCOME

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Distributions from investments	351,613	-	351,613	246,136
Rents	48,658	-	48,658	46,831
Bank interest	100	-	100	46
Total investment income	400,371	-	400,371	293,013

In 2016, of the total investment income, £293,013 was to unrestricted funds and £ NIL was to restricted funds.

4. ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Conference programme costs	1,497,230	286,507	1,783,737	1,425,784

In 2016, of the total expenditure on the conference programme, £1,200,436 was expenditure from unrestricted funds and £225,348 was expenditure from restricted funds.

THE DITCHLEY FOUNDATION
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

5. CONFERENCE PROGRAMME COSTS (excluding governance costs)

	2017 £	2016 £
Administration	199,908	165,875
Repairs and maintenance	384,331	252,363
Household and services costs	182,058	189,585
Conferences	155,739	139,154
Irrecoverable VAT	59,195	14,296
VAT regarding prior years reclaimed	-	(130,540)
Costs attributable to DPCC	(236,042)	(218,194)
Wages and salaries	760,581	738,160
National insurance	65,497	57,609
Pension contributions	67,096	69,674
Depreciation	145,374	147,802
	<u>1,783,737</u>	<u>1,425,784</u>

6. GOVERNANCE COSTS

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Audit fee	7,750	-	7,750	8,474
Trustees' meeting costs	2,617	-	2,617	2,384
	<u>10,367</u>	<u>-</u>	<u>10,367</u>	<u>10,858</u>

7. ANALYSIS OF RESOURCES EXPENDED BY EXPENDITURE TYPE

	Staff costs 2017 £	Depreciation 2017 £	Other costs 2017 £	Total 2017 £	Total 2016 £
Expenditure on raising voluntary income	-	-	2,404	2,404	-
Expenditure on fundraising trading	29,326	-	206,716	236,042	218,194
Expenditure on investment management	-	-	9,441	9,441	12,662
Costs of generating funds	<u>29,326</u>	<u>-</u>	<u>218,561</u>	<u>247,887</u>	<u>230,856</u>
Conference programme costs	893,174	145,374	745,189	1,783,737	1,425,784
Expenditure on governance	-	-	10,367	10,367	10,858
	<u>922,500</u>	<u>145,374</u>	<u>974,117</u>	<u>2,041,991</u>	<u>1,667,498</u>

THE DITCHLEY FOUNDATION
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

8. STAFF COSTS

Staff costs were as follows:

	2017 £	2016 £
Wages and salaries	789,907	738,160
Social security costs	65,497	57,609
Other pension costs	67,096	69,674
	<u>922,500</u>	<u>865,443</u>

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

	2017 No.	2016 No.
Administration	9	9
Establishment	15	15
Conference	3	6
	<u>27</u>	<u>30</u>

The number of higher paid employees was:

	2017 No.	2016 No.
In the band £70,001 - £80,000	0	1
In the band £100,001 - £110,000	1	0

Note:

No members of the Council of Management received any emoluments during the year (2016: £Nil).

No members of the Council of Management received payment for professional or other services supplied to the charity (2016: £Nil).

During the year, £2,617 was disbursed for travel and associated expenses incurred by one member of the Council of Management while undertaking activities directly associated with the purposes of the Foundation (2016: £1,669 disbursed to one member of the Council of Management).

The key management personnel of the Foundation comprise the Council of Management, the Director and the Bursar. The total employee benefits of the key management personnel of the Trust were £158,799 (2016: £125,841).

THE DITCHLEY FOUNDATION
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

9. TANGIBLE FIXED ASSETS

Group	Freehold property £	Motor vehicles £	Fixtures and fittings £	Office equipment £	Total £
Cost					
At 1 April 2016	4,577,175	39,873	16,287	425,886	5,059,221
Additions	-	-	10,100	-	10,100
At 31 March 2017	4,577,175	39,873	26,387	425,886	5,069,321
Depreciation					
At 1 April 2016	1,004,155	39,873	16,287	391,426	1,451,741
Charge for the year	128,777	-	9,295	7,302	145,374
At 31 March 2017	1,132,932	39,873	25,582	398,728	1,597,115
Net book value					
At 31 March 2017	3,444,243	-	805	27,158	3,472,206
At 31 March 2016	3,573,020	-	-	34,460	3,607,480

