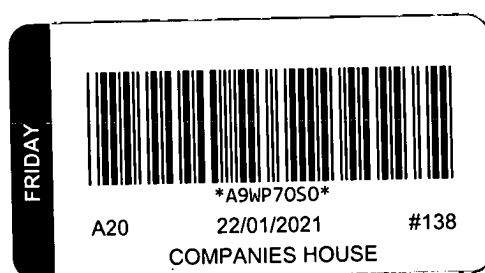


*Think*  
*new things*  
*Make*  
*new connections*

THE COUNCIL'S  
ANNUAL REPORT  
AND ACCOUNTS  
2019-2020



DITCHLEY

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***Office Holders, Trustees and Committee Members***

**HONORARY LIFE PRESIDENT**

Lady Wills JP

**COUNCIL OF MANAGEMENT**

*[Trustees of the Foundation]*

*Chairman*

The Right Honourable the Lord Hill of Oareford CBE

*Vice-Chairman*

Mr Philip Stephens

*Members of the Council*

The Lord Aldington

The Lord Bridges of Headley MBA

\* Her Excellency Ms Janice Charette

Mr Charles Grant CMG

The Right Honourable Mr Dominic Grieve QC

Ms Rachel Lomax

The Rt Hon the Lord Mandelson

Mr Paul Newman

Mrs Elizabeth Padmore

Ms Emma Reynolds

The Most Honourable The Marquess of Salisbury KCVO PC DL

Sir Nigel Sheinwald GCMG

Sir Martin Smith

Dr Catherine Wills

*Company Secretary*

Ms Katie Williams

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

**THE FOUNDATION'S EXECUTIVE STAFF**

*Director:* Mr James Arroyo OBE

*Bursar:* Colonel Mike Montagu

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

*Auditors:* James Cowper Kreston

*Bankers:* Barclays Bank plc, Oxford

*Investment Managers:* Partners Capital LLP

*Solicitors:* Julian Taylor Solicitors, Bicester

## **FINANCE AND GENERAL PURPOSES COMMITTEE**

### *Chairman*

The Lord Aldington

### *Members*

Mr James Arroyo OBE

Ms Rachel Lomax

Mr Paul Newman

Mrs Elizabeth Padmore

Dr Catherine Wills

### *Secretary*

Colonel Mike Montagu

## **INVESTMENT SUB-COMMITTEE**

### *Chairman*

Mr Nicholas Ferguson CBE

### *Members*

The Lord Aldington

Mrs Elizabeth Padmore

### *Secretary*

Colonel Mike Montagu

## **PROGRAMME COMMITTEE**

### *Chairman*

Mr Charles Grant CMG

### *Members*

Mr Bim Afolami MP  
Mr James Arroyo OBE  
Ms Sarah Fountain Smith  
Dr Dougal Goodman OBE FREng  
Ms Julia Gross  
Lady Judge CBE  
Dr Ian Kearns  
Mr Yael Lempert  
Mr Chris Leslie  
Ms Elizabeth Linder  
Mr Peter Mather  
Dr Edwina Moreton OBE  
Mr Rajay Naik  
Mr Takashi Okada  
Professor Sir Adam Roberts KCMG FBA  
Dr Liane Saunders OBE  
Mr Rory Stewart OBE  
Ms Jo Swinson CBE  
Mrs Xenia Wickett  
Dr Catherine Wills

### *Secretary*

Mrs Sandra Ricks

## ***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.

The Ditchley Foundation brings thoughtful doers together to think new things and to make new connections. Ditchley's strength is its power to convene and sustain the frank conversations that are needed to address the problems that today face the world, and particularly democracies. We generate new ideas and new connections that otherwise would not happen by convening opposing views and different silos of expertise in an atmosphere and format designed to grow trust. Events take place at Ditchley Park and elsewhere, including overseas and virtually. Ditchley is about purpose and not just a place, no matter how special.

Through our events, Ditchley gathers together leaders at different stages in their careers and across generations and countries, including politicians, scientists, philosophers, financiers, business figures, innovators, tech entrepreneurs, artists and civil servants. Bringing such diverse experiences together creates new and often challenging perspectives, and some unexpected and productive friendships. All events are by invitation only to allow Ditchley to fine tune the right mix of people. No individual receives financial benefit from the Foundation. Where events are residential, board and accommodation are provided in exchange for participants' time and expertise.

Current priority themes for Ditchley focus on redefining and renewing democratic societies, states, markets and alliances; making the most of the potential for technological innovation to transform society; the development of a sustainable global economy that contains climate change and other grave environmental risks; and how to reduce the threat from bad actors and the disruption of mass migration. The advent of the coronavirus pandemic and the resulting lockdown in countries across the globe has added another dimension to these discussions.

The Foundation publishes the outcomes of conferences and other events on its website, and shares them with government ministers, civil servants, journalists, business and technology leaders and others in a targeted way, either by direct briefings or through subsequent panel discussions. Ditchley has a wide range of partnerships with other convening organisations and think tanks (such as the Lumina Foundation, Royal United Services Institute, Chatham House, the Annenberg Foundation, the Brenthurst Foundation and others) and seeks to work on issues in coordination rather than isolation, aiming to achieve maximum impact and efficiency.

The public benefits generated by Ditchley are a deeper understanding amongst decision makers and influencers of issues of international concern across different fields, delivering in turn a wider public good. By design Ditchley addresses the deep long-term challenges we face, and so benefits are often difficult to quantify through short-term metrics. Nonetheless these benefits are clearly attested to by participants' feedback. Exceptionally busy and influential people continue to make time to attend Ditchley events, which in the case of the core conference programme, is an investment of nearly three days. The Ditchley experience is educative even for those at the height of their careers and widely appreciated as a valuable contribution to public life. Ditchley conversations inform the reporting of many respected news organisations from the BBC to the Washington Post and also new forms of media.

The Foundation's main objectives over the past year have been met principally by its programme of events and supporting research and analysis. It also hired out its facilities to other organisations convening similar events, such as those hosted by Chatham and the Pacific Council on International Policy based in Los Angeles. All proceeds earned by Ditchley Park Conference Centre Limited in this way were donated to the Foundation to be used for its charitable aims. In addition, as in past years, the house and its gardens 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 by appointment to individuals, groups and societies to study its history, art and architecture. The public is given access to the building in the form of pre-booked guided tours for a small charge. The now well-established Festival of Ideas, which involves around 250 people, is also making Ditchley Park accessible to a new audience of brilliant early career academics and other professionals. The Lumina Foundation funded networks project brought an additional 50 outstanding mid-career people to Ditchley as the conclusion to a series of seminars in London. Whilst, as part of a new initiative, Ditchley hosted Generating Genius for the launch of their 2019/2020 UniGenius programme where twenty-eight sixth form students from disadvantaged backgrounds visited Ditchley for a twenty-four-hour residential programme.

