



**Cumberland  
Lodge**

Empowering conversations

## **CUMBERLAND LODGE**

(A Registered Charity and Company Limited by Guarantee)

### **ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 AUGUST 2023**

Company No. 05383055  
Charity No. 1108677



# CUMBERLAND LODGE

## ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2023

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# CUMBERLAND LODGE

## REFERENCE AND ADMINISTRATIVE DETAILS

FOR THE YEAR ENDED 31 AUGUST 2023

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<b>Status</b>	The organisation is a charitable company limited by guarantee, incorporated in England and Wales on 4 March 2005.
<b>Governing Document</b>	The company was established under Memorandum and Articles which established the objects and powers of the charitable company.
<b>Company Number</b>	05383055
<b>Charity Number</b>	1108677
<b>Registered &amp; Operating Office</b>	Cumberland Lodge, The Great Park, Windsor, Berkshire, SL4 2HP
<b>Trustees</b>	<p>Baroness Prashar of Runnymede, CBE PC (Chairman, F) Charles Anson CVO DL (B) Jane Furniss CBE (B) Alan Gemmell OBE (resigned 30 November 2023, F) Stephen Harvey (B) David Isaac CBE (appointed 26 January 2023, F) John Lotherington (Vice Chair, F, B) Amanda Mackenzie OBE (B) David Matthews (Honorary Treasurer, F) Jayaprakasa Rangaswami (B) Ingrid Tennessee (F)</p> <p><u>Subcommittees</u> F: Denotes Member of the Finance and General Purposes Committee B: Denotes Member of the Business Development Committee</p>
<b>Chief Executive</b>	Canon Dr Edmund Newell
<b>Bankers</b>	HSBC Bank Plc, 105 Mount Pleasant, Tunbridge Wells, Kent, TN1 1QP
<b>Solicitors</b>	Farrer & Co LLP, 66 Lincoln's Inn Fields, London, WC2A 3LH
<b>Investment Managers</b>	CCLA, Senator House, 85 Queen Victoria Street London EC4V 4ET
<b>Auditors</b>	Haysmacintyre LLP, 10 Queen Street Place, London, EC4R 1AG

# CUMBERLAND LODGE

## CHAIRMAN'S REPORT

FOR THE YEAR ENDED 31 AUGUST 2023

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In a world which is becoming increasingly fractious, our objective is to empower young people to lead the conversation on how they can create more peaceful, inclusive, and just societies, where conversations can take place openly and honestly, and where disagreements are conducted respectfully.

During 2022/23 we started to implement the programme strategy agreed the previous year, laying the foundations to increase our impact and scale up our work. We have recruited a strong, dynamic, and experienced team to help us deliver it. We have also refreshed our branding, to support the new projects we have planned.

We see this coming year as one of relaunch and opportunity for Cumberland Lodge: rooted in our origins, but refreshed, and geared up for the challenges of today.

The main focus of our work will be with young people, for example through two new projects launching in 2024 on Youth and Democracy and Strengthening the Rule of Law. Our new projects will also embrace new ways of working, including events around the country and the use of digital platforms.

We are grateful for the support of the many external groups and organisations who visit the Lodge each year to use the excellent facilities we offer. 2024 will see us progressing our ambitious new infrastructure investment plans so that, long term, we can continue to meet our clients' expectations and create the income growth needed to fund the expansion of our own educational work.

We are very mindful of the challenges ahead, but are excited by the potential to increase our impact as a place for empowering conversations. None of this would be possible without the efforts of highly dedicated staff and very committed Trustees, and I am very grateful to all of them for their insights, vision, and support.

Usha Prashar

# CUMBERLAND LODGE

## CHIEF EXECUTIVE'S REPORT

### FOR THE YEAR ENDED 31 AUGUST 2023

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In reflecting on the past year, I cannot help doing so against the backdrop of my 10 years in post. In terms of the Cumberland Lodge Programme, 2022-23 has been the busiest in terms of building for the future. As the Chairman's foreword mentions, we have recruited a new team with varied backgrounds and expertise in programme design, research, and youth work. With them, we are developing new projects on Youth and Democracy and Strengthening the Rule of Law. Both have involved a lot of research, and the brokering of partnerships with a wide range of organisations that share in our ethos.

