

Think
new things
Make
new connections

THE COUNCIL'S
ANNUAL REPORT
AND ACCOUNTS
2017-2018



DITCHLEY

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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 7 July, 2018 at 2.15pm at Ditchley Park, Enstone, Chipping Norton, Oxfordshire, OX7 4ER.

BUSINESS:

1. To receive the Statement of Accounts and Report of the Council of Management for the year ended 31 March, 2018.
2. The following resolution to elect Council Members will be put to the Annual General Meeting:

a) Pursuant to Article 36, the following is elected to the Council:

The Marquess of Salisbury KCVO PC DL

b) 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:

MS RACHEL LOMAX
MR PAUL NEWMAN

3. The following resolution to amend Article 42 will be put to the Annual General Meeting as follows:

The Chairman, Vice-Chairman, Chairman of the Finance and General Purposes Committee, and Chairman of the Programme Committee will be subject to a tenure of five years, which may be extended by a further three years by mutual agreement, effective from the date of their appointment to those offices.

4. Pursuant to Article 8, the following resolution will be put to the Annual General Meeting:

Members, or Governors, will be eligible to serve for five years as specified on the Consent to Membership form, extendable by a further five years at the Chairman's discretion. At the end of the second five year term, they will, at the discretion of the Chairman, have the opportunity to be appointed Honorary Governors. Honorary Governors will serve for a five year term as specified on the "Consent to become an Honorary Governor form", renewable at the discretion of the Chairman. Honorary Governors will not be "Members" of the Foundation and will therefore not be entitled to attend or vote at the AGM.

5. A resolution to re-appoint *James Cowper Kreston* as auditors for the year ending 31 March 2019 will be put to the Annual General Meeting.

6. To transact any other business.

Dated this 6th day of June, 2018
By order of the Council of Management

A handwritten signature in black ink, appearing to be 'Katie Williams', written in a cursive style.

KATIE WILLIAMS
Company 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 the Lord Hill of Oareford CBE

Vice-Chairman

Mr Philip Stephens

Members of the Council

The Lord Aldington

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 MP

The Lord Hennessy of Nympsfield FBA

Professor Sir David King FRS FRSC

Ms Rachel Lomax

Ms Bronwen Maddox

Mr Paul Newman

Mrs Elizabeth Padmore

Ms Emma Reynolds MP

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
Ms Tania Freiin von Uslar-Gleichen
Dr Dougal Goodman OBE FREng
The Lord Hennessy of Nympsfield FBA
Lady Judge CBE
Dr Ian Kearns
Mr Chris Leslie MP
Ms Elizabeth Linder
Mr Lewis Lukens
Mr Peter Mather
Dr Edwina Moreton OBE
Mr Rajay Naik
Mr Takashi Okada
Professor Sir Adam Roberts KCMG FBA
Dr Liane Saunders OBE
Mr Shao Zheng
Mr Rory Stewart OBE MP
Ms Jo Swinson CBE MP
Mrs Xenia Wickett
Dr Catherine Wills

Secretary

Mrs Sandra Ricks

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 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 complex problems that today face the world, and particularly the transatlantic liberal democracies. We generate creative solutions by convening opposing views and different silos of expertise in an atmosphere designed to generate empathy and trust. Our blend of intellectual rigour, informality and discretion, in a 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. But other activities take place away from Ditchley, such as the annual event in the Houses of Parliament, or the new Challenging Perceptions reception in London to draw new talent to Ditchley. Events also 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. Ditchley is about purpose and not just a place, no matter how special.

Through these events, and in future a planned residency programme, Ditchley gathers together leaders at different stages in their careers, 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 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. Ditchley is in the process of renewing its digital communications and platforms.

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 conferences are educative even for those at the height of their careers and 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. Ditchley's role as a premier venue for discussion, policy development and intellectual exchange benefits the public at large by the positive contribution it makes to the quality of leadership and discourse in different fields. 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 new 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 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. As touched on above, Ditchley holds a range of events designed primarily to attract new talent.

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 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.

The 2017-2018 Conference Programme

The Future of the Transatlantic Community and the International Order

8-10 September 2017

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

Co-Chairs: The Hon Madeleine K. 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 on the world?

12-14 October 2017

Chair: The Rt Hon. Douglas Alexander

Russia's role in the world today and tomorrow

16-18 November 2017

Chair: Ambassador William J. Burns

Machine learning and artificial intelligence: how do we make sure technology serves the open society?

8-10 December 2017

In partnership with Vodafone Group

Chair: Sir Nigel Shadbolt

The future of policing in the digital age

25-27 January 2018

Chair: Commissioner Cressida Dick

How does aid need to transform to deliver the World we want and need?

8-10 February 2018

Chair: Ms Gayle Smith

Turkey's place in the West

15-17 March 2018

Chair: The Rt Hon. Jack Straw

The Oceans: an opportunity for a new level of international cooperation or a tragedy of the commons?

19-21 April 2018

In cooperation with the Canadian Ditchley Foundation

Chair: The Honourable Lawrence Cannon

The future of the EU and the Euro, after Brexit

17-19 May 2018

Chair: Dr Alexander Stubb

How do we make the Internet safer without destroying its vitality?

7-9 June 2018

Chair: Dr Vinton Cerf

Concluding Phase of the 2017-2018 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 2017 fell during the financial year 2017-2018 but were included in the list of conferences in last year's Annual Report. This year's report follows the same practice.

Report of 2017-18

As Ditchley's outgoing chairman noted last year, turbulent political events 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. Brexit and the election of President Trump revealed popular frustration with politics as usual and a demand

for change. Meanwhile formal multilateral organisations faltered and struggled to cope with the return of power politics and state to state tensions. Nothing else in international governance and politics is working particularly well. Political debate has arguably reached new levels of polarisation and polemic, meaning that Ditchley is one of the few places, globally perhaps, where opponents from each side of a range of schisms can come together for quiet dialogue despite their differences.