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 policy-makers in the UK, North America and beyond, to attract expert participants and to share insights from Ditchley discussions. 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 1958 (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 Ditchley's development plans.

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

All new Trustees are provided with a copy of the Charity Commission's guidance "The Essential Trustee (CC3)" together with Ditchley's Articles of Association. Ongoing training is provided by the Foundation's auditors, currently James Cowper Kreston, on a biannual basis together with an annual reminder of Trustee responsibilities by means of the Charity Commission guidance document referenced above.

### ***The 2019-2020 Programme of Events***

Taking into consideration both in-person and online events, the programme for 2019-2020 included seven three-day residential conferences, an eighth conference held virtually over four days and fifty-eight other events. As a result of the coronavirus pandemic, in-person discussions were halted from the end of March onwards with the main casualty being the cancellation of one conference in April together with a number of other small-scale events. Ditchley moved swiftly however to launch its virtual programme from April onwards. This is built on the core elements of the Ditchley approach to discussions and includes gatherings of different size from small intimate groups leading the way to much larger events, such as the Annual Lecture and Festival of Ideas.

We expect international participation in Ditchley events to be constrained well into 2021, because of restrictions on travel and fears of coronavirus outbreaks and quarantine. Even if international participation and face to face events resume more quickly than expected, we plan for the virtual programme to remain part of Ditchley's approach. Our aim will be to incorporate virtual elements in our programme to such a degree, and in the Ditchley spirit, that we will come to think of the programme as the programme whether in person or otherwise. We anticipate that the great majority of events will continue to include an element of virtual participation, even if a number of those attending are able to meet face to face at Ditchley. We are well placed to do this because of the strategic investment in virtual facilities and methodology that we have worked towards over the last three years.

The Ditchley programme year runs from September to June and therefore does not correspond to the financial year to which this report, strictly speaking, relates. Thus, several events, including four conferences during the period April-June 2019, fell during the financial year 2019-2020 but were included in the reporting of conferences in last year's Annual Report.

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

### ***Report of 2019-2020***

The end of the period covered by this report was dominated by the impact of the coronavirus pandemic. The consequences of Covid-19 are likely to be far-reaching for Ditchley no less than for individuals, businesses, governments and global institutions. Ditchley is relatively well placed financially to weather the crisis and this is covered in the financial review below.

The cornerstone of the Ditchley model, convening people for thoughtful extended conversations at Ditchley Park, was suspended at the end of March 2020 and it is unlikely that face to face meetings will be practicable for some time to come. But whilst this undoubtedly presents challenges, the decisions and investments in capability made over the last three years mean that there are also real opportunities for Ditchley to maintain and to expand its impact and to continue to work with people from across the world to help sustain peace, freedom and order.

Investments in technology have enabled the programme team to continue to work effectively from home and also to launch an effective virtual programme within a few weeks. All office systems are accessible remotely and the team had already moved to working on laptops using collaborative software. Ditchley's phone system is now entirely virtual. Business is conducted using what is now the new normal for many of us: frequent video conferences supplemented by various software collaboration platforms. The online programme is by video, but we are trialling various additions from virtual whiteboards to augmented reality. All this is underpinned by the installation last year of an ultrafast fibre connection, requiring kilometres of trenching and months of effort but paying back handsomely now.

Ditchley's virtual programme is a series of international discussions addressing the impact of the crisis and the routes forward across Ditchley's themes. The arc is from the impact on individuals; to communities; to systems; and to states and the relationships between states. Small group discussions are leading into larger conferences with the first full scale virtual event planned for early June. These themes will then fold into Ditchley's Autumn programme.

Another opportunity of the crisis is that Ditchley, normally busy with hosting events, has been able to press forward with a range of projects to develop new capabilities and to restore further the beauty of the Mansion and estate. The most important of these initiatives is "the Bridge" project on which there is now rapid progress. Our virtual programme at present is run on Zoom and similar software from individual computers, the purpose of the Bridge is to allow Ditchley



to run simultaneously gold standard discussions in person and virtually. The Bridge, whilst retaining the impact of Ditchley events, will mean that we are able to bring in the most relevant voices rather than only those able to travel. This might mean people in power but equally it will include perspectives from refugees and others unable to move freely. Technically, the project amounts to a close to broadcast quality studio in 18<sup>th</sup> century disguise, combined with a high-quality restoration of the library, where Churchill once worked, an integral part of the project. The Bridge will have particular importance for Ditchley as an international connector in the aftermath of the pandemic. It will allow Ditchley to continue to connect people from around the world for the discussions and sharing of ideas that will surely be necessary for the world to rebuild as the crisis recedes.

Aside from the delivery of the programme, the last year has been one of consolidation, both in terms of staffing structures ensuring that there is the capacity to deliver on the ambitious schedule of work, but also the policies and understanding which underpin the Ditchley project. Considerable time and effort have been invested in defining and articulating Ditchley's purpose and methodology, ensuring that everyone involved with the Ditchley project has a clear understanding of its mission and objectives.

A recent article published on the website under the banner "On Reflection" observed that the coronavirus crisis is accelerating our route to the future. But that future is still open to be shaped and, as well as many tragedies and challenges ahead, there are also great opportunities to reimagine ourselves and our societies. Even as we grieve for people and certainties we lose, we must reflect on how to value their legacy through thoughtful change. Ditchley aims to help in this process, building a programme that connects thoughtful people across divides on the personal impact of the crisis; on the effect on systems; and on the impact on politics and relationships between states.

### ***Development Campaign***

Ditchley's development campaign continues to gather momentum and to grow in maturity and professionalism with, at the time of writing, £3.4m now pledged in total. Ditchley's 1580 Fellowship is gradually attracting a broad base of regular supporters, underpinning Ditchley's independence, alongside a series of important donations from long standing supporters and trusts and foundations.

