

CUMBERLAND LODGE
(A Registered Charity and Company
Limited by Guarantee)
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2011

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Charity Registration number: 1108677
Company Registration number: 05383055

CUMBERLAND LODGE

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2011

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CUMBERLAND LODGE

ANNUAL REPORT 2010-2011

Chairman's Report

Surviving the gales

Windsor Great Park was hit by several bouts of rough weather during the course of the year, including a freak snow storm on the first morning of our 2010 annual Christmas gathering for Commonwealth and international students, when several inches of snow fell within an hour, stranding our visiting speakers and students. Enterprise and initiative in bad weather were required of Cumberland Lodge during a year of squalls in the national economy. Though we did not repeat our record financial performance of the previous year, we more than held our own and once again ended the year in a healthy position.

It is sometimes assumed, both because of its links with the Crown and because of the graciousness of our facilities, that Cumberland Lodge is well endowed or in receipt of Government money. Neither is true. We balance the books by careful financial stewardship and discreet fund-raising. If the place appears splendid, it is because the staff look after it with care. Every modernisation - and this year, for example, we installed state-of-the-art fire protection - has to be paid for out of earned income. It is the same for staff salaries, insurances, programme administration and publications. Sadly there is no pot of gold into which we can dip when times are lean.

To achieve our good result this year we are, therefore, deeply grateful to the many sponsors and donors who have helped our work. They have made it possible for us to provide subsidies to over seven thousand students and young people in training. We are particularly grateful to the John S. Cohen Foundation, Coutts and Co., the Eranda Foundation, Gray's Inn, the Hedley Foundation, Lincoln's Inn, Lord Leverhulme's Charitable Trust, Middle Temple, the PF Charitable Trust, and the Schroder Foundation. We also received financial support to our programme of conferences from the Sir Ernest Cassel Educational Trust, KPMG, O2, Reliance Secure Task Management, the Religion and Society Programme of the Arts and Humanities Research Council and the Economic and Social Research Council, and the Third Sector Research Centre.

Responding to our environment

Action to reduce our carbon consumption continued this year. Energy-saving electrics and gas boilers are being installed by stages, though this is a long and demanding process in so large and variously-used a conglomeration of buildings. Great care has been taken in our kitchens to use local produce as much as possible. With our new gardener now working full-time, we have been able to plant creatively and in the spring and summer we saw the benefits. Better attention has been paid to tree maintenance. We have had productive discussions with the Crown Estate to ensure that our surroundings are developed in sympathy with their bold ambitions for the Great Park as a whole, so that we all work together to re-create the concepts envisioned by the monarchs, rangers, landscapers and gardeners of earlier centuries. Cumberland Lodge is the largest house in the Park, the epicentre of much of its design. It is incumbent upon us to uphold its fine landscaping traditions, which we feel we have been better able to do this year than for a long time.

The people who came here

The Lodge always tries to strike a balance between renewing relationships with institutions and organisations that have held conferences and retreats here every year for decades and encouraging newcomers to visit us. There were, for example, eight weekend visits by members of the four Inns of Court, all of whom have been coming to the Lodge as far back as anyone can remember. These visits were used either for advocacy training or for consideration of the law in society. The mix of trainee barristers, approaching their final call to the Bar, and some of the most senior judges and Queen's Counsel in the land, is always exciting to observe. Cumberland Lodge's ability to break down barriers among everyone who stays here is never more clearly evident than during these occasions.

Training courses for General Practitioners working within the National Health Service regularly took place here throughout the year, chiefly focusing on practice management and community relations. This year our beds were occupied 1,960 times by doctors in training. There were nearly a hundred university-led conferences, seminars or lecture programmes here. The Royal Collection was here for two weeks, organising its intensive familiarisation programme for curators, archivists, art journalists and others in relevant professions from all round the world. Learned societies, national charities and corporate companies stayed varying lengths, some responding to our policy of encouraging more one-day visits, others staying for several days. The total number of guest bed nights this year was 13,146 (2010 15,097), of whom 7,677 were students (2010 8,516), which was a good achievement in the circumstances.

We were delighted that among the organisations who came here for the first time this year were the Company of Biologists, the Council for Healthcare Regulatory Excellence, the London Business School, London Genetics, the London School of Economics Department of Statistics, and Pathway to Adulthood, all of them with programmes consistent with the mission of this foundation.

CUMBERLAND LODGE

ANNUAL REPORT 2010-2011

Chairman's Report (continued)

We had broadened our normal usage last year by being the setting for several scenes in the Oscar-winning film, *The King's Speech*. The huge success of this essentially small-scale film particularly pleased us, because of the Lodge's role in the story it told. The talks in October 1936 between the Prime Minister and King Edward VIII's staff which led to the Abdication took place at the Lodge, so it was appropriate that some of the circumstances of that time were re-created here, even if it now means that our guests want to hear more about Colin Firth than they do about John Churchill, Duke of Marlborough, William Augustus, Duke of Cumberland, John Nash and the many other notable people from history who have lived at the Lodge. Tom Hooper, director of the film, first came to the Lodge for a surprise birthday party given here for his mother, and that had resulted from the participation in various conferences here of both his parents. This chain of connections typifies the story of the modern Lodge and often lies behind a new booking.