The 2017 Annual Lecture was a tour de force in defence of globalism by Secretary John Kerry, former Secretary of State and presidential candidate. He acknowledged the frustrations and economic disappointments that had brought President Trump to power but argued that the response should not be a turning inwards but instead new ambition and innovation to drive forward global development and the global economy, with cooperation with China where possible. The 2018 Annual Lecture will be delivered by European Commissioner for Competition, Margrethe Vestager, on playing by the rules in a globalised world and promises to be an opportunity to explore Europe's capacity for innovation as the technological revolution rolls forward relentlessly.

The November 2017 Ditchley Parliamentary event, with the continued support of the British American Parliamentary Group, addressed the new challenges for Transatlantic and European defence stemming from fractures in the post-war world order, the return of statecraft and Russian mischief. General Ben Hodges, commander of the US Army in Europe, described the moves NATO was taking to re-establish deterrence, which had remained consistent under President Trump, and also challenged parliamentarians on the risks of further defence cuts and reductions in the size of the British Army. General Sir Richard Barrons argued for the transformation of the armed forces through the use of technology with a stronger focus on data, cyber, AI and automation.

November 2017 also saw a fourth instalment in 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. The annual gathering of outside experts and government officials took place in Australia this year with former Ditchley director Sir John Holmes kindly volunteering to chair.

The defining of themes for impact for Ditchley's programme has matured

The first of Ditchley's themes for impact is reimagining 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. Ditchley was founded at a time of great global uncertainty and we are back in those times today, poised between hope and fear. We need to find a new model to sustain and defend what is best about the West, without slipping needlessly into confrontational relationships with China and other rising powers.

The second major theme is to make the best of the technological revolution, aiming to reap its benefits on efficiencies and the new economy, whilst mitigating its potentially harmful effects on privacy, democracy and the labour force through the rapid disruption of work.

Multilateralism is under challenge just as it becomes clear that many of the most serious challenges we face – climate change, threats to the ocean, food security for the fast growing global population – are multilateral and can only be tackled through concerted international action. Ditchley needs to do its part in building international cooperation on these urgent issues.

Closer to home in Europe the threats of terrorism and war driven mass migration from the Middle East remain real concerns, whilst the economically driven mass movement of people

northwards in and from Africa is a strategic longer term challenge. We need to find ways to contain instability and to realise economic potential in the Middle East and Africa.

Ditchley stands 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. The challenges to multilateralism; the questions about American international leadership; the rise of China; and the impact of technology are broad themes that crop up in almost all our discussions as well as featuring in specific conferences.

The gold standard Ditchley conference will remain the backbone of our activities, but these are being 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. We have now also begun a pilot project to follow up on conferences and other discussions in order both to generate further impact and to assess impact.

Developing Ditchley's capabilities, impact and finances

We have continued preparations for a major fund raising campaign due to be launched in the autumn of 2018.

The logic remains as laid out last year:

- 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 be 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 that has arisen through extensive consultation has now been captured in a return to Ditchley's traditional typefaces and colours but in a new modern visual identity with pro bono support from the global advertising agency M and C Saatchi. The phrase "Think new things; make new connections" is intended to encapsulate in short form the benefit that Ditchley delivers to decision makers. A new website is about to launch at writing.

A range of initiatives and pilot projects are underway to build the professional infrastructure for the new campaign and to expand on Ditchley's impact. These projects include: new work on impact after conferences; new work on expanding and understanding and visualising Ditchley's networks of people on our priority themes; new work on a better and fuller digital archive so it is easier to learn from Ditchley's history of discussions; and completion of improved connectivity so that participants at Ditchley events can withdraw from the world to the extent that they want to but connect easily when they need to.

Plans to get Ditchley match fit for the digital age have been given a major boost by a generous grant of nearly £350,000 from the Dulverton Trust. Ditchley remains grateful to the extraordinary support offered by the Wills family in honour of Ditchley's founder Sir David Wills.

The Ditchley team and governance

Lord Robertson was succeeded as chairman of the foundation by Lord Hill, formerly EU financial services Commissioner and Leader of the House of Lords. Lord Hill's experience and contacts will help Ditchley play a useful role in handling the fallout from Brexit and constructing new relationships with European neighbours. He is working closely with the director on shaping the vision for Ditchley and the plans to realise it.

The Ditchley team has risen to the challenge and is delivering an expanded programme of events and initiatives with only minimal reinforcement. As well as through strong personal commitment this is being delivered through stronger teamwork as we work to develop Ditchley's systems and culture. The team now also increasingly includes a range of consultants and volunteers, giving us more flexibility and expertise on which to draw.

We were deeply saddened to learn of the death of Baroness Jowell. She was a good friend of Ditchley, serving as a Member of its Council of Management since 2013, and as a Governor from 2010. She was a loyal supporter of Ditchley as an idea, as well as the place and people, always thoughtful in her observations and practical in her approach.

Governors and Council of Management

The outgoing Chairman suggested a review of the term of office for future incumbents, currently 10 years, which has broadened into a wider review of Ditchley's governance structures, including Governors. The Governors are a hugely distinguished group of people, a number of whom have been involved with Ditchley for many years. This sense of continuity needs to be balanced against a corresponding need to keep refreshing Ditchley's network of friends and supporters. It is also recognised that resourcing constraints have meant that the relationship with Governors has not been managed as actively and effectively as might be hoped.

As a result of the review it is proposed that the Chairman be appointed for a tenure of five years, with the option for Council to extend this by a further three years by mutual agreement.

This revised tenure would also apply to the Vice-Chairman, Chairman of the Finance and General Purposes Committee, and Chairman of the Programme Committee and come into effect at the end of the current incumbent's terms and with the appointment of their successors.