Charity	Freehold property £	Motor vehicles £	Fixtures and fittings £	Office equipment £	Total £
Cost					
At 1 April 2016	4,577,175	39,873	16,287	425,886	5,059,221
Additions	-	-	10,100	-	10,100
At 31 March 2017	4,577,175	39,873	26,387	425,886	5,069,321
Depreciation					
At 1 April 2016	1,004,155	39,873	16,287	391,426	1,451,741
Charge for the year	128,777	-	9,295	7,302	145,374
At 31 March 2017	1,132,932	39,873	25,582	398,728	1,597,115
Net book value					
At 31 March 2017	3,444,243	-	805	27,158	3,472,206
At 31 March 2016	3,573,020	-	-	34,460	3,607,480

Freehold property comprises expenditure on improvements. The House and associated land are valued at £nil since they were acquired by gift. No value has been attributed to these assets as, in accordance with their wishes of the donor, it is intended that the house and associated land will be held in perpetuity to support the objectives and activities of the Foundation. Ditchley House was built in 1722 and is a listed Grade 1 building. Significant costs would be involved in valuing the property which, in the opinion of the Trustees, would be onerous compared with the additional benefit derived by users of the accounts in assessing the stewardship of assets. The House and outbuildings are currently insured for £44,520,687. Other properties occupied by staff and considered as permanent staff quarters are included at deemed cost based upon a valuation performed at 31 March 2008 by Laws and Fiennes, Chartered Surveyors.

THE DITCHLEY FOUNDATION
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

10. INVESTMENT PROPERTY

Group	Freehold investment property £
Valuation	
At 1 April 2016 and 31 March 2017	<u><u>2,502,000</u></u>

The last professional valuation of the investment was undertaken in 2016 by Savills, Chartered Surveyors, on an open market value for existing use basis. Council have considered this valuation and concluded that it remains appropriate.

Charity	Freehold investment property £
Valuation	
At 1 April 2016 and 31 March 2017	<u><u>2,502,000</u></u>

The last professional valuation of the investment was undertaken in 2016 by Savills, Chartered Surveyors, on an open market value for existing use basis. Council have considered this valuation and concluded that it remains appropriate.

11. FIXED ASSET INVESTMENTS

Group	Listed securities £
Market value	
At 1 April 2016	17,732,023
Additions	1,295,201
Disposals	(2,162,609)
Revaluations	2,373,960
At 31 March 2017	<u><u>19,238,575</u></u>

Group investments at market value comprise:

	2017 £	2016 £
Listed investments	<u><u>19,238,575</u></u>	<u><u>17,732,023</u></u>

All the fixed asset investments are held in the UK.

THE DITCHLEY FOUNDATION
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

11. FIXED ASSET INVESTMENTS (continued)

	Listed securities £	Sub total carried forward £
Charity		
Market value		
At 1 April 2016	17,732,023	17,732,023
Additions	1,295,201	1,295,201
Disposals	(2,162,609)	(2,162,609)
Revaluations	2,373,960	2,373,960
	<u>19,238,575</u>	<u>19,238,575</u>
At 31 March 2017		

	Sub total brought forward £	Shares in group undertakings £	Total £
Charity			
Market value			
At 1 April 2016	17,732,023	2	17,732,025
Additions	1,295,201	-	1,295,201
Disposals	(2,162,609)	-	(2,162,609)
Revaluations	2,373,960	-	2,373,960
	<u>19,238,575</u>	<u>2</u>	<u>19,238,577</u>
At 31 March 2017			

Charity investments at market value comprise:

	2017 £	2016 £
Listed investments	19,238,575	17,732,023
Group	2	2
Total	<u>19,238,577</u>	<u>17,732,025</u>

All the fixed asset investments are held in the UK

12. STOCKS

	Group	Charity
	2017 £	2016 £
	2017 £	2016 £
Stock	32,260	40,067
	<u>31,261</u>	<u>38,874</u>

THE DITCHLEY FOUNDATION
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

13. DEBTORS

	Group		Charity	
	2017	2016	2017	2016
	£	£	£	£
Trade debtors	99,211	47,027	71,324	10,147
Amounts owed by group undertakings	-	-	53,410	61,836
Other debtors	22,351	12,056	22,351	12,056
Prepayments and accrued income	20,911	63,441	20,911	63,441
	142,473	122,524	167,996	147,480