Opening up to the general public

We are very conscious at Cumberland Lodge of the privilege of being entrusted with such historic buildings. At the same time we recognise the great responsibility of fulfilling our mission, which is 'to enhance the well-being of people whatever their age or wherever they live'. This concept has been inherent in our purpose since the Foundation was established in 1947, long pre-dating the modern notion of public benefit. Crucial to it, as the Principal reports later, is our ambitious programme of home-grown conferences and colloquia. There were ten of these in the year under review, almost one a month. Our Conference Programme department also organised an impressive series of public events, including platform conversations, art exhibitions and tours of the Lodge. Members of the general public were invited to these events, many of which played to capacity. We have some exciting ideas for some new initiatives as well.

Effective governance

The Board of Trustees met twice during the year. John Pool completed his second term as Treasurer, making a combined total of 22 years in that post. I am extremely grateful to him for his dedicated service to the Lodge.

The July meeting of the Trustees was scheduled to be Neil Clarke's final appearance as Chair of our Audit Committee after more than thirty years. What none of us, including Neil himself, knew at the time was that he was terminally ill with cancer. His death in November was a great loss of a firm friend of the Lodge. I had not got to know him well but I instinctively felt that he was both authoritative and wise.

Joanna Kennedy stood down as a Trustee after ten years of exemplary service, notably in recent years as a member of the Audit Committee. Moira Stuart also left the Board because of her heavy schedule elsewhere. I would like to thank them both for their support. Baroness Pitkeathley of Caversham and Mr Paul Hampden Smith were appointed as Trustees for a five year period, as was Mr Simon Pearce, who has succeeded Mr. John Pool as Treasurer. Dame Elizabeth Neville assumed the newly-created position of Vice Chair.

The Executive Committee of the Lodge, comprising six Trustees, met four times in the course of the year under my chairmanship and the Audit Committee met twice. The Academic Consultative Committee, chaired by Professor Malcolm Evans, met three times, as did our Police Advisory Committee.

Three new Honorary Life Fellows were appointed. They are Sir Eric Anderson, former Chairman, Lady Anderson (Poppy Anderson) and Miss Ruth Norton, a former member of staff.

Looking ahead

During the year Her Majesty The Queen, Patron of the Lodge, and His Royal Highness The Duke of Edinburgh came to the Lodge on a private visit. It was gratifying to have Her Majesty's assurance that she believed we are justifying the trust which the late King and Queen put in to this foundation when it began just after the Second World War. The perceived need of that time is as relevant today as it was then. We look ahead with this conviction, confident that we will be able to maintain our level of hospitality and environment so that the highest quality of discourse may flourish here. The addition of Groom's House to our range of accommodation, described in more detail by the Principal, is evidence of our determination to keep pace with demand and ensure that the Lodge is experienced by the widest number of people.

Stephen Wall
Chairman

Principal's Report

Realising a Vision

Realising a Vision was the title of a conference we organised in March 2011. On this occasion a number of distinguished speakers reflected on the story of what had taken place at Cumberland Lodge since the foundation that runs it was set up 64 years ago. Though there was much praise for the range and influence of the programmes that have taken place here in this time, a question nagged at the audience throughout the conference. If it had been felt necessary to set up an ethical foundation all that time ago as a contribution to the development of society, with a particular concern for the potential leadership role of young people, was it not an admission of partial failure that it was still necessary, well in to its seventh decade, for the Lodge to be convening meetings on similar topics? The answer, of course, was that all issues evolve and nothing is now debated as though history had stood still. Our founder, Amy Buller, noted in her book *Darkness Over Germany* how extremes of politics and religion had captivated many young people in mainland Europe during the 1930s and 1940s. She embarked on the Cumberland Lodge adventure fearing that this infection would spread to England. Can anyone confidently assert, in this age of wealth disparities and terrorism, that there is now no danger of that happening? The Lodge's work plays a small but critical part in ensuring that it does not.

Staying fresh

Every member of staff has played his or her part in ensuring that the warm character of the Lodge affects the quality of the discussions that take place here. Whether it a visiting organisation of national significance, a small group trying out a new idea, or the Lodge itself bringing together an appropriate mix of people to chew over a matter of current concern, each will expect their surroundings to be top class. This we endeavour to achieve at all times. Feedback suggests that we usually succeed. If we do, it begins with the fact that everyone who works at the Lodge feels personally involved with its good reputation and is determined to ensure that it is maintained. I am truly grateful to them all.

I would like particularly to record my appreciation to Annie Gosling, this year's King George VI Fellow, whose term of office ran exactly through the period of this Annual Report. Annie made a remarkable contribution to our conference management, but she also had the expertise to develop our place in social media. We are much better 'linked-in' than we were before she came to the Lodge.