These projects are core to our current five-year strategic plan, which has two main objectives: enhancing how we nurture young people to become ethical leaders and changemakers, and building a movement of people committed to work for social progress. With these objectives in mind, we have been extremely busy behind the scenes, working on improved methods for measuring and reporting our impact, and developing an online community engagement platform and other ways of keeping in touch with our supporters. We have also rebuilt our website, with an eye to providing a platform for a suite of online learning resources so that we can expand our work in new ways to national and international audiences.

Alongside these developments, we have been working on other important initiatives, including: a plan to reduce our impact on the environment and ultimately make Cumberland Lodge Net Carbon Zero; striving to ensure that we operate in ways that prioritise equity, diversity and inclusion (EDI); developing new ethical frameworks that reflect our commitment to being a values-led organisation; and other investments to ensure that all who work at or visit Cumberland Lodge have the best possible experience.

Our refreshed branding and logo are indicative of our approach to all the above. They are recognisably us, yet fresh and contemporary, reflecting our commitment to engage in new ways, and building on what we've accomplished in the past – a process of continuity and change.

While planning for the future has been at the forefront of our work in 2022-23, we have continued to run our own events. We began the year with a public Open Day, hosted by former Fellows who returned to the Lodge for our first official Fellows' reunion. We have a flourishing group of current and former Fellows who are able to contribute significantly to our work, as they emerge as effective ethical leaders and changemakers in their fields. It is gratifying both to know that Cumberland Lodge has played a part in their development and that they wish to continue their connection with us, some many years later. They are a fundamental part of the movement that we are seeking to develop.

During this year, we have run a pilot partnership with St George's House, Windsor Castle, to enable our current Fellows to participate in consultations they convene. We are extremely grateful to Garry McKeone, Programme Director at St George's House, for helping to develop this partnership, which has seen Fellows join them for events focused on themes including research for impact, equipping refugees for effective leadership in post-war Ukraine, and the resilience of UK food systems. Given the success of the early stages, we hope our involvement with St George's House will continue.

We released the final podcast in our limited series *Life Perspectives*, which saw our Fellows engage in an inter-generational conversation about an issue of mutual interest. The episode explored "Gross National Happiness" with Julia Buzan (Cumberland Lodge Fellow 2021-23) in conversation with Dasho Karma Ura, President of the Centre for Buddhism Studies and Gross National Happiness Research. We are developing new podcast themes which will be introduced in 2024.

Thankfully, we were once again able to hold a Commonwealth and International Students' Christmas Conference in 2022, in which we explored, through the lens of Charles Dicken's novel *A Christmas Carol*,

# CUMBERLAND LODGE

## CHIEF EXECUTIVE'S REPORT

### FOR THE YEAR ENDED 31 AUGUST 2023

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contemporary concerns of materialism and high levels of consumption at Christmas and their implications for sustainability. The conference involved 45 students from 23 countries and 17 universities.

Our Life Beyond the PhD conference in August 2023 brought together 43 doctoral students from 16 universities, to not only explore the next steps in their careers, but also to build their communication and interdisciplinary skills, and to think about how they can use their intellectual abilities for the good of society. The conference included a group exercise, devised in collaboration with astrobiologist Professor Ian Crawford, to examine the practical and ethical issues associated with establishing a temporary scientific research station and permanent colony on Mars.

The organisation of the annual Cumberland Lodge Police Conference has now transferred to the Police Foundation. This year's conference, held in June, was titled "Getting the right things done: Delivering good policing in the 2020s", and our guest speakers included Baroness Louise Casey, who discussed her recent review into the standards of behaviour and internal culture of the Metropolitan Police Service.

We were once again able to hold in-person Cumberland Conversations, which had been on hiatus during the pandemic. We were joined by Nahid Shahalimi to discuss her recently edited book *We Are Still Here: Afghan Women on Courage, Freedom, and the Fight to Be Heard*. Dame Cressida Dick discussed her career in policing, including her role as Commissioner of the Metropolitan Police. Then, Kim Samuel, founder of the Samuel Centre for Social Connectedness, discussed her book *On Belonging: Finding Connection in an Age of Isolation*.