*A full list of donors is included below:*

Lord and Lady Aldington	Marc and Odile Mourre
Mr James Arroyo OBE	Mr Paul Newman
George and Ally Bailey	Mrs Elizabeth Padmore
Sir Andrew Cahn KCMG	Mr Jonathan Paris and Dr Carolyn Paris
Mr Sam Daws	Luke and Nicky Ponsonby
Ms Suzanne Ferlic Johnson	Sir John Sawers GCMG
Sir Simon Fraser GCMG	Sir Nigel Sheinwald GCMG
The John H and Marjorie N Glasgow Foundation	Sir Martin and Lady Smith
Sir Jeremy Greenstock GCMG	Mr Jamie Star
Sir Christopher Greenwood GBE CMG QC	Mr Philip Stephens
The Rt Hon. Dominic Grieve QC	Mr Bobby Vedral
Kate and John Grussing	Mr Frank von Richter
Russell and Andrea Hartley	Dr Diana Walford CBE MD FRCP FRCPath FFPH
The Rt Hon the Lord Hill of Oareford CBE	Mr Simon Webb CBE, FICE
Mr Ralph H. Isham	Ms Natasha Whitmill
Lady Judge CBE	Dr Dawn Wright

Sir John Kemp-Welch  
John and Caitlin Kennedy  
Mr Cary A. Koplin  
Ms Rachel Lomax  
Mr Chris Mairs CBE  
The Rt Hon Sir John Major KG CH  
Mr David Modesett  
Colonel Mike Montagu  
Sir Mark and Lady Moody-Stuart  
Mr Edward Mortimer CMG

The Bryan Guinness Charitable Trust  
The Gatsby Charitable Foundation  
The HDH Wills Charitable Trust  
The Loveday Charitable Trust  
Lumina Foundation  
Microsoft Corporation  
The PF Charitable Trust  
The William Delafield Charitable Trust  
The Wyfold Charitable Trust  
Five Anonymous Donations

### ***The Ditchley Team and Governance***

The chairman of the Council of Management, Lord Hill, and chairman of the Finance and General Purposes Committee, Lord Aldington, continue to support the Ditchley mission with wise counsel and rigorous scrutiny of all governance related matters in support of the wider Ditchley mission. Ditchley is indebted to them and all members of the governing bodies which contribute to the work of the Foundation.

We aim continually to renew and diversify the Ditchley community with a strong focus on engaging outstanding young and emerging talent to augment people with established reputations and high standing. Bridging divides whether generational, geographical, political or philosophical has never been more important and Ditchley as always strives to provide a platform where all voices can be heard.

Despite the pace of change, Ditchley holds true to the principles and values upon which Ditchley was established by its founder Sir David Wills in 1958 and continues to honour his vision. Ditchley is grateful for the continued support provided by the Wills family.

Grateful thanks are also due to the Governors and Board and Committee Members of American and Canadian Ditchley who continue to offer their support, encouragement and guidance, as well as financial support by means of travel bursaries; the sponsorship of an annual conference in the US and biannual conference in Canada; and other donations. Ditchley is greatly in debt to the many others who contribute their money, time, energy and expertise to the Ditchley project.

During the past year we mourned the loss of Ditchley's former Director, Sir John Graham in December. After a distinguished career at the Foreign and Commonwealth Office, he led the Foundation from 1987 until 1992, taking the Foundation forward intellectually and overseeing key aspects of restoration at Ditchley Park. He was also the author of what remains the definitive history of Ditchley, *The Story of a House and an Institution*. He remained a close friend and advocate for Ditchley in the years following his retirement and his friendship and support will be very much missed.

### ***Ditchley Park***

Work to maintain and enhance the Mansion and park at Ditchley has continued with the in-house maintenance team working in partnership with specialist contractors to complete a number of projects including the refurbishment of rooms and improving the visitor experience such as the restoration of the floor in the dining room and the upgrade of the heating control system which also delivers cost savings. In addition, the neglected original "smoking room" located in the basement has been completely transformed by the efforts of the maintenance team as has the Great Hall with the installation of discreet but effective lighting. Some of the

projects undertaken are less obvious, but no less significant such as the upgrade of the fire alarm system and the improvements to the archive facility which has now been re-organised, and the contents housed in fire-resistant cabinets. All projects are fully funded and undertaken to the highest standards. A great deal of work has gone into revising and testing plans for restoration of what we are now calling, "The Elizabethan Rooms" on the second floor of the Mansion, with work to provide dedicated bathrooms and decoration of a high standard now scheduled to begin in July 2020. The work will be completed in phases, beginning with addressing legacy asbestos issues. Ditchley's in-house maintenance team will handle much of the restoration, with a wide range of skills now developed. The Foundation is exploring how further to minimise its environmental impact, building on the investment in the estate-wide biomass plant.

### ***Plans for the Future***

Ditchley aims to combine its rich heritage with 21<sup>st</sup> century technology to become one of the world's most effective and powerful connecting and convening organisations.

The Foundation intends to continue meeting its purpose by the holding of conferences and other events, virtually or in-person as circumstances permit and with the full participation of senior international experts and decision makers. As soon as it is possible to do so, Ditchley Park will also be available for hire as a venue for debate and study to outside organisations.

### ***Financial Review***

#### **The impact of the coronavirus crisis**

The end of the last financial year was dominated by the coronavirus crisis and the Foundation's response and adaptation. For an organisation focused on face to face meetings, the crisis could have been financially disastrous but the investments made over the last three years in connectivity and technology have allowed us to move effectively to remote working for most of our staff and to launch a successful virtual programme to continue to deliver impact against the Foundation's objectives. Financially, we have lost income from postponed guest events but this has been balanced by savings in costs and from the suspension of the face to face programme. We have secured furlough pay for regular casual staff missing out on income, but have only felt it necessary to furlough a very limited number of permanent staff directly working on events. All this means that we are in a relatively strong position to weather the crisis, even if prolonged.

Ditchley has been able to maintain essential care and maintenance of the estate, observing strict social distancing protocols, and moreover has been able to move forward with two key projects, "the Bridge" - the installation of state of the art video conferencing capabilities in the historic library - and planning for the restoration of the Elizabethan Rooms on the second floor, which will begin in earnest in June. Restoration of other parts of the Mansion continues, including the Dining Room, returning the space to its former glory. These projects cumulatively will make Ditchley one of the best places in the world to meet, increase the impact of our programme, and increase our attractiveness and therefore revenue for our guest events.

#### **Management and role of the invested portfolio**

The strategic imperative remains for the Foundation to grow both the value of its invested portfolio, still a major source of income and its yearly income from different sources. The invested portfolio is the ultimate guarantee of the Foundation's independence as a connector and convenor of people. The invested portfolio had a nominal value of £18.9m in December, growing 11.5% during the calendar year. Through tight controls on spending and increasing momentum on fundraising, we were able to maintain the nominal value of the portfolio, despite this being a year of significant investment and expansion of our programme and capabilities.

The crisis and subsequent market crash brought a sharp drop in value of the portfolio, but this has now recovered somewhat with the markets (as of writing in mid-June) to around £17.8m. The Investment Sub-Committee (ISC) judges that investment managers Partners Capital have thus far managed the recent and ongoing turbulence as well as could be expected, with the Foundation's conservative investment strategy limiting losses compared to previous financial crises such as 2003 and 2008.

Drawdown from the portfolio at year end was £1.635m, 4% under budget. For the coming year the budgeted figure for drawdown is set at £1.45m, a significant reduction on the previous year. This is intended to set us a course of sustained gradual reduction in drawdown from the invested portfolio, aiming at an eventual target of a sustainable level of drawdown of no more than 4% of value of the portfolio in any year.