A range of events

Immediately following my report there is a list of the conferences which the Lodge itself organised in 2010-2011. Our subjects were wide-ranging but always of topical relevance. We provided the opportunity for participants in these events to discuss reading and social justice, the implications of increasing longevity, the relationship between poetry and the spiritual side of humankind, the state of higher education in Britain today, public and private partnerships in policing, and the future of the third sector. We celebrated the wealth of art which can be seen in the Great Park - garden design, architecture, statuary, and within Cumberland Lodge itself. I have already referred to the conference we convened on the history of our own foundation, some of which has now been published alongside the main contributions to our conference the previous year called *Greatness, Gossip and Ghosts: The Private Life of a Country House*.

Once again we provided an opportunity for postgraduate students approaching the submission of their doctoral theses to come together in a cross-disciplinary way for the purposes of discussing the presentation of their research. This occasion also explores the state of the career market and offers some practical guidance. It has been rewarding to see how much the students who attend this event value it and we are grateful to the many universities from around the United Kingdom that have sponsored students to attend. This is a summer event. At Christmastime we invited about 50 students to take part in a gathering to celebrate the time of the year. This event has been offered every year since 1947 and is hugely appreciated by people who may not otherwise experience a British Christmas. The Chairman comments on the snow which fell during this event, which for many enhanced it even if it meant significant adjustments to the programme.

Some of these conferences were organised in partnership with other organisations. We acknowledge in particular the co-operation of the Royal Society of Medicine, the *Faerie Queene* Now project, the Windsor branch of the Workers' Education Association, and the Third Sector Research Centre. We are also very grateful to our distinguished speakers.

CUMBERLAND LODGE

ANNUAL REPORT 2010-2011

Principal's Report (continued)

The Annual Lecture

Our Seventh Annual lecture was given by Shami Chakrabarti, CBE, Director of Liberty. It was a great success and attended by a capacity audience of invited guests.

Cumberland Conversations

We continued our popular series of early evening conversations with interesting guests. This year the contributors were Nicholas Clee, author of the biography of the eighteenth-century racehorse Eclipse, whose provenance was at Cumberland Lodge in the Duke of Cumberland's Mews, now used as our main conference facility. Other speakers in the series were the poet Lawrence Sail, Air Chief Marshal Sir Richard Johns, former Chief of the Air Staff and past Governor and Constable of Windsor Castle, and David Wood, the children's playwright. We also hosted as part of the Conversation series a performance by the actress Alison Skilbeck of her one-person entertainment, *Are There More of You?*

Art exhibitions

A summer display of work by members of the Society of Botanical Artists continued to grace our exhibition space well in to September. It was followed by the delicate calligraphy of the Oxford Scribes. The Royal School of Needlework, with which the Lodge has historic connections, produced a specially created exhibition of metal-based needlework, most of it in gold or silver. Called *Shining Glory*, it was much visited. So, too, was the exhibition that followed, *A Pageant of Heraldry*, created for us by the College of Arms under the direction of Garter Principal King of Arms. His Grace The Duke of Norfolk opened this exhibition, renewing as he did so contact with the house in which his relative Viscount Lord FitzAlan of Derwent had lived for over twenty years in the middle of the last century. This exhibition was timed to coincide with the restoration of the Lodge's two heraldic hatchments, one from the seventeenth-century and the other from the eighteenth. They are splendidly refurbished, by virtue of kind support from the Hobson Charity and the Leche Trust.

Groom's House

The handsome seventeenth-century house adjoining the Mews, cheek by jowl with the main lodge, is to be re-furbished in 2012 in order to provide seven extra bedrooms and three new seminar rooms. This is a vote of confidence in the work of the Lodge, since it is an expensive conversion of a domestic residence into flexible additional accommodation which can be used either for conference delegates or for student visits or for discrete purposes such as a gathering of scientists or writers. We are delighted that Trustees have taken this decision, which reflects the growing popularity of the Lodge and its confidence in the future.

Welcoming the future

This Report speaks of a busy and flourishing organisation where it is rare to have a day without either a visiting group or an event created by Cumberland Lodge itself. At a time of economic retrenchment for so many people, nationally and internationally, we are acutely aware that every institution and every individual person who comes here has made a decision to do so in competition with other demands on their time and money. We hope that the uniqueness of the experience of visiting the Lodge will stay with our guests all their lives. For those of us who work here it is reward enough to see their evident pleasure while they are with us and to read of the value they place on their discussions.

Alastair Niven
Principal

CUMBERLAND LODGE

ANNUAL REPORT 2010-2011

Principal's Report (continued)

Cumberland Lodge Conferences **September 2010 to August 2011**

Reading and Social Justice: How do we address the challenges?

Monday 11th October 2010

Our Changing Expectations of Life: What do we really want?

A Joint conference with The Royal Society of Medicine

26th – 28th November 2010

Commonwealth and International Students Christmas Weekend

17th-18th December 2010

Poetry and Spirituality

'The *Faerie Queen* Now' Project supported by Arts and Humanities Research Council,

26th-28th January 2011

The Crisis in the University?

Monday 21st February 2011

Cumberland Lodge – Realising a Vision

In association with the Workers' Education Association

Monday 14th March 2011

The People are the Police?