It is proposed that Governors serve for five years, extendable by a further five years at the Chairman's discretion. At the end of their two five year terms, the Chairman would have further discretion to invite them to become Honorary Governors. If approved, this process would begin as existing Governors reach the limit of two terms.

Honorary Governors would similarly serve five year terms, renewable at the discretion of the Chairman.

If the Chairman wishes to invite an Honorary Governor to serve on Council, then he or she would automatically be nominated to become a Governor *for the duration of their Council term*. Such appointments to Council would need to be ratified at the AGM as now.

The intention is to provide differentiated yearly programmes of events and more regular communications and engagement for both Governors and Honorary Governors. However, the key difference between Governors and Honorary Governors is that the latter would not be "Members" of Ditchley under the terms of the Articles of Association, and therefore not entitled to attend or vote at the AGM.

Ditchley Park

The house and park have benefited from a number of new heritage projects delivered over the last year thanks to support from generous donors. This has included a beautiful restoration of bedroom number one and its fine polonaise bed and historic blue and white fabrics; new lighting for the library; the transformation of the walled gardens; and several other smaller projects. Extensive planning is underway for the major projects that we hope to fund through the forthcoming fundraising campaign. Funding has already been secured (as part of the major grant from the Dulverton Trust) for new lighting for the Great Hall. There is also funding for much needed improvements to staff offices.

Conference highlights

The conference programme this year included the following highlights amongst many others:

- At the Greentree estate on Long Island in September 2017 we discussed the troubled post-war world order, with Secretary Madeleine Albright and former national security adviser Stephen Hadley as joint chairs. The conference brought serving officials in the Trump administration face to face with critics, and even if not always a comfortable experience, it allowed people to get beyond simple stereotypes. Immigration, and particularly Muslim immigration in Europe, was one of the most contentious aspects of the discussion.
- In November Ambassador Bill Burns chaired a conference on Russia with strong representation from Moscow-based think tanks and commentators as well as an array of western expertise. The focus, depressing but prescient, was on how to stop relations deteriorating further and to contain the risks of a serious confrontation as Russia sought to force recognition of its great power status.
- December's conference on AI looked at the impact of AI on politics, democracy and freedom as well as on the more habitual ground of the future of work and the economy. There was discussion of "AI nationalism", whether or not AI would become a determining feature of state power and national economic success. We had a sense of discussing for the first time some issues that will come to dominate the future.
- January's conference on the future of policing was chaired by Metropolitan Police Commissioner Cressida Dick, the first woman to lead the Met. This was a great example of Ditchley's direct approach to impact, providing new ideas and intellectual challenge to centrally placed decision makers on the issue.
- March's conference on Turkey chaired by Jack Straw proved politically contentious but in the end we succeeded in staging a very constructive discussion, the first probably for some time, between close supporters of President Erdogan and some of his fiercest critics.

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

- 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)
- British-French Brexit senior business lunch hosted by Lord Aldington, Brooks (5 July 2017)
- Annual Lecture by The Honorable John Kerry, Ditchley Park (8 July 2017)
- Festival of Ideas, in collaboration with Oxford University, 200 people, Ditchley Park (15 July 2017)
- Vint Cerf, Father of the Internet Dinner, Ditchley Park (30 August 2017)

- American Ditchley board meeting, plus further meetings in New York, Palm Springs, San Francisco and LA (5-15 September 2017)
- Ditchley feasibility study update meeting, One Great George Street (27 September 2017)
- Businesswomen breakfast briefing with Metropolitan Police Commissioner Cressida Dick, hosted by Barbara Judge (11 October 2017)
- "The Future defence of Europe", Parliamentary event, Westminster (1 November 2017)
- The Forum, Web Summit in Lisbon at which the Director was a speaker (6-9 November 2017)
- Canadian Ditchley board meeting with Dr Wills representing Ditchley (8 November 2017)
- Australia-UK IV Asia Dialogue in partnership with Lowy Institute, Sydney, Australia (29–30 November 2017)
- Challenging Perceptions reception hosted at M&C Saatchi (1 February 2018)
- London "Ditchley Download" breakfast briefing for Chairmen and CEOs hosted by Nex, Broadgate (28 February 2018)
- London Ditchley discussion dinner hosted by Brunswick (28 February 2018)
- Data briefing pro bono to Metropolitan Police senior leadership (19 March 2018)
- US and Canadian Spring Board meetings (22-27 April 2018)
- Director's dinner - Oren Yakobovich, *Videre est Credere* (10 May 2018)
- Kinross House meeting in conjunction with Elizabeth Linder and David Birrell of Kinross House, "Standing up to the spectre of the information age" (31 May-1 June 2018)
- RUSI event to follow June 2018 conference on the Internet (28 June 2018)

Participation and Impact

Once again, attendance at the conferences over the last twelve months has remained consistent with the average number of participants at around 40. 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. On the other hand, some other conferences continued to be overly dominated by men. More work to do but there is an inevitable tension between Ditchley's focus on decision makers and the *preponderance of men at senior level still in many areas in many countries*.

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. Our networks in technology are now very strong in both the UK and in Silicon Valley in the US. We are turning to the world of finance as the next target for strengthening and deepening our networks. We are exploring a networking project to expand our links to innovative companies in all sectors.

We have continued the practice of including a student from one of the major scholarship schemes, the Blavatnik School of Government in Oxford, and Oxford's post graduate community at nearly every conference. The inaugural Festival of Ideas in 2017 greatly *strengthened Ditchley's millennial networks and we are now building on this for the second* 2018 Festival of Ideas and through other specific networking projects targeted at talented and well connected people at an early stage in their careers.

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 there is also some constructive criticism which we value.