As well as our educational work focused on ethical and societal issues, we are pleased to hold cultural events as part of our expanding outreach programme. Our 2023 Shakespeare Reading Retreat explored the play *Antony and Cleopatra*. As well as our distinguished team of retreat leaders, we were joined by actors Andrew French and Dame Janet Suzman, who famously played Cleopatra in Trevor Nunn's 1974 Royal Shakespeare Company stage production and film.

As Cumberland Lodge is well-known for its excellent cuisine, it was good to be able to reinstate our Dining Club in 2022. In April 2023, we held a special dinner to celebrate the Coronation of King Charles III and Queen Camilla, preceded by a recital by Alis Huws, the Official Royal Harpist. Our intention is to hold four themed fundraising dinners each year.

In August, we hosted a fundraising concert performed by Wild Arts, a sustainable touring opera company. Their musicians entertained guests with a programme that included Mozart, Tchaikovsky, and Handel.

As well as our own events, we fulfil our charitable objectives by enabling other organisations to make use of our facilities for study retreats and for legal and medical training. In 2022-23, 48 medical groups visited the Lodge involving 1,448 junior doctors, as did the Inns of Court, who brought with them 578 students training to be barristers. During the year, we hosted 64 university departmental study retreats involving 2,804 students, 8 of whom received free places from our bursary scheme. Visiting student groups are strongly encouraged to include an ethical discussion in their programme, which we can facilitate. Previously known as St Catharine Sessions, we have redeveloped these as "Exploring Ethics" sessions, and will be expanding what we can offer visiting groups in 2024.

As I hope will be apparent from this report, Cumberland Lodge remains a vibrant place where thousands of people engage in learning and discussion. Looking ahead, I expect next year's report not only to reflect this ongoing level of activity, but to demonstrate the early results of all the planning that has taken place over the past 18 months or so. We look forward with eager anticipation to see how these plans will bear fruit.

# **CUMBERLAND LODGE**

## **TRUSTEES' REPORT**

**FOR THE YEAR ENDED 31 AUGUST 2023**

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### **Trustees' Report (incorporating the Strategic Report and Directors' Report)**

The Trustees, who are the Directors of the charitable company, present their report, which includes the strategic report, and the audited financial statements for the year ended 31 August 2023.

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

### **Objectives and activities**

Originally set up in 1947, Cumberland Lodge has as its objects:

To advance education of the public, in particular British, Commonwealth and overseas students in accordance with the principles of the Christian faith with particular reference to: the nature of human life in society; the relationship between Christian theology and philosophy and alternative religious and secular beliefs; the inter-relationship of various academic disciplines and their practical relevance.

### **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.

Firstly, we provide conference facilities for universities and other institutions of higher education, the National Health Service, Inns of Court, and many other organisations to run their own educational programmes in an atmosphere that lends itself to study and reflection and that lies outside of participants' usual work and study routines. As is evident from the Reports, the Charity has focused in particular on providing access to student groups and young people.

The Trustees have set two further programmatic objectives for the Charity:

- to nurture young people to be ethically minded thought leaders; and
- to build a movement for social progress.

We have achieved these additional objectives by running our own programme of educational events throughout the year, initiating debate and learning on ethical and societal issues of national and international significance. We are independent and so able to promote frank exchanges of views and cross-sector co-operation, and we encourage the expression of all reasonable views, whether they be religious, moral or social. Details of these events are set out in the Chief Executive's report.

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.

### **Fundraising statement**

Cumberland Lodge is registered with the Fundraising Regulator. In the past year Cumberland Lodge has received no complaints in respect of its fundraising (2022: none).

# CUMBERLAND LODGE

## TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2023

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### Financial Review

The year to August 2023 was satisfactory from a financial perspective. Income grew by 10% to £3,017,000 (2021/22: £2,742,000) as more groups chose Cumberland Lodge to hold their events than in the previous year. Expenditure grew by 23% to £2,883,000 (2022: £2,351,000). Whilst a portion of the extra costs were attributable to heightened activity levels, input cost inflation spiked severely and we absorbed significant increases across the board, including gas and electricity, food supplies and staffing. Despite these challenges we managed expenditure well and reported an overall operating surplus for the year of £134,000 (2021/22: £392,000).