Transforming 21st Century Policing through New Partnerships and Engagement

15th-17th April 2011

The Future of the Third Sector

In association with the Third Sector Research Centre

15th-17th June 2011

Art in the Park

In association with the Workers' Education Association

30th-31st July 2011

Life Beyond the PhD

15th-18th August 2011

CUMBERLAND LODGE

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2011

The Trustees present their report together with the financial statements for the year ended 31 August 2011. The Chairman's and Principal's reports should be read in conjunction with the Trustees' Report.

Cumberland Lodge was incorporated on 4th March 2005, and the assets and activities of the King George VI and Queen Elizabeth Foundation of St Catharine's charity were transferred to it with effect from 1st June 2005 when the new charity and its trading subsidiary commenced operations.

The King George VI and Queen Elizabeth Foundation of St Catharine's continues as a dormant charity, holding the Royal warrant for the occupation of Cumberland Lodge. The Charity Commission published a scheme for a uniting direction which has removed the need to account separately for the old charity.

Group Structure

Cumberland Lodge has a wholly-owned non-charitable trading subsidiary, Cumberland Lodge Enterprises Limited, which provides conference facilities for professional bodies, charities and other operations. Its profits are gifted in full to its parent. The consolidated results of Cumberland Lodge and its subsidiary are shown on page 11 of the financial statements. The original charity, King George VI and Queen Elizabeth Foundation of St Catharine's, is held in trust by Cumberland Lodge as corporate trustee.

Objects, Aims and Objectives.

The objects of the Charity, which is a foundation based on the Christian faith and philosophy of life, are to advance the education of the public, in particular British, Commonwealth and overseas students with particular reference to the nature of human life in society, the relationship between Christian theology and philosophy and alternative religious and secular beliefs and the inter-relationship of various academic disciplines and their practical relevance

In furtherance of those objects, the Charity aims to provide opportunities for the exchange of views and beliefs, and to explore how study and research can improve society. It does this through the provision and management of a residential conference centre in surroundings conducive to study, debate and interaction. The centre is used by a wide range of members of the public, from Britain, the Commonwealth and elsewhere, including in particular undergraduates, postgraduates and young people in training at a variety of institutions, including the Inns of Court and the National Health Service and young people connected through international organisations

The Trustees have set a number of objectives for the Charity:

- To widen the impact of Cumberland Lodge;
- To widen the range of visiting institutions,
- To encourage international groups;

Review of Significant Activities and Achievements including Public Benefit

The Trustees have had regard to the Charity Commission's guidance on public benefit and have considered how the objects have been fulfilled, through the activities undertaken, for the public benefit.

The Charity's significant activities are outlined in detail in the Chairman's and Principal's Reports, which, as noted above, should be read in conjunction with the Trustees' Report (together "the Reports").

As is evident from the Reports, the Charity has focused on providing access to student groups, educational conferences, public conversations and exhibitions in an atmosphere that lends itself to study and reflection.

CUMBERLAND LODGE

TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 31 AUGUST 2011

We provide facilities for universities and other institutions of higher education, learned societies, the National Health Service, Inns of Court and other similar bodies to run programmes that bring people together to discuss matters of an ethical, moral and spiritual nature which lie outside their routine programmes of work.

We also run our own conferences and external events throughout the year. Through that programme, the Charity initiates fresh debate on issues of national and international significance. We are independent and so able to promote frank exchanges of views and cross-sector co-operation on matters affecting the development of society. Although the Charity is Christian by foundation, we encourage the expression of all reasonable views, whether they be religious, moral or social.

We initiated ten conferences in the year, sometimes working in tandem with other organisations including the Royal Society of Medicine, Third Sector Research Centre and the Workers' Educational Association. Details of the conferences are set out in the Principal's report.

By reflecting on particular issues in terms of their wider ramifications, our conferences are informative and inspiring, giving participants the opportunity to gain fresh insights and to make new contacts. At least one conference a year is dedicated to postgraduate students, bringing them together from many institutions and disciplines. Other conferences are for people in any walk of life with a commitment to the topic.

It is important to the Charity that access to the educational experience it provides is open to all who are interested. The principal beneficiaries are students and young people in training and we subsidise their visits by a programme of bursary support and reduced charges.

Our own conferences bring together wide audiences from a range of backgrounds for discussion and debate. Reports of the presentations are published to people unable to attend so they can also benefit and podcasts of selected conferences are made freely available on our website. Additionally, we organise a number of lectures, discussions and exhibitions which are provided free to the public. Many local people attend the lectures and conversations, the only limiting factor being the size of the lecture room.

Governance

The Company is governed by its Memorandum and Articles of Association. The Trustees, who are directors of the company, who served during the year and since, are set out on page 1.

Four committees of the Board; Executive, Audit, Nominations and Academic Consultative, exist to implement policy and exercise control. They met regularly throughout the year. Trustees are represented on each committee. Day to day management of the charity is delegated to the Principal and the Bursar, supported by other senior staff. There is a maximum limit to the number of years a Trustee may serve, and the Board regularly reviews the range of skills it needs. Three Trustees resigned in the year and were replaced by three new Trustees. The appointees have undertaken the induction course for new Trustees. Trustees are conscious of the need to keep up to date with current legislation and issues and are kept informed about relevant training courses.