Statistically, the rating for the overall experience at Ditchley remains steady, with 99% of respondents rating it excellent (84%) or above average (15%). Reflective of the centrality of Ditchley's convening mission, 92% of respondents rated highly the opportunity to make new contacts at Ditchley, and more than 80% went away with a broader/deeper understanding of the topic and new insights or perspectives (82%). Again, consistent with past years, 94% considered that the quality of the discussions were above average or excellent, and the expertise gathered around the table was highly rated by 93% of respondents.

Where we struggle, and where we continue to focus our attention at the research and invitation stage, is with gender diversity (as reflected in the participant comment below). 36% find that gender diversity at conferences is 'average' and a further 18% that we have a below average or poor record in this area.

Inevitably, there are differences of opinion about various structural elements of the conferences: the Friday afternoon break should be longer/should be shorter; the conference should last an extra day/should be compressed; the Saturday morning sessions should finish earlier/should finish later. But, in each of these metrics, the overwhelming majority of respondents feel that the existing format should be retained.

Comments we received in the year included the following:

"You should be proud of your ability to bring some uncommon constituencies together in discussion. I'm deeply impressed and consider the meeting time very well spent."

"I wanted to drop you a note to say that the conference on AI was one of the most intellectually stimulating events that I've ever attended. I came away from Ditchley with the firm conviction that the matters discussed are of critical importance to the future of the UK and that as a collective, we must ensure that the dialogue continues and that the recommendations are translated into action."

"It's rare to find time and space to discuss the things that really matter and Ditchley really is the perfect forum for this."

"I made many firm friends and have fulfilled your request - I just did a talk for 1000 [Asians] incorporating lots of ideas from the sessions, from AI safety research, creating signals in models for monitoring social and tech disruption, to suggestions for distributing the productivity gains from AI amongst everyone. I will do the same talk tomorrow at the Cabinet Office."

"This has been a very productive conference and thank you for having us. A good and diverse group of people on critical topic that is keeping us all awake at night. We will hopefully look back in time and see that Turkey's place in the west is eventually secured through the type of recommendations we tried to come up with."

"I was so impressed by the curation and flow of the event. What an extraordinary experience, I feel incredibly lucky to have been there. I learnt a lot, and made some brilliant connections. I hope we can have a really pointed follow through direct to the G7 and celebrate actually making something happen."

And where it did not quite work for people:

"I'm a bit puzzled by the gender ratio of the participants-- 35 men vs. 5 women, if I counted correctly. Even if it is accidental, it is bad optics."

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 2018 and 2019. 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 2018

The Crisis of Democracy in Europe and America

14-16 September 2018 (TBC)

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

Modern family: what is it for, what are its prospects and what are the implications for societies and states?

4-6 October 2018

Modern deterrence: what does the combination of nuclear, BCW, cyber and AI mean for the evolution of western deterrence against state and non-state actors?

8-10 November 2018

China and the West: mutual respect, different values, single economic system. Is it possible?

6-8 December 2018

January – June 2019

Globally connected cities and their challenge to the nation state

17-19 January 2019

The intersection of machine learning and genetic engineering

7-9 February 2019

Education: what future are we training our young for? Values and role models

14-16 March 2019

Brexit: Britain's new place in the world

11-13 April 2019

The transatlantic community and global finance

26-29 April 2019

Conference at Mill Reef Club, Antigua

The EU economy and innovation

16-18 May 2019

Cities

30 May 30-1 June 2019

In cooperation with the Pacific Council on International Policy

Intervention: [full title TBC]

13-15 June 2019

Financial Review

The Foundation continues to control spending closely but the strategic reality remains that the invested portfolio (the 'endowment'), at its current value of £18.8m, cannot sustain in the medium term the level of expenditure required to resource activities and maintain assets of the profile and scale that characterise Ditchley, particularly as market forecasts are indicating a slackening of growth rates over the coming period. The Council of Management-endorsed fundraising effort is now underway, with some early momentum from a substantial grant from the Dulverton Trust in early 2018: it is anticipated this will be augmented by the cyclical HDH Wills grant anticipated in early 2019, which has enabled the establishment of the development support team and the undertaking of several projects within the ambitious development plan. The creation of a Campaign Committee will underpin the seeking of 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 2017/2018 expenditure in the Annual Accounts was £2.07m, with the operational spend 4.5% under budget. Income, including investment income from the endowment, totalled £1.08m. The effect of grants aside, operational income was just below forecast, with Ditchley Park Conference Centre (DPCC) exceeding forecast by 15%. Drawdown from the endowment at year end was £1.32m, under budget but still 7% of the financial year end endowment value (£18.8m).

In the management accounts, expenditure in 2018/2019 is budgeted to be just over £2.138m and drawdown from the endowment is forecast to be £1.54m. This allows for continued spending from the development pot of £200k specifically authorised to fund early initiatives in the Director's development plan, of which just over half has been spent. These initiatives are designed to establish a credible platform for the major fundraising effort now getting underway. The enabling steps include 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.

The Foundation's endowment portfolio made a return in calendar year 2017 of 8.5% in Pounds Sterling terms. The Investment Sub-Committee, under the assured direction of its Chairman, remains well satisfied with the performance of investment managers Partners Capital in the current challenging conditions. The conservative balanced asset allocation strategy has enabled the portfolio to suffer only minimal loss in nominal value after the Foundation's drawdown requirements.

Ditchley Park Conference Centre (DPCC) had a considerably improved year. Overall income was £284k, realising a pure return to the Foundation of £63.5k once costs and management charges had been deducted. For the new financial year the forecast turnover has been set at a similar level. The push for additional revenue will continue, including developing a more bespoke and remunerative offer for the private sector.