### **Strategic financial risks**

Our main immediate strategic financial risk is in a sustained collapse in the markets and in the value of our invested portfolio. Our main mitigations are careful management of the portfolio; continued work on development; and if necessary further reduction of costs. Our main long-term financial risk is over reliance on drawdown from the invested portfolio which we are addressing through the development campaign and the plans to increase other income, as well as through efficiencies.

### **Management of finances**

FY 2019/2020 expenditure reported in the Annual Accounts was under budget at just under £2.7m, while income was close to £1.6m, exceeding forecast. The spend included £275,000 on campaign, programme and estate development costs. We spent 10% less in the year than predicted at the outset. This was due to a range of factors, mostly positive, some negative: these included increased efficiencies; a better skilled maintenance team that reduced reliance on contracts; rescheduling of some budgeted projects; and, latterly the closing of Ditchley for face to face events.

Expenditure in 2020/2021 is budgeted, in the management accounts, to be a little under £3.1m: this includes both normal running costs and an element of £530,000, earmarked for capability development and infrastructure upgrades, including the Library (incorporating a state-of-the-art teleconference facility): the new budget is a 7.5% increase on the 2019/2020 budget, an increase that is not borne of staff costs, which remain flat, the extra spend being largely attributable to projects covered by earmarked grants and donations. No new work will be undertaken without funding. Income in the management accounts for the year is anticipated at £1.52m. Tight controls are in place to ensure spending does not get ahead of donation income and projects will be delayed if donated funding is not available.

### **Progress on development**

We raised close to £1.15m in donations during the year, and as of writing we have raised £3.42m in donations and pledges against our initial campaign target of £6m. This marks the increasing maturity of our development effort. Our expenditure on development remains low compared to most comparable organisations. A single development officer role is now established, supported by a development steering group and valuable expert volunteer help from Ditchley's community. We continue to seek donors' support for our programme; for earmarked capital projects; and to add to our invested portfolio as the bedrock of our operations and independence.

### **Programme collaborations**

Canadian Ditchley (*Food Security* at Ditchley) and American Ditchley (*Future of Strategic Stability* at Greentree, New York) both generously funded conferences. We collaborated with American finance industry figures and the Mill Reef Club to stage our inaugural and successful transatlantic conference on global finance, *Transatlantic Community and Global Finance*. A

conference on *Africa and security* was held in collaboration with the Brenthurst Foundation and a number of other institutions.

#### **Private Event and Other Income**

Our guest event business, Ditchley Park Conference Centre Limited (DPCC) had a mixed year unsurprisingly due to the postponement of events. Overall income, in the Annual Accounts, was reported as £217,000. For the new financial year, the forecast turnover has been set at £292,000 but this will depend entirely on the progress of the crisis and how soon we are able to resume face to face events at Ditchley. The push for increased revenue will resume as soon as conditions allow. The new technological capabilities and restoration of the Mansion should make Ditchley an even more sought-after venue, including for high level private sector company clients when appropriate.

### ***Structure, Governance and Management***

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

Members of the Foundation are currently designated “Governors”. They meet at least once a year, 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 administration of the Foundation is carried out by the Council of Management, through the Finance and General Purposes Committee. The day-to-day management of the Foundation is conducted by the Director, who is appointed by, and responsible to, the Council of Management.

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

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

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

- Serious injury or death of member of staff or visitor
- Catastrophic damage to the Mansion (infrastructure) and heritage, including by fire
- Loss of impact and relevance of the Foundation
- Failure to adapt to changes in society and technology mean impact and reputation and efficiency undermined
- Reputation for financial probity, effectiveness and impact damaged
- Business model not sustainable
- Data loss or privacy breach endangering reputation and damaging interests
- Loss of Business Continuity and reputational damage due to insufficient resilience in staff and infrastructure
- Serious damage to reputation due to failure to keep up with shifting public attitudes and perceptions

The now well-established Disaster Recovery Plan which proved its value during a serious water ingress in the previous financial reporting period, continues to be subject to ongoing review, particularly regarding the business continuity aspects as impacted by the current pandemic.

A significant additional risk arose in the last quarter of the reporting period with the Covid-19 pandemic. A range of measures were adopted to protect staff and contractors as a priority and to provide the means of continuing to deliver a programme of activity virtually and utilising the time to progress a range of projects in the Mansion.

The key controls used by the Foundation include:

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

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

### ***Reserves policy***

The Foundation's core finances are based upon its investment portfolio (valued at £17.5m as at end March 2020), which provides one of the Foundation's major sources of income and guarantees the Foundation's ultimate independence as a connector and convenor of people. In the absence of any dedicated reserve fund, the Council of Management consider it a matter of essential financial discipline that the value of the capital is preserved as far as possible in order that the Foundation can deliver on its founding mission to run its programme for positive impact, rather than profit, or for the interest of any party.

#### *Short-term reserve*

The portfolio is invested across multiple asset classes and managed by Partners Capital to have a minimum of £400,000 of liquid reserves available to the Foundation within a week. This sum was identified by the Investment Sub-Committee, under the auspices of the Finance and General Purposes Committee, as an appropriate amount of short-term reserve to cover contingencies such as major emergency repairs. As at March 2020, the invested assets under management could provide some £800,000 to be available within a week, with nearly 60% of the portfolio being able to be liquidated within a four month to seven-month period.

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

#### *Strategic long-term reserves*

The Foundation's strategic aim is to build its reserves through development to the point where it is able to 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, and assuming that markets will continue to recover to the *status quo ante*, achieving this target would require increasing the portfolio total by approximately £18m, which would generate an additional £720k of income per annum. It should be stressed that this figure is a target and an aspiration.

The Foundation is also pursuing a strategy in parallel of increasing annual income, so as to reduce the need to withdraw funds from the invested portfolio and to allow it to grow gradually over time. The aim is significant strategic funding for the programme from a range of Foundations and other sources and promising progress is being made in this regard. The other element in the strategy to increase income is to increase the value of each guest event held at Ditchley. This is supported by the capital investments being made in Ditchley's fabric, facilities and technology.

As at 31 March 2020, total funds stood at £24,423,459 of which £752,394 were restricted. The level of unrestricted free reserves, after excluding fixed assets and designated funds, stood at £20,476,012.

### ***Fundraising compliance notice***

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

### ***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 2020. 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 18. A review of the Foundation's business during the year is contained in the Trustee's Annual Report starting on page 4 and incorporates the requirements of the Directors' report as required by company law.

### ***Dividends***

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

### ***Directors***

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

By order of the Council of Management,



KATIE WILLIAMS  
Company Secretary

Dated: 27<sup>th</sup> May 2020



**THE DITCHLEY FOUNDATION**  
**(A Company Limited by Guarantee)**

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

**Opinion**

We have audited the financial statements of The Ditchley Foundation (the 'parent charitable company') and its subsidiary (the 'group') for the year ended 31 March 2020 which comprise the Consolidated Statement of Financial Activities, the Consolidated Balance Sheet, the Company Balance Sheet, the Consolidated Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent charitable company's affairs as at 31 March 2020 and of the Group's incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities Act 2011.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Group's or the parent charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

**THE DITCHLEY FOUNDATION**  
**(A Company Limited by Guarantee)**

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

**Other information**

The Trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditor's Report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

**Opinion on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report has been prepared in accordance with applicable legal requirements.