The performance of our pooled investment funds was again weak, reflecting conditions across global financial markets, and we recorded investment losses of £66,000 (2020/21: £164,000). Overall, we reported an increase in funds of £68,000 (2021/22: £228,000), leaving total funds at the year-end of £4,991,000 (2021/22: £4,923,000).

Trustees reviewed and revised the Charity's general reserves policy in July 2023 (see below), and, in the context of its overall programme strategy and business plans, took the opportunity to designate several new funds which have been created to support future investments in:

- building a movement of young people committed to social progress; and
- major on-site capital works at the Lodge, including the development of new meeting spaces and the installation of renewable energy sources.

The level of unrestricted general funds reported at the year-end therefore decreased by £1,228,000 to £2,189,000 (2021/22: £3,417,000).

### Funds and Reserves policy

Cumberland Lodge holds funds and reserves in respect of the risks and obligations it faces both as a charity and as custodian of a heritage building of historical importance. These are organised as follows:

**Restricted funds:** where donors require gifts to be used to further a specific charitable purpose, rather than to be spent or applied at the discretion of trustees to further any of the charity's purposes. Details are set out in Note 14.

**Designated funds:** unrestricted funds earmarked by trustees i) for future expenditure on defined strategic projects; ii) to meet long term commitments to keep the Lodge premises in a satisfactory state of repair and fit for purpose as a residential conference venue; iii) to exclude from general reserves an amount equivalent to the net book value of tangible fixed assets (which are not considered freely available to be spent on the charity's purposes). Trustees regularly review designations to ensure they remain aligned with organisational objectives and commitments. Details are set out in Note 15.

**General reserves:** unrestricted funds held as a buffer against unanticipated reductions in income and investment values, or to absorb unexpected increases in expenditure. Mindful of their duty to manage the Charity's financial risks and resources responsibly, trustees aim to carry around six months of operating expenditure as well as 15% of the value of its investment portfolio as general reserves. The current target range for general reserves is therefore £2.1m +/- 10%. At 31 August 2023 the level of general reserves was £2,189,000, representing 104% of the middle of the target range.

### Investments

Cumberland Lodge seeks to produce the best financial return within an acceptable level of risk. The investment objective for the long term is to generate a return in excess of inflation whilst generating an income to support the ongoing activities of Cumberland Lodge. The investment objective for the short term is to preserve the capital value with a moderate level of risk. Assets should be readily available to meet unanticipated cash requirements. Investment performance is reported to the Board and is monitored by the Trustee group as a whole.

# CUMBERLAND LODGE

## TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2023

### Principal risks and uncertainties

Cumberland Lodge has a formal risk management process through which the major risks to which the organisation may be exposed are identified, and has ranked these by likelihood and impact, culminating in a risk control document which is updated on a regular basis. All significant risks, together with current mitigation actions, are reviewed by the Trustees at their meetings. The Trustees are satisfied that systems have been developed and are in place to mitigate identified risks to an acceptable level.

The principal risks and uncertainties identified by the Charity are as follows:

Risk identified	Action taken to mitigate the risk
Cost Inflation and Volatility	Cumberland Lodge regularly reviews and updates its customer pricing in line with overall inflationary pressures. Fixed price agreements will be negotiated with suppliers where feasible to minimise cost base volatility.
Force majeure closure	The forced closure of the Lodge due to adverse weather, epidemics or similar force majeure events is an ever-present risk. Insurance provides some mitigation depending on the precise circumstances, and our event contracts limit any customer liability that might arise. The residual risk is mitigated by our reserves policy.
Withdrawal of Royal Warrant	The Charity occupies Cumberland Lodge by Royal Warrant, which is subject to the grant of the Monarch. Both the conditions of the Royal Warrant and the Charity's Objects are fundamental to the Charity's activities and compliance is carefully monitored by the Trustees.
Guest health and safety	The Charity offers hospitality to thousands of residential guests each year and takes their welfare whilst at the Lodge very seriously. A comprehensive regime is in place to identify and manage food hygiene, fire, legionella and other health and safety risks that are an integral part of operating residential conferencing facilities in a heritage building which is several hundred years old. The key mitigations include regular risk assessments, staff training, follow up and learning from incidents and near misses, and a clear system of roles and responsibilities.