We continue to enjoy support from across the Atlantic. American Ditchley financed a very successful conference at the Greentree Estate as well as supporting conference travel for high quality conference participants from the US. Canadian Ditchley financed a conference on *The*

Arctic, held at Whitehorse, capital of the Canadian Yukon. We were also supported by Vodafone Group for *Artificial Intelligence*. The model of direct sponsorship for specific conferences is being adapted to identifying sponsors to fund streams of work, for example on the frontiers between government and technology.

Collective income from the Government Renewable Heat Incentive and heat sales from the biomass plant, now into its sixth year of operation, exceeded budget by a considerable margin following a harsh winter. In addition to projects, the maintenance team has been busy, but with spending under budget, due to the introduction of additional funding for contingency repairs. Work undertaken included £47k worth of projects funded by donations made to the Fabric Fund, which at year end stood at £78k. For the outlying properties (a £10.5m portfolio in replacement terms), a management support package is being negotiated with HDH Wills Trust land agent, Adkin, to supplement the Foundation's long under-resourced estate management capacity. This will enable a Properties Plan to be developed to put investment in the properties on a more structured footing.

The Foundation has continued the policy of maintaining a minimum liquid reserve of £400,000 available for withdrawal from the portfolio within one week.

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 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 in this last financial year and implemented at the start of FY 2018/2019.

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 the Disaster Recovery Plan remains close to completion, following adjustments to align the plan with the new staff structure in the Bursary. A high level Risk Register was introduced in the reporting period to be reviewed biannually, including at F&GP Committee level in the autumn: the Register assesses the following risks:

- Health and safety
- Damage to infrastructure and heritage, including by fire
- Loss of impact and relevance of the Foundation
- Failure to adapt to change
- Financial probity and compliance
- Sustainability of business model
- Data loss and privacy breaches
- Business Continuity
- Reputational risk

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 £18.8m as at end March 2018) 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 2018, the financial portfolio had close to £1.1m liquidity within the week, with 50% of the £18.8m portfolio available to be liquidated within a 4 month to 7 month period.

The Ditchley Foundation does not hold a separate reserves portfolio outside of the £18.8m 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 3.5-4% 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 2018, total funds stood at £24,845,522 of which £441,044 were restricted. The level of unrestricted free reserves, after excluding fixed assets, stood at £21,003,744. This is lower than the ideal level of reserves and the Council of Management are currently developing fundraising plans accordingly.

Fundraising compliance notice

The Ditchley Foundation receives income from donations and has a trading subsidiary, Ditchley Park Conference Centre Ltd. During the year The Ditchley Foundation signed up to the Code of Practice issued by the Fundraising Regulator. We do not carry out any direct marketing to the general public, and give clear instructions as to how individuals can be removed from our mailing lists. We do not use professional fundraisers or involve commercial participators, but have engaged professional fundraising consultants to assist with the development of a major fundraising campaign. There have been no complaints about fundraising in the year.

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, 2018. 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 25. A review of the Foundation's business during the year is contained in the Trustee's Annual Report starting on page 7.

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 4.

By order of the Council of Management,



KATIE WILLIAMS
Company Secretary

Dated: 6th June 2018

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 charity') and its subsidiary (the 'group') for the year ended 31 March 2018 set out on pages 25 to 45. 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 2018 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.

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.

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.

OTHER INFORMATION

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

THE DITCHLEY FOUNDATION
(A company limited by guarantee)

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

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 the Companies Act 2006 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 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 Group Strategic Report.

RESPONSIBILITIES OF TRUSTEES

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, 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.

THE DITCHLEY FOUNDATION
(A company limited by guarantee)

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

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. This description forms part of our Auditor's report.



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
13 June 2018

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 2018**

	Note	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
INCOME FROM:					
Donations, grants and legacies	2	1,942	429,516	431,458	297,207
Trading turnover of subsidiary		284,031	-	284,031	212,985
Investment income	3	296,993	-	296,993	400,371
Other sources		67,582	-	67,582	71,157
TOTAL INCOME		650,548	429,516	1,080,064	981,720
EXPENDITURE ON:					
Raising funds:					
Voluntary income		-	-	-	2,404
Fundraising trading		220,546	-	220,546	236,042
Charitable activities: Conference programme costs	4,6	1,777,746	72,511	1,850,257	1,803,545
TOTAL EXPENDITURE	7	1,998,292	72,511	2,070,803	2,041,991
NET INCOME / (EXPENDITURE) BEFORE INVESTMENT GAINS		(1,347,744)	357,005	(990,739)	(1,060,271)
Net gains on investments	10,11	458,269	-	458,269	2,364,939
NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES		(889,475)	357,005	(532,470)	1,304,668
NET MOVEMENT IN FUNDS		(889,475)	357,005	(532,470)	1,304,668
RECONCILIATION OF FUNDS:					
Total funds brought forward		25,293,953	84,039	25,377,992	24,073,324
TOTAL FUNDS CARRIED FORWARD		24,404,478	441,044	24,845,522	25,377,992

All activities relate to continuing operations.

	2018 £	2017 £
Income from investments	296,993	400,371
Net gains on investment assets	458,269	2,364,939
Total	755,262	2,765,310

For information, total cash drawn down from the investment portfolio was £1,320,000 (2017: £1,210,000).

The notes on pages 29 to 45 form part of these financial statements.