**Matters on which we are required to report by exception**

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report.

We have nothing to report in respect of the following matters in relation to which Companies Act 2006 requires us to report to you if, in our opinion:

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

**THE DITCHLEY FOUNDATION**  
**(A Company Limited by Guarantee)**

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

**Responsibilities of trustees**

As explained more fully in the Trustees' Responsibilities Statement, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the Group's and the parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

**Auditor's responsibilities for the audit of the financial statements**

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditor's Report.

**Use of our report**

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the charitable company's trustees, as a body, Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an Auditor's Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members, as a body, for our audit work, for this report, or for the opinions we have formed.



**Michael Farwell MA FCA DChA (Senior Statutory Auditor)**

for and on behalf of

**James Cowper Kreston**

Chartered Accountants and Statutory Auditor

2 Chawley Park

Cumnor Hill

Oxford

Oxfordshire

OX2 9GG

Date: 17th June 2020

**THE DITCHLEY FOUNDATION**  
(A Company Limited by Guarantee)

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND  
EXPENDITURE ACCOUNT)  
FOR THE YEAR ENDED 31 MARCH 2020**

	Note	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
<b>Income from:</b>					
Donations, grants and legacies	2	473,430	679,717	1,153,147	1,223,538
Trading turnover of subsidiary		217,254	-	217,254	352,528
Investment income	3	141,203	-	141,203	335,451
Other sources		75,991	-	75,991	108,311
<b>Total income</b>		<b>907,878</b>	<b>679,717</b>	<b>1,587,595</b>	<b>2,019,828</b>
<b>Expenditure on:</b>					
Raising funds:					
Voluntary income		16,025	-	16,025	63,254
Fundraising trading (DPCC costs)		140,641	-	140,641	239,199
Investment management fees		128,611	-	128,611	82,669
Charitable activities: Conference programme costs	4	2,257,236	183,758	2,440,994	2,175,739
<b>Total expenditure</b>	6	<b>2,542,513</b>	<b>183,758</b>	<b>2,726,271</b>	<b>2,560,861</b>
<b>Net expenditure before gains on investments</b>		<b>(1,634,635)</b>	<b>495,959</b>	<b>(1,138,676)</b>	<b>(541,033)</b>
Net gains on investments	8,9	534,277	-	534,277	723,369
<b>Net (expenditure)/income</b>		<b>(1,100,358)</b>	<b>495,959</b>	<b>(604,399)</b>	<b>182,336</b>
Transfers between funds		55,829	(55,829)	-	-
<b>Net movement in funds</b>		<b>(1,044,529)</b>	<b>440,130</b>	<b>(604,399)</b>	<b>182,336</b>
<b>Reconciliation of funds:</b>					
Total funds brought forward		24,715,594	312,264	25,027,858	24,845,522
Net movement in funds		(1,044,529)	440,130	(604,399)	182,336
<b>Total funds carried forward</b>		<b>23,671,065</b>	<b>752,394</b>	<b>24,423,459</b>	<b>25,027,858</b>

**THE DITCHLEY FOUNDATION**  
**(A Company Limited by Guarantee)**

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND  
EXPENDITURE ACCOUNT) (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2020**

All activities relate to continuing operations.

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Investment and rental income	<b>141,203</b>	335,451
Net gains on investment assets	<b>534,277</b>	723,369
<b>Total</b>	<b>675,480</b>	1,058,820

For information, total cash draw down from the investment portfolio was £1,635,000 (2019: £1,700,000).  
The Consolidated Statement of Financial Activities includes all gains and losses recognised in the year.  
The notes on pages 23 - 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 2020**

	Note	2020 £	2019 £
<b>Fixed assets</b>			
Tangible assets	7	3,195,053	3,302,384
Investments	9	17,536,471	19,016,351
Investment property	8	2,926,000	2,580,000
		<u>23,657,524</u>	<u>24,898,735</u>
<b>Current assets</b>			
Stocks	10	38,184	43,458
Debtors	11	79,797	198,655
Cash at bank and in hand		799,932	130,809
		<u>917,913</u>	<u>372,922</u>
Creditors: amounts falling due within one year	12	(151,978)	(243,799)
<b>Net current assets</b>		<u>765,935</u>	<u>129,123</u>
<b>Total assets less current liabilities</b>		<u>24,423,459</u>	<u>25,027,858</u>
<b>Total net assets</b>		<u>24,423,459</u>	<u>25,027,858</u>
<b>Charity funds</b>			
Restricted funds	13	752,394	312,264
Unrestricted funds	13	23,671,065	24,715,594
<b>Total funds</b>		<u>24,423,459</u>	<u>25,027,858</u>

The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

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



**The Right Honourable Lord Hill of Oareford CBE**

Date: 27th May 2020

The notes on pages 23 to 41 form part of these financial statements.

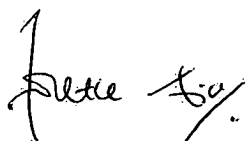
**THE DITCHLEY FOUNDATION**  
**(A Company Limited by Guarantee)**  
**REGISTERED NUMBER: 00599389**

**COMPANY BALANCE SHEET**  
**AS AT 31 MARCH 2020**

	Note	2020 £	2019 £
<b>Fixed assets</b>			
Tangible assets	7	3,195,053	3,302,384
Investments	9	17,536,473	19,016,353
Investment property	8	2,926,000	2,580,000
		<u>23,657,526</u>	<u>24,898,737</u>
<b>Current assets</b>			
Stocks	10	38,171	42,701
Debtors	11	69,785	89,277
Cash at bank and in hand		758,080	101,181
		<u>866,036</u>	<u>233,159</u>
Creditors: amounts falling due within one year	12	(176,716)	(217,367)
<b>Net current assets</b>		<u>689,320</u>	<u>15,792</u>
<b>Total assets less current liabilities</b>		<u>24,346,846</u>	<u>24,914,529</u>
<b>Total net assets</b>		<u>24,346,846</u>	<u>24,914,529</u>
<b>Charity funds</b>			
Restricted funds	13	752,394	312,264
Unrestricted funds	13	23,594,452	24,602,265
<b>Total funds</b>		<u>24,346,846</u>	<u>24,914,529</u>

The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

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



**The Right Honourable Lord Hill of Oareford CBE**

Date: 27th May 2020

The notes on pages 23 to 41 form part of these financial statements.