Risk Assessment and Business Continuity

The condition of the buildings is constantly reviewed and both preventative and reactive maintenance measures are undertaken to ensure Cumberland Lodge is a safe and efficient building, offering appropriate facilities to all categories of users. In addition, the risks related to the financial, economic, commercial, legal and regulatory issues affecting our operations are regularly reviewed. On behalf of the Board, the Audit Committee reviewed the risk assessment matrix at its February 2011 and July 2011 meetings and advised the Trustees that there were no significant concerns at those times, apart from the possible consequences of the economic recession. Contingency measures are in hand to deal with any significant reduction in bookings. The Trustees commissioned a full building condition survey during the year. The surveyors recommended a costed programme of works to be completed in stages over a period of ten to fifteen years, which will be largely undertaken through the maintenance budget.

CUMBERLAND LODGE

TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 31 AUGUST 2011

Investments

The Executive Committee continues to monitor the charity's investments and benchmark the results against comparable funds. During the year the investment management was changed from BlackRock to Kleinwort Benson and some funds were moved from common investment funds into a mixed portfolio. The Trustees consider, in the light of difficult conditions in the financial markets, that the gain on the units sold and the unrealised loss of market value on the investments held was acceptable.

Reserves

The Trustees consider that the reserves held by the charity are consistent with their policy, which is reviewed annually, of having sufficient funds to allow for a loss of income for at least a year. The reserves, which had been depleted in earlier years, had been restored to a level consistent with this policy.

Financial Results

The Trustees consider that it has been a satisfactory year in the current economic climate. Total incoming resources decreased by 6%, reflecting the reduction in guest numbers, and net incoming resources for the year were £72,838 (2010 net incoming resources £271,147). After profits on investments, there was a positive movement on funds of £107,863 (2010 positive movement £329,219).

Trustees' Responsibility Statement

Company law requires the Trustees to prepare financial statements for each financial year. Under that law the Trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the Trustees are required to,

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

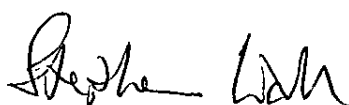
The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

So far as each of the Trustees is aware at the time the report is approved, there is no relevant audit information of which the Company's auditors are unaware, and Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Auditors

haysmacintyre were re-appointed auditors of Cumberland Lodge in the year. They have expressed their willingness to continue in office as auditors and a resolution proposing their re-appointment will be submitted.

FOR AND ON BEHALF OF THE TRUSTEES



Sir Stephen Wall
21 Feb 2012



Simon Pearce
21 Feb 2012

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CUMBERLAND LODGE

We have audited the financial statements of Cumberland Lodge for the year ended 31 August 2011 which comprise the Consolidated Statement of Financial Activities, the Group and Charity Balance Sheets, and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Section 495 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the 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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Statement of Trustees' Responsibilities, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the Trustees, and the overall presentation of the financial statements. In addition, we read all the financial, and non-financial information in the Trustees' Annual Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the charitable company's and group's affairs as at 31 August 2011 and of its 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.

Opinion on other matter prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the 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.


David Sewell (Senior statutory auditor)
for and on behalf of haysmacintyre, Statutory Auditor

**Fairfax House
15 Fulwood Place
London
WC1V 6AY**

21 February 2012

CUMBERLAND LODGE

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 AUGUST 2011

	Notes	Unrestricted Funds £	Restricted Funds £	Total 2011 £	Total 2010 £
Incoming Resources					
<i>Income from charitable activities</i>					
Cumberland Lodge Conferences		87,534	-	87,534	61,808
Student and Training Conferences		1,023,582	-	1,023,582	1,142,551
Bar sales from the above		86,741	-	86,741	93,298
<i>Voluntary incoming resources</i>					
Grants and donations		47,500	23,200	70,700	92,700
<i>Income from generated funds:</i>					
<i>Activities to generate funds</i>					
Trading turnover	5	760,744	-	760,744	771,976
Rents and lettings		50,660	-	50,660	45,533
Investment income	2	54,730	-	54,730	65,934
Other income		3,878	-	3,878	3,243
Total incoming resources		2,115,369	23,200	2,138,569	2,277,043
Resources Expended					
<i>Charitable Activities:</i>					
Cumberland Lodge Conferences		289,116	2,429	291,545	270,306
Student and Training Conferences		1,297,658	20,771	1,318,429	1,309,960
Governance Costs		9,622	-	9,622	11,954
<i>Costs of generating funds:</i>					
Trading Costs	5	437,525	-	437,525	410,895
Charity Finance Costs		3,622	-	3,622	2,781
Investment Management Costs		4,988	-	4,988	-
Total resources expended	3	2,042,531	23,200	2,065,731	2,005,896
Net incoming resources		72,838	-	72,838	271,147
Investment gains	7	35,025	-	35,025	58,072
Net movement in funds for the year		107,863	-	107,863	329,219
Balance brought forward at 1 September 2010		3,856,156	-	3,856,156	3,526,937
Balance carried forward at 31 August 2011		£3,964,019	-	£3,964,019	£3,856,156

The notes on pages 13 to 19 form part of these accounts

All transactions are derived from continuing activities

All recognised gains and losses are included in the statement of financial activities (SOFA).