### Structure, governance and management

#### Structure

Cumberland Lodge was incorporated on 4 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 1 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. A uniting direction was issued by the Charity Commission (8 March 2006), which removed the need to account separately for the old charity.

Cumberland Lodge has a wholly-owned non-charitable trading subsidiary, Cumberland Lodge Enterprises Limited, which provides conference facilities for professional bodies, charities and other organisations. The consolidated results of Cumberland Lodge and its subsidiary are shown on page 16 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.

#### Governance

The Company is governed by its Memorandum and Articles of Association. The Trustees are Directors of the company and those who served during the year and since are set out on page 2.

During the year two committees of the Board (Finance and General Purposes, and Business Development) met to implement policy and exercise control.

# CUMBERLAND LODGE

## TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2023

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New Trustees are proposed by existing Trustees to the whole Board via a nomination process. The Board considers their suitability considering current vacancies and the balance of skills and diversity of existing Trustees. Nominations are subject to election.

There is a maximum limit to the number of years a Trustee may serve, although this may be extended in exceptional circumstances, and the Board regularly reviews the range of skills it needs. New Trustees are encouraged to undertake 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.

During the financial year day-to-day management of the Charity was delegated to the Chief Executive, supported by other senior staff.

### **Remuneration of key management**

The Trustees consider that the Board of Trustees and the senior management team comprise the key management personnel of the Charity in charge of directing and controlling, running and operating the Charity on a day-to-day basis. All Trustees give of their time freely and no Director received remuneration in the year. Details of Directors' expenses and related party transactions are disclosed in notes 4 and 17 to the accounts.

The pay of the key management personnel is reviewed annually. In view of the nature of the Charity, the Trustees periodically benchmark against pay levels in other charities. The remuneration benchmark is the mid-point of the range paid for similar roles in similar charities and sizes.

### **Statement of the Board of Trustees' responsibilities for the financial statements**

The Trustees, who are also Directors of Cumberland Lodge for the purpose of company law, are responsible for preparing the Trustees' Report and the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year and not approve the financial statements unless they are satisfied that the financial statements give a true and fair view of the state of the affairs of the Charity as at the balance sheet date and of its incoming resources and application of resources, including income and expenditure, for the year then ended.

In preparing those financial statements which give a true and fair view, the Trustees should follow best practice and:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to assume that the charitable company will continue on that basis

The Trustees are responsible for keeping accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and which enable them to ensure that the financial statements comply with the Companies Act 2006. The Trustees are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website.

# CUMBERLAND LODGE

## TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2023

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Each of the Directors, who held office at the date of approval of this Trustees' Report, has confirmed that there is no information of which they are aware which is relevant to the audit but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditors are made aware of such information.

Approved by the Trustees on 26 January 2024 and signed on their behalf by:

*Usha Prashar*

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**Baroness Usha Prashar**

*David Matthews*

.....  
**David Matthews**

# CUMBERLAND LODGE

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF

### CUMBERLAND LODGE

FOR THE YEAR ENDED 31 AUGUST 2023

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#### Independent auditor's report to the members of Cumberland Lodge

##### Opinion

We have audited the financial statements of Cumberland Lodge for the year ended 31 August 2023 which comprise the Consolidated Statement of Financial Activities, the Group and Parent Charitable Company Balance Sheets, the Consolidated Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and of the parent charitable company's affairs as at 31 August 2023 and of the group's and parent charitable company's net movement in funds, including the 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.

##### 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 UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

##### Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

##### Other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

# CUMBERLAND LODGE

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CUMBERLAND LODGE

FOR THE YEAR ENDED 31 AUGUST 2023

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### Opinions 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 (which includes the strategic report and the Directors' report prepared for the purposes of company law) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the Directors' report included within the Trustees' Report have been prepared in accordance with applicable legal requirements.

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

In the light of the knowledge and understanding of the group charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report (which incorporates the strategic report and the Directors' 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:

- adequate accounting records have not been kept by the parent charitable company; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

### Responsibilities of Trustees for the financial statements

As explained more fully in the Trustees' responsibilities statement set out on page 10, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but it 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Based on our understanding of the group's and the parent and the environment in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to Health and Safety Acts and GDPR and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as include the Companies Act 2006 and the Charities Act 2011, and consider other factors such as payroll tax and VAT.