**THE DITCHLEY FOUNDATION**  
**(A Company Limited by Guarantee)**

**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 MARCH 2020**

	2020 £	2019 £
<b>Cash flows from operating activities</b>		
Net cash used in operating activities (note 16)	<b>(954,538)</b>	(690,130)
<b>Cash flows from investing activities</b>		
Dividends, interest and rents from investments	<b>45,493</b>	45,640
Purchase of tangible fixed assets (note 7)	<b>(57,128)</b>	(53,780)
Cash injection to investments	-	(923,888)
Drawdown from investments	<b>1,635,296</b>	1,700,494
<b>Net cash provided by investing activities</b>	<b>1,623,661</b>	<b>768,466</b>
<b>Change in cash and cash equivalents in the year</b>	<b>669,123</b>	<b>78,336</b>
Cash and cash equivalents at the beginning of the year	<b>130,809</b>	52,473
<b>Cash and cash equivalents at the end of the year (note 17)</b>	<b>799,932</b>	130,809

The notes on pages 23 to 41 form part of these financial statements



**THE DITCHLEY FOUNDATION**  
**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2020**

**1. Accounting policies**

**1.1 Basis of preparation of financial statements**

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

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair' view. This departure has involved following the Charities SORP (FRS 102) published on 16 July 2014 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

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

The Consolidated Statement of Financial Activities (SOFA) and Consolidated Balance Sheet consolidate the financial statements of the company and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis.

The company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Financial Activities in these financial statements.

**1.2 Company status**

The liability is limited by guarantee and no shares are authorised or issued by the Foundation. Each member undertakes to contribute £1 to the assets of the Foundation in the event of the same being wound up whilst a member, or within a year of ceasing to be a member, for the payment of debts and liabilities of the Foundation contracted before ceasing to be a member, and of the cost, charges and expenses of winding up, such as may be required not exceeding £1.

**1.3 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 lockdown in the latter part of March 2020 has significantly impacted the operation of the Ditchley Foundation and Ditchley Park Conference Centre, which have held no events, nor had any income from private events since its last scheduled event in February. For the financial year under report, the impact was limited to the loss of one full-house event in late March. Looking ahead, while the Foundation has been able to maintain, with due social distancing protocols, essential house and estate services, despite the majority of staff remote-working, there is no expectation that any guest-facing events in the mansion will be possible before September 2020. However, financial modelling for both this scenario, as well as for the possibility of not being able to open the premises for the rest of 2020/2021, indicate a modest net gain to the charitable group, the Ditchley Foundation, overall in that the income lost from Ditchley Park Conference Centre events is offset by the absence of the Ditchley Foundation running and bearing the costs of its sponsored conferences and other events. Encouragingly, all the residential Ditchley Park Conference Centre events lost to date have been postponed only and re-scheduled to the autumn of 2020 or to financial year 2021/2022, so it is anticipated that the majority of income lost due to the pandemic will be recouped ultimately.

**THE DITCHLEY FOUNDATION**  
**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2020**

**1. Accounting policies (continued)**

**1.4 Income**

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

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

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

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

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

**1.5 Expenditure**

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

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

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

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

All resources expended are inclusive of irrecoverable VAT.

**1.6 Basis of consolidation**

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

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

**THE DITCHLEY FOUNDATION**  
**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2020**

**1. Accounting policies (continued)**

**1.7 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.

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

**1.8 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 are 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.

**1.9 Interest receivable**

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

**THE DITCHLEY FOUNDATION**  
**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2020**

**1. Accounting policies (continued)**

**1.10 Stocks**

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

**1.11 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.

**1.12 Cash at bank and in hand**

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

**1.13 Liabilities and provisions**

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

**1.14 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.

**1.15 Pensions**

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

**1.16 Fund accounting**

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

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

Investment income, gains and losses are allocated to the appropriate fund.

**THE DITCHLEY FOUNDATION**  
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2020**

**1. Accounting policies (continued)**

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

Tangible fixed assets:

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

Investment properties:

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

**2. Income from donations, grants and legacies**

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Donations, grants and legacies	473,430	679,717	1,153,147	1,223,538
Total 2019	1,160,233	63,305	1,223,538	

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2020**

**3. Investment income**

	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Distributions from investments	95,710	95,710	289,811
Rents	44,413	44,413	45,279
Bank interest	1,080	1,080	361
	<u>141,203</u>	<u>141,203</u>	<u>335,451</u>
Total 2019	<u>335,451</u>	<u>335,451</u>	

**4. Analysis of expenditure on charitable activities**

**Summary by fund type**

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Conference programme costs	2,257,236	183,758	2,440,994	2,175,739
Total 2019	<u>2,142,578</u>	<u>33,161</u>	<u>2,175,739</u>	

**Summary by expenditure type**

	Staff costs 2020 £	Depreciation 2020 £	Other costs 2020 £	Total funds 2020 £	Total funds 2019 £
Conference programme costs	1,096,107	164,321	1,180,566	2,440,994	2,175,739
Total 2019	<u>915,688</u>	<u>152,130</u>	<u>1,107,921</u>	<u>2,175,739</u>	

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**5. Analysis of expenditure by charitable activities**

	Activities undertaken directly 2020 £	Support costs 2020 £	Total funds 2020 £	Total funds 2019 £
Conference programme costs	2,421,187	19,807	2,440,994	2,175,739
Total 2019	2,166,009	9,730	2,175,739	

**Conference programme costs**

	Conference programme cost 2020 £	Total funds 2020 £	Total funds 2019 £
Staff costs	1,096,107	1,096,107	915,688
National insurance	96,512	96,512	73,049
Pensions costs	77,819	77,819	60,424
Depreciation	164,321	164,321	152,130
Administration	201,288	201,288	217,440
Repairs and maintenance	175,918	175,918	221,112
Household and service costs	245,396	245,396	237,857
Conference and events	155,372	155,372	150,306
Irrecoverable VAT	68,336	68,336	76,752
Development programme costs	139,407	139,407	183,936
Costs attributable to DPCC	(140,641)	(140,641)	(216,941)
Bridge project/Lumina costs	92,430	92,430	-
Campaign & communication costs	48,922	48,922	94,256
	2,421,187	2,421,187	2,166,009
Total 2019	2,166,009	2,166,009	

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**NOTES TO THE FINANCIAL STATEMENTS  
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**5. Analysis of expenditure by charitable activities (continued)**

**Governance costs**

	Unrestricted 2020 £	Total funds 2020 £	Total funds 2019 £
Trustees' meeting costs and travel expenses on Foundation business	10,267	10,267	550
Auditor's remuneration	9,540	9,540	9,180
	<u>19,807</u>	<u>19,807</u>	<u>9,730</u>
Total 2019	<u>9,730</u>	<u>9,730</u>	

**6. Staff costs**

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Wages and salaries	1,096,107	965,621	1,045,669	915,688
Social security costs	96,512	73,049	96,512	73,049
Contribution to defined contribution pension schemes	77,819	60,424	77,819	60,424
	<u>1,270,438</u>	<u>1,099,094</u>	<u>1,220,000</u>	<u>915,688</u>

As many of the staff are employed on an ad hoc basis for conferences and events, the average full-time equivalent number of persons employed is considered to be the most appropriate number to disclose. The average headcount expressed as full-time equivalents was:

	Group 2020 No.	Group 2019 No.
Programme	14	10
House and estates	13	14
Conference, events and administration	6	3
	<u>33</u>	<u>27</u>



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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2020**

**6. Staff costs (continued)**

The number of higher paid employees was:

	2020 No.	2019 No.
In the band £110,001 - £120,000	<u>1</u>	<u>1</u>

No members of the Council of Management received any emoluments during the year (2019: £Nil).