GROUP AND CHARITY BALANCE SHEETS

AT 31 AUGUST 2011

	Notes	Consolidated 2011 £	Charity 2011 £	Consolidated 2010 £	Charity 2010 £
FIXED ASSETS					
Tangible assets	6	1,693,862	1,693,862	1,742,685	1,742,685
Investments	7	1,831,961	1,831,961	1,601,924	1,601,924
		<u>3,525,823</u>	<u>3,525,823</u>	<u>3,344,609</u>	<u>3,344,609</u>
CURRENT ASSETS					
Stock	8	19,443	19,443	21,970	21,970
Debtors	9	235,240	500,770	230,341	454,804
Bank balances and cash		594,137	250,564	657,354	346,318
		<u>848,820</u>	<u>770,777</u>	<u>909,665</u>	<u>823,092</u>
CREDITORS: amounts falling due within one year	10	410,624	332,581	398,118	311,545
NET CURRENT ASSETS		<u>438,196</u>	<u>438,196</u>	<u>511,547</u>	<u>511,547</u>
NET ASSETS		<u>£3,964,019</u>	<u>£3,964,019</u>	<u>£3,856,156</u>	<u>£3,856,156</u>
Representing					
FUNDS					
Unrestricted funds		<u>3,964,019</u>	<u>3,964,019</u>	<u>£3,856,156</u>	<u>£3,856,156</u>
		<u>£3,964,019</u>	<u>£3,964,019</u>	<u>£3,856,156</u>	<u>£3,856,156</u>

The financial statements were approved and authorised for issue by the Board of Trustees on 21st February 2012 and were signed below on its behalf by:



Sir Stephen Wall



Simon Pearce

The notes on pages 13 to 19 form part of these financial statements.

1. ACCOUNTING POLICIES

The financial statements have been prepared in accordance with the Companies Act 2006 on the historical cost convention as modified by the adoption of current value for investment assets and in accordance with applicable accounting standards and the Statement of Recommended Practice on Accounting and Reporting by Charities: the Charities SORP 2005.

These accounts consolidate the accounts of the Charity and its wholly owned non-charitable trading company, Cumberland Lodge Enterprises Limited.

As permitted by Section 235 of the Companies Act 2006 and in accordance with paragraph 397 of the Charities SORP 2005, no separate SOFA has been presented for the Charity. The unconsolidated SOFA of Cumberland Lodge discloses total incoming resources of £1,701,044 (2010: £1,866,148), including recharges and gift aid income from the subsidiary, and net incoming resources of £72,838 (2010: net incoming resources of £271,147).

a) Basis of Accounting - Accounting Convention

The financial statements have been prepared under the historical cost convention except that certain fixed assets have been included at valuation.

b) Tangible Fixed Assets

Depreciation is provided on fixed assets to write off their cost over estimated useful lives at the following rates -

Mews development and conference facilities	Over 10 to 20 years
Furniture fixtures and fittings and equipment	Over 3 to 10 years
Motor vehicles	Over 4 years

c) Investments

Investments are included in the balance sheet at market value. All gains and losses on revaluations or sales are taken to the Statement of Financial Activities.

d) Stocks

Stocks are stated at the lower of cost and net realisable value

e) Income from Continuing Operations

Income comprises accommodation fees, bar takings and other receipts from the Charity's continuing operations, accounted for on an accruals basis, except for donations which are recognised on receipt.

f) Operating Leases

Rentals applicable to operating leases where substantially all the benefits and risks of ownership remain with the lessor are charged to the Statement of Financial Activities as incurred.

g) Interest Receivable

Interest receivable is credited to the Statement of Financial Activities in the year in which it is receivable.

h) Pension Costs

The Charity contributes to a defined contribution stakeholder scheme. Contributions are charged to the Statement of Financial Activities in the year for which they are due.

CUMBERLAND LODGE**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31 AUGUST 2011****1. ACCOUNTING POLICIES (continued)****i) Expenditure**

Expenditure is summarised under functional headings on a direct and indirect cost basis, apportioned according to time spent. Governance costs include audit, compliance and trustee costs

j) Historic assets

As tenants, the charity is in possession of a number of historic assets owned by The Crown Estate. These assets, although in use in the operations of the Lodge, have not been capitalised as the assets are not considered assets of the charity, and the Crown may request their return upon notice

k) Restricted funds

Income received for specific purposes is disclosed within restricted funds until it is spent. Expenditure represents restricted funds spent on student bursaries, repairs to the hatchments and the Commonwealth and International Students Christmas Weekend

l) Unrestricted Funds

These funds are expendable at the discretion of the trustees in furtherance of the objects of the Charity, some of which may be designated for specific purposes

m) Cash Flow Statement

The company qualifies as a small company and as such is exempt from the requirement to prepare a cash flow statement under FRS1 (revised) Cash Flow Statement.