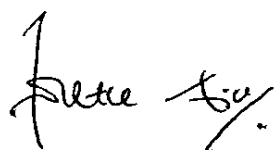
THE DITCHLEY FOUNDATION
(A company limited by guarantee)
REGISTERED NUMBER: 00599389

CONSOLIDATED BALANCE SHEET
AS AT 31 MARCH 2018

	Note	£	2018 £	£	2017 £
FIXED ASSETS					
Tangible assets	9	3,400,734		3,472,206	
Investment property	10	2,580,000		2,502,000	
Total tangible assets			5,980,734		5,974,206
Investments	11		18,850,012		19,238,575
			24,830,746		25,212,781
CURRENT ASSETS					
Stocks	12	43,479		32,260	
Debtors	13	98,750		142,473	
Cash at bank and in hand		52,473		111,737	
		194,702		286,470	
CREDITORS: amounts falling due within one year	14	(179,926)		(121,259)	
NET CURRENT ASSETS			14,776		165,211
NET ASSETS			24,845,522		25,377,992
CHARITY FUNDS					
Restricted funds	15		441,044		84,039
Unrestricted funds	15		24,404,478		25,293,953
TOTAL FUNDS			24,845,522		25,377,992

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

The financial statements were approved and authorised for issue by the Trustees on 6 June 2018 and signed on their behalf, by:



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

The notes on pages 29 to 45 form part of these financial statements.

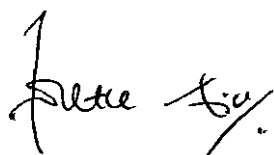
THE DITCHLEY FOUNDATION
(A company limited by guarantee)
REGISTERED NUMBER: 00599389

CHARITY BALANCE SHEET
AS AT 31 MARCH 2018

	Note	£	2018 £	£	2017 £
FIXED ASSETS					
Tangible assets	9	3,400,734		3,472,206	
Investment property	10	2,580,000		2,502,000	
Total tangible assets			5,980,734		5,974,206
Investments	11		18,850,014		19,238,577
			<u>24,830,748</u>		<u>25,212,783</u>
CURRENT ASSETS					
Stocks	12	42,693		31,261	
Debtors	13	81,195		167,996	
Cash at bank and in hand		40,969		49,677	
			<u>164,857</u>	<u>248,934</u>	
CREDITORS: amounts falling due within one year	14	(150,084)		(83,728)	
NET CURRENT ASSETS			<u>14,773</u>		<u>165,206</u>
NET ASSETS			<u>24,845,521</u>		<u>25,377,989</u>
CHARITY FUNDS					
Restricted funds			441,044		84,039
Unrestricted funds			24,404,477		25,293,950
TOTAL FUNDS			<u>24,845,521</u>		<u>25,377,989</u>

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

The financial statements were approved and authorised for issue by the Trustees on 6 June 2018 and signed on their behalf, by:



The Right Honourable the Lord Hill of Oareford
CBE

The notes on pages 29 to 45 form part of these financial statements.

THE DITCHLEY FOUNDATION
(A company limited by guarantee)

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2018

	Note	2018 £	2017 £
Cash flows from operating activities			
Net cash used in operating activities	17	<u>(1,058,750)</u>	<u>(1,405,445)</u>
Cash flows from investing activities:			
Dividends, interest and rents from investments		296,993	400,371
Purchase of tangible fixed assets		(66,168)	(10,100)
Proceeds from sale of investments		1,587,247	2,153,589
Purchase of investments		<u>(818,586)</u>	<u>(1,295,201)</u>
Net cash provided by investing activities		<u>999,486</u>	<u>1,248,659</u>
Change in cash and cash equivalents in the year		(59,264)	(156,786)
Cash and cash equivalents brought forward		<u>111,737</u>	<u>268,523</u>
Cash and cash equivalents carried forward	18	<u><u>52,473</u></u>	<u><u>111,737</u></u>

The notes on pages 29 to 45 form part of these financial statements.

THE DITCHLEY FOUNDATION
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

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 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 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 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 DITCHLEY FOUNDATION
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

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 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 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 Basis of consolidation

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

The charity 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 2018

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 or 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
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

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 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.

1.14 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 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.

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

THE DITCHLEY FOUNDATION
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

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 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 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 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Donations - unrestricted funds	1,942	-	1,942	20,565
Earmarked donations - conferences	-	23,001	23,001	146,367
Earmarked donations - travel	-	11,458	11,458	10,000
Fabric Fund	-	47,057	47,057	120,275
Dulverton Trust Grant	-	348,000	348,000	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total donations, grants and legacies	1,942	429,516	431,458	297,207
	<hr/>	<hr/>	<hr/>	<hr/>
Total 2017	20,565	276,642	297,207	
	<hr/>	<hr/>	<hr/>	

THE DITCHLEY FOUNDATION
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

3. INVESTMENT INCOME

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Distributions from investments	251,168	-	251,168	351,613
Rents	45,819	-	45,819	48,658
Bank interest	6	-	6	100
	<u>296,993</u>	<u>-</u>	<u>296,993</u>	<u>400,371</u>
Total 2017	<u>400,371</u>	<u>-</u>	<u>400,371</u>	

4. ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Conference programme costs	1,768,954	72,511	1,841,465	1,793,178
Total 2017	<u>1,658,901</u>	<u>134,277</u>	<u>1,793,178</u>	

5. CONFERENCE PROGRAMME COSTS

	Conference programme costs £	Total 2018 £	Total 2017 £
Administration	213,245	213,245	199,908
Repairs and maintenance	233,671	233,671	384,331
Household and services costs	206,849	206,849	182,058
Conferences	112,731	112,731	155,739
Irrecoverable VAT	46,006	46,006	59,195
Development costs	107,509	107,509	9,441
Costs attributable to DPCC	(195,123)	(195,123)	(236,042)
Wages and salaries	842,878	842,878	760,581
National insurance	72,969	72,969	65,497
Pension cost	63,090	63,090	67,096
Depreciation	137,640	137,640	145,374
	<u>1,841,465</u>	<u>1,841,465</u>	<u>1,793,178</u>
Total 2017	<u>1,783,737</u>	<u>1,783,737</u>	

THE DITCHLEY FOUNDATION
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

6. GOVERNANCE COSTS

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Auditor's remuneration	8,010	-	8,010	7,750
Trustees' meeting costs	782	-	782	2,617
	<u>8,792</u>	<u>-</u>	<u>8,792</u>	<u>10,367</u>