No members of the Council of Management received payment for professional or other services supplied to the charity (2019: £Nil).

During the year, there was £10,267 of disbursements for travel and associated expenses incurred by one member of the Council of Management while undertaking activities directly associated with the purposes of the Foundation (2019: £550 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 £197,554 (2019: £191,565).

During the year, redundancy costs totalled £14,120 (2019: £11,471) including pay in lieu of notice.

**7. Tangible fixed assets**

**Group**

	Freehold property £	Motor vehicles £	Fixtures and fittings £	Office equipment £	Total £
<b>Cost or valuation</b>					
At 1 April 2019	4,577,175	39,873	46,387	516,834	5,180,269
Additions	-	2,500	18,500	36,128	57,128
At 31 March 2020	<u>4,577,175</u>	<u>42,373</u>	<u>64,887</u>	<u>552,962</u>	<u>5,237,397</u>
<b>Depreciation</b>					
At 1 April 2019	1,376,302	39,873	26,387	435,323	1,877,885
Charge for the year	121,408	83	2,431	40,537	164,459
At 31 March 2020	<u>1,497,710</u>	<u>39,956</u>	<u>28,818</u>	<u>475,860</u>	<u>2,042,344</u>
<b>Net book value</b>					
At 31 March 2020	<u>3,079,465</u>	<u>2,417</u>	<u>36,069</u>	<u>77,102</u>	<u>3,195,053</u>
At 31 March 2019	<u>3,200,873</u>	<u>-</u>	<u>20,000</u>	<u>81,511</u>	<u>3,302,384</u>

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2020**

**7. Tangible fixed assets (continued)**

**Company**

	Freehold property £	Motor vehicles £	Fixtures and fittings £	Office equipment £	Total £
<b>Cost or valuation</b>					
At 1 April 2019	4,577,175	39,873	46,387	516,834	5,180,269
Additions	-	2,500	18,500	36,128	57,128
At 31 March 2020	4,577,175	42,373	64,887	552,962	5,237,397
<b>Depreciation</b>					
At 1 April 2019	1,376,302	39,873	26,387	435,323	1,877,885
Charge for the year	121,408	83	2,431	40,537	164,459
At 31 March 2020	1,497,710	39,956	28,818	475,860	2,042,344
<b>Net book value</b>					
At 31 March 2020	3,079,465	2,417	36,069	77,102	3,195,053
At 31 March 2019	3,200,873	-	20,000	81,511	3,302,384

Freehold property comprises expenditure on improvements. The House and associated land are valued at £nil since they were acquired by gift. No value has been attributed to these assets as, in accordance with the wishes of the donor, it is intended that the House and associated land will be held in perpetuity to support the objectives and activities of the Foundation. Ditchley House was built in 1722 and is a listed Grade 1 building. Significant costs would be involved in valuing the property which, in the opinion of the Trustees, would be onerous compared with the additional benefit derived by users of the accounts in assessing the stewardship of assets. The House and outbuildings are currently insured for £62,604,855. 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.

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**NOTES TO THE FINANCIAL STATEMENTS  
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**8. Investment property**

**Group**

	<b>Freehold investment property £</b>
<b>Valuation</b>	
At 1 April 2019	2,580,000
Surplus on revaluation	346,000
	<hr/>
At 31 March 2020	<b>2,926,000</b>
	<hr/> <hr/>

**Company**

	<b>Freehold investment property £</b>
<b>Valuation</b>	
At 1 April 2019	2,580,000
Surplus on revaluation	346,000
	<hr/>
At 31 March 2020	<b>2,926,000</b>
	<hr/> <hr/>

Investment properties comprise properties and farmland on the estate rented on a commercial basis. The last desktop professional valuation of the properties was undertaken in 2020 by Savills, Chartered Surveyors, on an open market value for existing use basis. Council have considered this valuation and its appropriateness. The farmland was last valued in 2020 and the Council considers this valuation to be materially correct.

**THE DITCHLEY FOUNDATION**  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2020**

**9. Fixed asset investments**

<b>Group</b>	<b>Investment securities £</b>	<b>Uninvested cash £</b>	<b>Total £</b>
<b>Cost or valuation</b>			
At 1 April 2019	18,496,317	520,034	19,016,351
Additions	1,192,413	-	1,192,413
Disposals	(2,694,296)	-	(2,694,296)
Revaluations	188,277	-	188,277
Other movements	(133,776)	(32,498)	(166,274)
<b>At 31 March 2020</b>	<b>17,048,935</b>	<b>487,536</b>	<b>17,536,471</b>
<b>Net book value</b>			
<b>At 31 March 2020</b>	<b>17,048,935</b>	<b>487,536</b>	<b>17,536,471</b>
<i>At 31 March 2019</i>	<i>18,496,317</i>	<i>520,034</i>	<i>19,016,351</i>

<b>Company</b>	<b>Investments in subsidiary companies £</b>	<b>Investment securities £</b>	<b>Uninvested cash £</b>	<b>Total £</b>
<b>Cost or valuation</b>				
At 1 April 2019	2	18,496,317	520,034	19,016,353
Additions	-	1,192,413	-	1,192,413
Disposals	-	(2,694,296)	-	(2,694,296)
Revaluations	-	188,277	-	188,277
Other movements	-	(133,776)	(32,498)	(166,274)
<b>At 31 March 2020</b>	<b>2</b>	<b>17,048,935</b>	<b>487,536</b>	<b>17,536,473</b>
<b>Net book value</b>				
<b>At 31 March 2020</b>	<b>2</b>	<b>17,048,935</b>	<b>487,536</b>	<b>17,536,473</b>
<i>At 31 March 2019</i>	<i>2</i>	<i>18,496,317</i>	<i>520,034</i>	<i>19,016,353</i>

**THE DITCHLEY FOUNDATION**  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2020**

**10. Stocks**

	<b>Group 2020 £</b>	<b>Group 2019 £</b>	<b>Company 2020 £</b>	<b>Company 2019 £</b>
Finished goods and goods for resale	<b>38,184</b>	43,458	<b>38,171</b>	42,701