2. INVESTMENT INCOME

	2011	2010
	£	£
Dividends	53,641	65,575
Bank interest	1,089	359
	<u>£54,730</u>	<u>£65,934</u>
	<u>=====</u>	<u>=====</u>

3 ANALYSIS OF TOTAL RESOURCES EXPENDED

	Staff costs	Other costs	Depreciation	Total
	£	£	£	£
Charitable Activities				
Cumberland Lodge Conferences	210,651	67,728	13,166	291,545
Student and Training Conferences	478,173	645,661	194,595	1,318,429
	<u>688,824</u>	<u>713,389</u>	<u>207,761</u>	<u>1,609,974</u>
Governance Costs	-	9,622	-	9,622
	<u>688,824</u>	<u>723,011</u>	<u>207,761</u>	<u>1,619,596</u>
Costs of Generating Funds				
Charity finance and investment Costs	-	8,610	-	8,610
	<u>688,824</u>	<u>731,621</u>	<u>207,761</u>	<u>1,628,206</u>
Company Total	688,824	731,621	207,761	1,628,206
Trading Costs	198,535	238,990	-	437,525
	<u>887,359</u>	<u>970,611</u>	<u>207,761</u>	<u>2,065,731</u>
Group Total	<u>£887,359</u>	<u>£970,611</u>	<u>£207,761</u>	<u>£2,065,731</u>
	<u>=====</u>	<u>=====</u>	<u>=====</u>	<u>=====</u>

CUMBERLAND LODGE

NOTES TO THE FINANCIAL STATEMENTS (continued)

YEAR ENDED 31 AUGUST 2011

3 ANALYSIS OF TOTAL RESOURCES EXPENDED (continued)	2011 £	2010 £
Other costs comprise:		
Contracted services labour	186,173	184,692
Food, cleaning materials and management charges	253,492	261,071
Accommodation costs	20,534	12,600
Laundry and household costs	44,811	37,237
Bar purchases	46,361	54,254
Post and telephone	9,507	9,440
Auditors' remuneration - audit	10,862	11,547
- other	1,710	3,129
Other professional charges	24,610	13,007
Stationery	9,646	8,974
Bank charges	3,851	2,949
Garden materials and labour	3,473	9,686
Heat and light	81,660	83,496
Council tax	25,398	25,891
Water rates	7,174	9,009
Insurances	31,196	31,768
Transport costs	2,659	3,426
Repairs and maintenance	131,611	151,943
Library, newspapers and books	6,886	5,861
Other costs	53,185	34,247
Cumberland Lodge conference expenses	15,812	19,780
	<u>£970,611</u>	<u>£974,007</u>

4. STAFF COSTS	2011 £	2010 £
Wages and salaries	748,780	691,660
Social security costs	68,836	64,588
Pension costs	69,743	65,731
	<u>£887,359</u>	<u>£821,979</u>

The average number of full time equivalent employees in the year was	No	No.
Academic	5	5
House	17	16
Administration	9	9
	<u>31</u>	<u>30</u>

The numbers of employees whose emoluments exceeded £60,000 were

£60,000 - £69,999	1	1
£70,000 - £79,999	1	1
	<u>2</u>	<u>2</u>

CUMBERLAND LODGE**NOTES TO THE FINANCIAL STATEMENTS (continued)****YEAR ENDED 31 AUGUST 2011****5. RESULTS OF SUBSIDIARY**

Cumberland Lodge Enterprises Limited is a wholly-owned subsidiary of Cumberland Lodge. Cumberland Lodge Enterprises Limited, incorporated in the UK (number 05389873), provides conference facilities for professional bodies, charities and other organisations and donates its annual taxable profits to the Charity under Gift Aid. The results of Cumberland Lodge Enterprises Limited are detailed below:

	2011		2010	
	£	£	£	£
PROFIT AND LOSS ACCOUNT				
Turnover and other income		760,744		771,976
Cost of sales:				
Staff costs	198,535		177,934	
Other costs	135,418		131,976	
		(333,953)		(309,910)
		426,791		462,066
Administration costs:				
Printing, postage and stationery	3,590		3,100	
Telephone	1,315		1,470	
Audit and professional charges	8,181		5,694	
Bank charges	229		168	
Charge for use of Cumberland Lodge assets	53,208		52,100	
Repairs and maintenance	33,706		37,712	
Heat and light	20,913		20,724	
Council tax	6,504		6,426	
Water rates	1,837		2,236	
Sundry	27,297		23,455	
		(156,780)		(153,085)
Operating profit		270,011		308,981
Gift aid payment		(270,011)		(308,981)
Profit for the year		£-		£-
	£	£	£	£
Trading costs		333,953		309,910
Administration costs	156,780		153,085	
Less Cumberland Lodge recharge for use of assets	(53,208)		(52,100)	
		103,572		100,985
		£437,525		£410,895

UMBERLAND LODGE

NOTES TO THE FINANCIAL STATEMENTS (continued)