7. ANALYSIS OF EXPENDITURE BY EXPENDITURE TYPE

	Staff costs 2018 £	Depreciation 2018 £	Other costs 2018 £	Total 2018 £	Total 2017 £
Expenditure on raising voluntary income	-	-	-	-	2,404
Expenditure on fundraising trading	25,423	-	195,123	220,546	236,042
Costs of generating funds	<u>25,423</u>	<u>-</u>	<u>195,123</u>	<u>220,546</u>	<u>238,446</u>
Conference programme costs	978,937	137,640	724,888	1,841,465	1,793,178
Expenditure on governance	-	-	8,792	8,792	10,367
	<u>1,004,360</u>	<u>137,640</u>	<u>928,803</u>	<u>2,070,803</u>	<u>2,041,991</u>
Total 2017	<u>922,500</u>	<u>145,374</u>	<u>974,117</u>	<u>2,041,991</u>	

THE DITCHLEY FOUNDATION
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

8. STAFF COSTS

Staff costs were as follows:

	2018	2017
	£	£
Wages and salaries	868,301	789,907
Social security costs	72,969	65,497
Other pension costs	63,090	67,096
	<u>1,004,360</u>	<u>922,500</u>

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

	2018	2017
	No.	No.
Administration	9	9
Establishment	13	15
Conference	3	3
	<u>25</u>	<u>27</u>

The number of higher paid employees was:

	2018	2017
	No.	No.
In the band £100,001 - £110,000	1	1

Note:

No members of the Council of Management received any emoluments during the year (2017: £Nil).

No members of the Council of Management received payment for professional or other services supplied to the charity (2017: £Nil).

During the year, £782 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 (2017: £2,617 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 £181,734 (2017: £158,799).

THE DITCHLEY FOUNDATION
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

9. TANGIBLE FIXED ASSETS

Group	Freehold property £	Motor vehicles £	Fixtures and fittings £	Office equipment £	Total £
Cost					
At 1 April 2017	4,577,175	39,873	26,387	425,886	5,069,321
Additions	-	-	-	66,168	66,168
Disposals	-	-	-	(9,000)	(9,000)
At 31 March 2018	4,577,175	39,873	26,387	483,054	5,126,489
Depreciation					
At 1 April 2017	1,132,932	39,873	25,582	398,728	1,597,115
Charge for the year	121,962	-	805	14,873	137,640
On disposals	-	-	-	(9,000)	(9,000)
At 31 March 2018	1,254,894	39,873	26,387	404,601	1,725,755
Net book value					
At 31 March 2018	3,322,281	-	-	78,453	3,400,734
At 31 March 2017	3,444,243	-	805	27,158	3,472,206
Charity					
Cost					
At 1 April 2017	4,577,175	39,873	26,387	425,886	5,069,321
Additions	-	-	-	66,168	66,168
Disposals	-	-	-	(9,000)	(9,000)
At 31 March 2018	4,577,175	39,873	26,387	483,054	5,126,489
Depreciation					
At 1 April 2017	1,132,932	39,873	25,582	398,728	1,597,115
Charge for the year	121,962	-	805	14,873	137,640
On disposals	-	-	-	(9,000)	(9,000)
At 31 March 2018	1,254,894	39,873	26,387	404,601	1,725,755
Net book value					
At 31 March 2018	3,322,281	-	-	78,453	3,400,734
At 31 March 2017	3,444,243	-	805	27,158	3,472,206

THE DITCHLEY FOUNDATION
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

9. TANGIBLE FIXED ASSETS (continued)

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 £47,800,000. 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.

10. INVESTMENT PROPERTY

Group	Freehold investment property £
Valuation	
At 1 April 2017	2,502,000
Surplus/(deficit) on revaluation	78,000
	<hr/>
At 31 March 2018	2,580,000
	<hr/>

The last professional valuation of the investment property was undertaken in 2018 by Savills, Chartered Surveyors, on an open market value for existing use basis. Council have considered this valuation and its appropriateness.

Charity	Freehold investment property £
Valuation	
At 1 April 2017	2,502,000
Surplus/(deficit) on revaluation	78,000
	<hr/>
At 31 March 2018	2,580,000
	<hr/>
Annual revaluation surplus/(deficit): 2018	78,000
	<hr/>
At 31 March 2018	78,000
	<hr/>

The last professional valuation of the investment property was undertaken in 2018 by Savills, Chartered Surveyors, on an open market value for existing use basis. Council have considered this valuation and its appropriateness.

THE DITCHLEY FOUNDATION
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

11. FIXED ASSET INVESTMENTS

Group	Listed securities £
Market value	
At 1 April 2017	19,238,575
Additions	818,586
Disposals	(1,371,954)
Revaluations	164,805
	<hr/>
At 31 March 2018	18,850,012
	<hr/>

Group investments at market value comprise:

	2018 £	2017 £
Listed investments	18,850,012	19,238,575
	<hr/>	<hr/>

All the fixed asset investments are held in the UK

	Listed securities £	Sub total carried forward £
Charity		
Market value		
At 1 April 2017	19,238,575	19,238,575
Additions	818,586	818,586
Disposals	(1,371,954)	(1,371,954)
Revaluations	164,805	164,805
	<hr/>	<hr/>
At 31 March 2018	18,850,012	18,850,012
	<hr/>	<hr/>

	Sub total brought forward £	Shares in group undertakings £	Total £
Charity			
Market value			
At 1 April 2017	19,238,575	2	19,238,577
Additions	818,586	-	818,586
Disposals	(1,371,954)	-	(1,371,954)
Revaluations	164,805	-	164,805
	<hr/>	<hr/>	<hr/>
At 31 March 2018	18,850,012	2	18,850,014
	<hr/>	<hr/>	<hr/>