**11. Debtors**

	<b>Group 2020 £</b>	<b>Group 2019 £</b>	<b>Company 2020 £</b>	<b>Company 2019 £</b>
<b>Due within one year</b>				
Trade debtors	<b>13,723</b>	124,212	<b>3,713</b>	14,834
Other debtors	<b>13,630</b>	55,925	<b>13,630</b>	55,925
Prepayments and accrued income	<b>52,444</b>	18,518	<b>52,442</b>	18,518
	<b>79,797</b>	198,655	<b>69,785</b>	89,277

**12. Creditors: Amounts falling due within one year**

	<b>Group 2020 £</b>	<b>Group 2019 £</b>	<b>Company 2020 £</b>	<b>Company 2019 £</b>
Trade creditors	<b>58,741</b>	99,050	<b>58,741</b>	96,948
Amounts owed to group undertakings	-	-	<b>43,412</b>	45,834
Other taxation and social security	<b>29,338</b>	26,227	<b>29,042</b>	26,227
Other creditors	<b>8,680</b>	4,454	<b>7,225</b>	256
Accruals and deferred income	<b>55,219</b>	114,068	<b>38,296</b>	48,102
	<b>151,978</b>	243,799	<b>176,716</b>	217,367

**THE DITCHLEY FOUNDATION**  
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**NOTES TO THE FINANCIAL STATEMENTS  
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**13. Statement of funds**

**Statement of funds - current year**

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

**THE DITCHLEY FOUNDATION**  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2020**

**13. Statement of funds (continued)**

**Statement of funds - prior year**

	Balance at 1 April 2018 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 March 2019 £
<b>Unrestricted funds</b>					
General Funds - all funds	24,404,478	1,956,523	(2,368,776)	723,369	24,715,594
<b>Restricted funds</b>					
Fabric fund	77,718	3,685	(16,726)	-	64,677
Travel fund	15,326	10,000	(9,830)	-	15,496
Earmarked donations	-	49,620	(49,620)	-	-
Dulverton Trust Grant	348,000	-	(115,909)	-	232,091
	<u>441,044</u>	<u>63,305</u>	<u>(192,085)</u>	<u>-</u>	<u>312,264</u>
<b>Total of funds</b>	<u>24,845,522</u>	<u>2,019,828</u>	<u>(2,560,861)</u>	<u>723,369</u>	<u>25,027,858</u>

**14. Summary of funds**

**Summary of funds - current year**

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

**THE DITCHLEY FOUNDATION**  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2020**

**14. Summary of funds (continued)**

**Summary of funds - prior year**

	Balance at 1 April 2018 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 March 2019 £
General funds	24,404,478	1,956,523	(2,368,776)	723,369	24,715,594
Restricted funds	441,044	63,305	(192,085)	-	312,264
	<u>24,845,522</u>	<u>2,019,828</u>	<u>(2,560,861)</u>	<u>723,369</u>	<u>25,027,858</u>

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

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

Earmarked donations relate predominantly to a grant for asbestos removal (£473,000) and donations received for the Bridge project (£180,869) which integrates cutting edge video technology into the restoration of our historical library.

In the prior year a restricted grant was received from the Dulverton Trust for a clutch of specific development projects. The Dulverton Trust is an independent grant-making charity established by the HDH Wills family.

**15. Analysis of net assets between funds**

**Analysis of net assets between funds - current period**

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



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**NOTES TO THE FINANCIAL STATEMENTS  
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**15. Analysis of net assets between funds (continued)**

**Analysis of net assets between funds - prior period**

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £
Tangible fixed assets	3,267,451	34,933	3,302,384
Fixed asset investments	18,739,020	277,331	19,016,351
Investment property	2,580,000	-	2,580,000
Current assets	372,922	-	372,922
Creditors due within one year	(243,799)	-	(243,799)
<b>Total</b>	<b>24,715,594</b>	<b>312,264</b>	<b>25,027,858</b>

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

	Group 2020 £	Group 2019 £
Net (expenditure)/income for the period (as per Statement of Financial Activities)	<b>(604,399)</b>	182,336
<b>Adjustments for:</b>		
Depreciation charges (note 7)	<b>164,459</b>	152,130
Investment property gain (note 8)	<b>(346,000)</b>	-
Gains on investments (note 9)	<b>(188,277)</b>	(723,369)
Dividends, interests and rents from investments (note 3)	<b>(141,203)</b>	(335,451)
Decrease in stocks (note 10)	<b>5,274</b>	21
Decrease/(increase) in debtors (note 11)	<b>118,858</b>	(105,239)
(Decrease)/increase in creditors (note 12)	<b>(88,198)</b>	69,207
Other investment movements	<b>124,948</b>	70,235
<b>Net cash used in operating activities</b>	<b>(954,538)</b>	(690,130)

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**NOTES TO THE FINANCIAL STATEMENTS  
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**17. Analysis of cash and cash equivalents**

	Group 2020 £	Group 2019 £
Cash in hand	799,932	130,809
<b>Total cash and cash equivalents</b>	<b>799,932</b>	<b>130,809</b>

**18. Analysis of Net Debt**

	At 1 April 2019 £	Cash flows £	At 31 March 2020 £
Cash at bank and in hand	130,809	669,123	799,932
	<b>130,809</b>	<b>669,123</b>	<b>799,932</b>

**19. Pensions commitments**

The Foundation maintains a pension scheme covering all of its permanent and casual employees. It is a defined contribution scheme (Employer 10%) administered by the trustees. Its funds are kept separate from those of the Foundation. Contributions outstanding at 31 March 2020 were £15,347 (2019: £nil). The pension cost charge represents contributions payable by the Foundation in accordance with the rules of the scheme.

**20. Principal subsidiary**

The following were subsidiary undertakings of the company:

Subsidiary name	Ditchley Park Conference Centre Limited
Basis of control	100% shareholding
Total assets as at 31 March 2020	£95,289
Total liabilities as at 31 March 2020	£18,674
Total equity as at 31 March 2020	£76,615
Turnover for the year ended 31 March 2020	£217,254
Expenditure for the year ended 31 March 2020	£140,641
Result for the year ended 31 March 2020	£76,613

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**21. Prior year adjustment**

The charitable group has adopted an amendment to the charities SORP on recognition of gift aid donations from a trading subsidiary to a parent charity. Gift aid donations are no longer accrued unless a legal obligation is in existence, and are now recognised on the date of payment. A prior year adjustment is required in the financial statements to re-state the opening reserves at 1 April 2018 and the prior year comparative profit and loss account. The net impact on the financial statements is a decrease in the parent charity's profit of £113,329 in 2019. There is no impact on the consolidated financial statements.

**22. Related party transactions**

In the year a number of trustees made donations to the Foundation under the 1580 Fellowship Scheme.