# CUMBERLAND LODGE

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CUMBERLAND LODGE

FOR THE YEAR ENDED 31 AUGUST 2023

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We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to posting inappropriate journal entries to revenue and management bias in accounting estimates. Audit procedures performed by the engagement team included:

- inspecting correspondence with regulators and tax authorities;
- discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- evaluating management's controls designed to prevent and detect irregularities;
- identifying and testing journals, in particular journal entries posted with unusual account combinations or with unusual descriptions; and
- challenging assumptions and judgements made by management in their critical accounting estimates

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

### Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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 the charitable company's members, as a body, for our audit work, for this report, or for the opinions we have formed.



Kathryn Burton (Senior Statutory Auditor)  
For and on behalf of Haysmacintyre LLP, Statutory Auditors

Date: 2nd February 2024

10 Queen Street Place, London EC4R 1AG

# CUMBERLAND LODGE

Company No. 05383055

## CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

(including consolidated income and expenditure account)

FOR THE YEAR ENDED 31 AUGUST 2023

	Notes	Unrestricted Funds £	Restricted Funds £	Total 2023 £	Total 2022 £
<b>INCOME:</b>					
Donations, legacies and grants	2	19,557	-	19,557	44,798
<b>Charitable activities</b>					
Cumberland Lodge conferences		33,214	-	33,214	79,492
Student and training conferences		1,490,922	-	1,490,922	1,437,495
<b>Other trading activities</b>					
Accommodation income		1,302,605	-	1,302,605	1,028,392
Rents and lettings		34,925	-	34,925	34,594
Investments		113,556	-	113,556	96,736
Other income	2	22,551	-	22,551	20,966
<b>Total income</b>		<b>3,017,330</b>	<b>-</b>	<b>3,017,330</b>	<b>2,742,473</b>
<b>EXPENDITURE:</b>					
<b>Costs of raising funds</b>					
Trading costs		903,301	3,852	907,153	645,736
<b>Expenditure on charitable activities</b>					
Cumberland Lodge programme		284,264	-	284,264	248,888
Student and training conferences		1,691,553	-	1,691,553	1,456,342
<b>Total expenditure</b>	3	<b>2,879,118</b>	<b>3,852</b>	<b>2,882,970</b>	<b>2,350,966</b>
		138,212	(3,852)	134,360	391,507
Losses on investments, net of charges		(66,306)	-	(66,306)	(163,690)
<b>Net movement in funds</b>		<b>71,906</b>	<b>(3,852)</b>	<b>68,054</b>	<b>227,817</b>
Funds brought forward		4,891,262	31,416	4,922,678	4,694,861
Funds carried forward		4,963,168	27,564	4,990,732	4,922,678

The notes on pages 17 - 29 form part of these financial statements.

The statement of financial activities includes all gains and losses recognised in the year.

All amounts derive from continuing activities.

Full comparative figures for the year ended 31 August 2022 are shown in note 19.

# CUMBERLAND LODGE

Company No. 05383055

## CONSOLIDATED AND CHARITY BALANCE SHEETS

AT 31 AUGUST 2023

	Notes	2023		2022	
		Group £	Charity £	Group £	Charity £
<b>FIXED ASSETS</b>					
Tangible assets	7	974,455	974,455	1,028,579	1,028,579
Investments	8	4,163,700	4,163,700	3,730,006	3,730,006
		<u>5,138,155</u>	<u>5,138,155</u>	<u>4,758,585</u>	<u>4,758,585</u>
<b>CURRENT ASSETS</b>					
Stock		21,172	14,637	22,283	13,955
Debtors	9	359,673	234,724	367,278	245,852
Short term deposits and cash in hand		277,147	188,233	465,557	198,106
		<u>657,992</u>	<u>437,594</u>	<u>855,118</u>	<u>457,913</u>
<b>CURRENT LIABILITIES</b>					
Creditors: amounts falling due within one year	10	(805,415)	(758,539)	(691,025)	(561,738)
		<u>(147,423)</u>	<u>(320,945)</u>	<u>164,093</u>	<u>(103,825)</u>
<b>NET CURRENT LIABILITIES</b>					
		<u>(147,423)</u>	<u>(320,945)</u>	<u>164,093</u>	<u>(103,825)</u>
<b>NET ASSETS</b>		<u>4,990,732</u>	<u>4,817,210</u>	<u>4,922,678</u>	<u>4,654,760</u>
<b>FUNDS</b>					
Unrestricted general funds	12/13	2,188,713	2,015,191	3,416,792	3,148,874
Unrestricted designated funds	15	2,774,455	2,774,455	1,474,470	1,474,470
Restricted funds	12/14	27,564	27,564	31,416	31,416
		<u>4,990,732</u>	<u>4,817,210</u>	<u>4,922,678</u>	<u>4,654,760</u>
<b>TOTAL FUNDS</b>		<u>4,990,732</u>	<u>4,817,210</u>	<u>4,922,678</u>	<u>4,654,760</u>