YEAR ENDED 31 AUGUST 2011

5 RESULTS OF THE SUBSIDIARY (continued)

BALANCE SHEET	2011		2010	
	£	£	£	£
CURRENT ASSETS				
Debtors	80,136		37,640	
Cash at bank and in hand	343,572		311,036	
	<u>423,708</u>		<u>348,676</u>	
CREDITORS: amounts falling due within one year	(423,707)		(348,675)	
NET CURRENT ASSETS		1		1
NET ASSETS		<u>£1</u>		<u>£1</u>
FUNDS				
Called up share capital		1		1
Profit and loss account	-		-	
Retained losses brought forward	-		-	
Profit for the year				
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
		<u>£1</u>		<u>£1</u>

6. TANGIBLE FIXED ASSETS

	Improvements to property	Furniture fixtures and equipment	Motor vehicles	Total
COST OR VALUATION	£	£	£	£
At 31 August 2010	2,391,132	1,589,039	31,654	4,011,825
Additions in year	60,972	90,319	7,647	158,938
Disposals	-	(926,780)	(16,551)	(943,331)
At 31 August 2011	<u>2,452,104</u>	<u>752,578</u>	<u>22,750</u>	<u>3,227,432</u>
DEPRECIATION				
At 31 August 2010	1,003,776	1,236,992	28,372	2,269,140
Charge for year	124,212	80,583	2,966	207,761
Disposals	-	(926,780)	(16,551)	(943,331)
At 31 August 2011	<u>1,127,988</u>	<u>390,795</u>	<u>14,787</u>	<u>1,533,570</u>
NET BOOK VALUE				
At 31 August 2011	<u>£1,324,116</u>	<u>£361,783</u>	<u>£7,963</u>	<u>£1,693,862</u>
At 31 August 2010	<u>£1,387,356</u>	<u>£352,047</u>	<u>£3,282</u>	<u>£1,742,685</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)

YEAR ENDED 31 AUGUST 2011

7. INVESTMENTS

	2011	2010
	£	£
Market value brought forward	1,601,924	1,543,852
Purchases	557,161	-
Disposals	(362,149)	-
Gain on investments	35,025	58,072
	<u>1,831,961</u>	<u>1,601,924</u>
Market value at 31 August - Group & Charity	<u>£1,831,961</u>	<u>£1,601,924</u>
	<u>£1,970,711</u>	<u>£1,282,210</u>
Historical cost at 31 August - Group & Charity	<u>£1,970,711</u>	<u>£1,282,210</u>

Investments which represent more than 5% of the investment portfolio are:

Charishare Common Investment Fund	£794,600
Charinco Common Investment Fund	£502,459
Charities Property Fund	£197,221

The investment managers were changed in the year and the investment management charges of £4,988 are disclosed as the cost of investing funds. Previously investment management charges were netted off investment gains and not separately identified.

8. STOCKS

	2011		2010	
	Group	Charity	Group	Charity
	£	£	£	£
Raw materials and consumables	6,436	6,436	7,995	7,995
Goods for resale	13,007	13,007	13,975	13,975
	<u>£19,443</u>	<u>£19,443</u>	<u>£21,970</u>	<u>£21,970</u>

9. DEBTORS

	2011		2010	
	Group	Charity	Group	Charity
	£	£	£	£
Accommodation debtors	146,583	66,495	145,746	108,106
Other debtors and prepayments	88,657	88,609	84,595	84,595
Amounts due from subsidiary - Gift Aid	-	270,011	-	208,981
- Other	-	75,655	-	53,122
	<u>£235,240</u>	<u>£500,770</u>	<u>£230,341</u>	<u>£454,804</u>

10. CREDITORS: Amounts falling Due within one year

	2011		2010	
	Group	Charity	Group	Charity
	£	£	£	£
Purchases creditors	80,214	80,214	100,876	100,876
Other creditors and accruals	273,822	230,553	252,089	188,203
Taxes and social security	56,588	21,814	45,153	22,466
	<u>£410,624</u>	<u>£332,581</u>	<u>£398,118</u>	<u>£311,545</u>

11. ANALYSIS OF NET ASSETS

	Total £
Fund balances at 31 August 2011 are represented by	
Tangible fixed assets	1,665,437
Investments	1,831,961
Current assets	877,245
Current liabilities	(410,624)
Total Net Assets	£3,964,019 =====

12. CAPITAL COMMITMENTS

At 31 August 2011, there were capital works in hand of £8,200 (2010: £20,642) plus a commitment to proceed with the refurbishment and conversion of Groom's House into guest accommodation and facilities at a cost, including fees and VAT, of approximately £437,000.

13. TRUSTEES' REMUNERATION AND EXPENSES

Trustees are not remunerated £915 was reimbursed for travelling and training expenses to eight trustees (2010: £441 to six trustees).

14. PENSION COMMITMENTS

The charity contributes to defined contribution schemes. Assets of the schemes are held separately from the charity in independently-administered stakeholder schemes. The charity contributions to the schemes during the year amounted to £65,682 (2010: £61,934). As at 31 August 2011, £8,286 (2010: £8,102) was payable to the schemes.

15. TAXATION

Cumberland Lodge, as a charity, is exempt from corporation tax on its charitable activities