14. CREDITORS: Amounts falling due within one year

	Group		Charity	
	2017	2016	2017	2016
	£	£	£	£
Trade creditors	32,399	104,084	32,399	104,084
Other taxation and social security	17,910	3,879	17,910	3,879
Accruals and deferred income	70,950	91,330	33,419	39,333
	121,259	199,293	83,728	147,296

15. STATEMENT OF FUNDS

	Brought Forward	Income	Expenditure	Transfers in/out	Gains/ (Losses)	Carried Forward
	£	£	£	£	£	£
Designated funds						
Maintenance fund	572,000	-	-	(572,000)	-	-
General funds						
General fund	23,407,420	705,078	(1,755,484)	572,000	2,364,939	25,293,953
Total Unrestricted funds	23,979,420	705,078	(1,755,484)	-	2,364,939	25,293,953
Restricted funds						
Fabric fund	72,655	120,275	(116,574)	-	-	76,356
Travel fund	21,249	10,000	(23,566)	-	-	7,683
Earmarked donations	-	146,367	(146,367)	-	-	-
	93,904	276,642	(286,507)	-	-	84,039
Total of funds	24,073,324	981,720	(2,041,991)	-	2,364,939	25,377,992

THE DITCHLEY FOUNDATION
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

SUMMARY OF FUNDS

	Brought Forward £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
Maintenance fund (designated)	572,000	-	-	(572,000)	-	-
General unrestricted funds	23,407,420	705,078	(1,755,484)	572,000	2,364,939	25,293,953
	<u>23,979,420</u>	<u>705,078</u>	<u>(1,755,484)</u>	<u>-</u>	<u>2,364,939</u>	<u>25,293,953</u>
Restricted funds	93,904	276,642	(286,507)	-	-	84,039
	<u>24,073,324</u>	<u>981,720</u>	<u>(2,041,991)</u>	<u>-</u>	<u>2,364,939</u>	<u>25,377,992</u>

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

The Maintenance Fund was instituted by the Council in 2005 and has been released to general funds on the basis that it has not been used in recent years.

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

16. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Tangible fixed assets	3,472,206	-	3,472,206	3,607,480
Fixed asset investments	19,238,575	-	19,238,575	17,732,023
Investment property	2,502,000	-	2,502,000	2,502,000
Current assets	202,431	84,039	286,470	431,114
Creditors due within one year	(121,259)	-	(121,259)	(199,295)
	<u>25,293,953</u>	<u>84,039</u>	<u>25,377,992</u>	<u>24,073,324</u>

THE DITCHLEY FOUNDATION
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

17. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2017 £	2016 £
Net income/(expenditure) for the year (as per Statement of financial activities)	1,304,668	(829,340)
Adjustment for:		
Depreciation charges	145,374	147,802
(Gains)/Losses on investments	(2,364,939)	(71,108)
Dividends, rent and interest from investments	(400,371)	(293,013)
Decrease in stocks	7,807	6,551
(Increase)/decrease in debtors	(19,949)	60,039
Decrease in creditors	(78,035)	(12,025)
Net cash used in operating activities	(1,405,445)	(991,094)

18. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2017 £	2016 £
Cash in hand	111,737	268,523
Total	111,737	268,523

19. CAPITAL COMMITMENTS

At 31 March 2017 the group and charity had capital commitments as follows:

	Group		Charity	
	2017 £	2016 £	2017 £	2016 £
Contracted for but not provided in these financial statements	13,809	-	13,809	-

20. PENSION COMMITMENTS

The Foundation maintains a pension scheme covering all of its permanent and casual employees. It is a defined contribution scheme (Employer 10%) administered by the trustees. Its funds are kept separate from those of the Foundation. Contributions outstanding at 31 March 2017 were £nil (2016: £10,116). The pension cost charge represents contributions payable by the Foundation in accordance with the rules of the scheme.

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.

THE DITCHLEY FOUNDATION
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

21. RELATED PARTY TRANSACTIONS

During the prior year a director of Ditchley Park Conference Centre and one of his close family members utilised the facilities on commercial terms amounting to £445. No such transactions have taken place in the current year.

22. PRINCIPAL SUBSIDIARIES

Company name	Country	Percentage Shareholding	Description
Ditchley Park Conference Centre Limited	GB	100%	The principal activity of the company is the provision of guest conference facilities.