The surplus of the parent charity was £162,450. This comprises a deficit of £105,470 (2022: £40,103) plus donated profits from Cumberland Lodge Enterprises Ltd of £267,920 (2022: £51,602).

Approved and authorised for issue on 26 January 2024 by the Trustees and signed on their behalf by:

*Usha Prashar*

Baroness Usha Prashar

*David Matthews*

David Matthews

The notes on pages 17 - 29 form part of these financial statements.

# CUMBERLAND LODGE

Company No. 05383055

## STATEMENT OF CASH FLOWS AND CONSOLIDATED STATEMENT OF CASH FLOWS

AT 31 AUGUST 2023

	2023 £	2022 £
Net cash provided / (used) by operating activities	320,079	350,925
Cash flows from investing activities		
Investment income	113,427	96,736
Purchase of tangible fixed assets	(121,916)	(15,443)
Sale of tangible fixed assets	-	-
Purchase of investments	(500,000)	(350,000)
Sale of investments	-	-
Cash (used in) / provided by investing activities	(508,489)	(268,707)
Change in cash and cash equivalents in the year	(188,410)	82,218
Cash and cash equivalents at the beginning of the year	465,557	383,339
TOTAL CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	277,147	465,557

### RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH INFLOW FROM OPERATING ACTIVITIES

Net income for the year	68,054	227,817
Adjustments for:		
Depreciation charge	176,040	204,332
Losses / (gains) on investments	66,306	163,690
Income from investments	(113,427)	(96,736)
(Increase) / decrease in debtors	7,605	(212,642)
(Increase) / Decrease in stock	1,111	(6,038)
Increase / (decrease) in creditors	114,390	70,502
Cash used in investing activities	320,079	350,925

# CUMBERLAND LODGE

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 AUGUST 2023

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#### 1. ACCOUNTING POLICIES

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

##### **Basis of preparation**

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) (Second Edition, effective 1 January 2019), (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Cumberland Lodge meets the definition of a public benefit entity under FRS 102. The registered office and company number can be found page 2. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note.

In preparing the accounts, the Trustees have considered whether in applying the accounting policies required by FRS 102 and the Charities SORP FRS 102 the restatement of comparative items was required.

##### **Preparation of accounts on a going concern basis**

Trustees are content that sufficient cash and reserves are available to withstand any adverse financial risks or events that might reasonably crystallize for at least 12 months from the date of approving these financial statements for publication. Trustees are satisfied therefore that there are no material uncertainties regarding going concern, and so the going concern basis of preparation is considered appropriate.

##### **Group financial statements**

The financial statements consolidate the results of the Charity and its wholly owned subsidiary Cumberland Lodge Enterprises Limited on a line-by-line basis. A separate Statement of Financial Activities and Income and Expenditure Account for the Charity has not been presented because the Charity has taken advantage of the exemption afforded by section 408 of the Companies Act 2006.

##### **Income recognition**

All income, including donations and legacies, is recognised once the Charity is entitled to the income, the amount of income receivable can be measured reliably and receipt is probable.

##### **Grants**

Grants are recognised in full in the statement of financial activities in the year in which the Charity is entitled to the income, the amount of income receivable can be measured reliably and receipt is probable.

##### **Income from charitable activities**

Income from charitable activities is recognised as earned when the related services are provided. Income from other trading activities is recognised as earned when the related services and goods are provided.

##### **Investment income**

Investment income is recognised on a receivable basis once the amounts can be measured reliably.