THE DITCHLEY FOUNDATION
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

11. FIXED ASSET INVESTMENTS (continued)

Charity investments at market value comprise:

	2018 £	2017 £
Listed investments	18,850,012	19,238,575
Subsidiary	2	2
Total	<u>18,850,014</u>	<u>19,238,577</u>

All the fixed asset investments are held in the UK

12. STOCKS

	<u>Group</u>		<u>Charity</u>	
	2018 £	2017 £	2018 £	2017 £
Finished goods and goods for resale	<u>43,479</u>	<u>32,260</u>	<u>42,693</u>	<u>31,261</u>

13. DEBTORS

	<u>Group</u>		<u>Charity</u>	
	2018 £	2017 £	2018 £	2017 £
Trade debtors	31,211	99,211	13,656	71,324
Amounts owed by group undertakings	-	-	-	53,410
Other debtors	45,728	22,351	45,728	22,351
Prepayments and accrued income	21,811	20,911	21,811	20,911
	<u>98,750</u>	<u>142,473</u>	<u>81,195</u>	<u>167,996</u>

14. CREDITORS: Amounts falling due within one year

	<u>Group</u>		<u>Charity</u>	
	2018 £	2017 £	2018 £	2017 £
Trade creditors	109,932	32,399	109,932	32,399
Amounts owed to group undertakings	-	-	2,740	-
Other taxation and social security	19,944	17,910	19,944	17,910
Accruals and deferred income	50,050	70,950	17,468	33,419
	<u>179,926</u>	<u>121,259</u>	<u>150,084</u>	<u>83,728</u>

THE DITCHLEY FOUNDATION
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

15. STATEMENT OF FUNDS

STATEMENT OF FUNDS - CURRENT YEAR

	Balance at 1 April 2017 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 March 2018 £
Unrestricted funds					
General Funds - all funds	25,293,953	650,548	(1,998,292)	458,269	24,404,478
Restricted funds					
Fabric fund	76,356	47,057	(45,695)	-	77,718
Travel fund	7,683	11,458	(3,815)	-	15,326
Earmarked donations	-	23,001	(23,001)	-	-
Dulverton Trust Grant	-	348,000	-	-	348,000
	84,039	429,516	(72,511)	-	441,044
Total of funds	25,377,992	1,080,064	(2,070,803)	458,269	24,845,522

STATEMENT OF FUNDS - PRIOR YEAR

	Balance at 1 April 2016 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2017 £
Designated funds						
Designated funds	572,000	-	-	(572,000)	-	-
	572,000	-	-	(572,000)	-	-
General funds						
General Funds - all funds	23,407,420	705,078	(1,755,484)	572,000	2,364,939	25,293,953
	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
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

SUMMARY OF FUNDS - CURRENT YEAR

	Balance at 1 April 2017 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 March 2018 £
General funds	25,293,953	650,548	(1,998,292)	458,269	24,404,478
	<u>25,293,953</u>	<u>650,548</u>	<u>(1,998,292)</u>	<u>458,269</u>	<u>24,404,478</u>
Restricted funds	84,039	429,516	(72,511)	-	441,044
	<u>25,377,992</u>	<u>1,080,064</u>	<u>(2,070,803)</u>	<u>458,269</u>	<u>24,845,522</u>

SUMMARY OF FUNDS - PRIOR YEAR

	Balance at 1 April 2016 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2017 £
Designated funds	572,000	-	-	(572,000)	-	-
General 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 Designated Fund was instituted by the Council in 2005 for maintenance and was released to general funds in the prior year on the basis that it had 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. In the year a restricted grant was received from the 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.

THE DITCHLEY FOUNDATION
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

16. ANALYSIS OF NET ASSETS BETWEEN FUNDS

ANALYSIS OF NET ASSETS BETWEEN FUNDS - CURRENT YEAR

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £
Tangible fixed assets	3,359,284	41,450	3,400,734
Fixed asset investments	18,550,012	300,000	18,850,012
Investment property	2,580,000	-	2,580,000
Current assets	95,108	99,594	194,702
Creditors due within one year	(179,926)	-	(179,926)
	<u>24,404,478</u>	<u>441,044</u>	<u>24,845,522</u>

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

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

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

	<u>2018</u> £	<u>Group</u> 2017 £
Net (expenditure)/income for the year (as per Statement of Financial Activities)	(532,470)	1,304,668
Adjustment for:		
Depreciation charges	137,640	145,374
Gains on investments	(380,269)	(2,364,939)
Dividends, interest and rents from investments	(296,993)	(400,371)
(Increase)/decrease in stocks	(11,219)	7,807
Decrease/(increase) in debtors	43,886	(19,949)
Increase/(decrease) in creditors	58,675	(78,035)
Investment property revaluation	(78,000)	-
Net cash used in operating activities	<u>(1,058,750)</u>	<u>(1,405,445)</u>

THE DITCHLEY FOUNDATION
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

18. ANALYSIS OF CASH AND CASH EQUIVALENTS

	Group	
	2018	2017
	£	£
Cash in hand	52,473	111,737
Total	52,473	111,737

19. CAPITAL COMMITMENTS

At 31 March 2018 the group and charity had capital commitments as follows:

	Group		Charity	
	2018	2017	2018	2017
	£	£	£	£
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 2018 were £nil (2017: £nil). 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
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

21. PRINCIPAL SUBSIDIARY

Ditchley Park Conference Centre Limited

Subsidiary name	Ditchley Park Conference Centre Limited
Basis of control	100% shareholding
Total assets as at 31 March 2018	£ 32,585
Total liabilities as at 31 March 2018	£ 32,583
Total equity as at 31 March 2018	£ 2
Turnover for the year ended 31 March 2018	£ 284,031
Expenditure for the year ended 31 March 2018	£ 284,031
Result for the year ended 31 March 2018	£ -