# CUMBERLAND LODGE

## NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 AUGUST 2023

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### 1. ACCOUNTING POLICIES (continued)

#### **Expenditure**

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Costs of raising funds comprises the direct and allocated costs of the trading subsidiary, and investment management costs
- Expenditure on charitable activities comprises the direct and allocated costs of Cumberland Lodge conferences and student and training conferences

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

#### **Allocation of costs**

Expenditure is summarised under functional headings on a direct and indirect cost basis. The apportionment of indirect costs is based on estimates of the relative use of Cumberland Lodge's resources.

#### **Operating leases**

Rental charges are charged on a straight-line basis over the life of the lease.

#### **Financial instruments**

The charitable company 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.

#### **Investments**

Investments are a form of basic financial instrument and are shown in the financial statements at market value. Movements in the market values of investments are shown as unrealised gains and losses in the Statement of Financial Activities.

Profits and losses on the realisation of investments are shown net of costs (which are deducted at source) as realised gains and losses in the Statement of Financial Activities. Realised gains and losses on investments are calculated between sales proceeds and their opening carrying values or their purchase value if acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value. Realised and unrealised investment gains and losses are combined in the Statement of Financial Activities.

#### **Fixed assets**

Fixed assets are stated at cost or deemed cost (donated valuation at estimated fair value) less accumulated depreciation and impairment losses. Assets costing more than £1,500 are capitalised.

Depreciation is calculated to write off the costs of the fixed asset by equal instalments as follows:

Motor vehicles	4 years
Furniture, fittings and equipment	3 to 10 years
Leasehold improvements	10 to 20 years

# CUMBERLAND LODGE

## NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 AUGUST 2023

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### 1. ACCOUNTING POLICIES (continued)

#### **Cash**

Cash represents cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours.

#### **Debtors**

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

#### **Creditors and provisions**

Creditors and provisions are recognised where the Charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

#### **Stock**

Stocks are valued at the lower of cost and net realisable value.

#### **Funds**

Unrestricted funds are donations and other incoming resources receivable or generated for the objects of the Charity, which do not fall to be recognised as restricted funds.

Designated funds are unrestricted funds earmarked by the Trustees for particular purposes.

Restricted funds are those funds which are to be used in accordance with specific instructions imposed by the donor or trust deed.

#### **Employee benefits**

- **Short term benefits**

Short term benefits including holiday pay are recognised as an expense in the period in which the service is received.

- **Employee termination benefits**

Termination benefits are accounted for on an accrual basis and in line with FRS 102.

- **Pension scheme**

Cumberland Lodge operates a defined contribution pension scheme for the benefit of its employees. The assets of the scheme are held independently from those of Cumberland Lodge in an independently administered fund. The pension costs charged in the financial statements represents the contributions payable during the year.

#### **Critical accounting judgements and key sources of estimation uncertainty**

In the application of the accounting policies, Directors are required to make judgements, estimates, and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods if the revision affected current and future periods.

In the view of the Trustees, no assumptions concerning the future or estimation uncertainty affecting assets or liabilities at the balance sheet date are likely to result in a material adjustment to their carrying amounts in the next financial year.

# CUMBERLAND LODGE

## NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 AUGUST 2023

2. INCOME	2023	2022
Voluntary income	£	£
Donations, legacies and grants	19,557	44,798
Other income		
Other income	22,551	20,966

3. ANALYSIS OF EXPENDITURE	2023 Direct costs £	2023 Support costs £	2023 Total £	2022 Total £
Fundraising	-	-	-	-
Charitable activities	1,115,208	860,608	1,975,816	1,705,229
Trading	451,451	455,703	907,154	645,737
Group total	1,566,659	1,316,311	2,882,970	2,350,966

	Trading £	Charitable activities £	2023 Total £	2022 Total £
Direct costs				
Staff costs	308,023	802,408	1,110,431	955,812
Hospitality costs	111,248	210,096	321,344	247,213
Trading costs	18,509	29,842	48,351	42,448
Administration	(33)	15,819	15,786	8,236
Professional fees	8,810	6,598	15,408	8,180
Scholarship scheme	-	14,871	14,871	10,167
Repairs and maintenance	4,514	8,743	13,257	1,837
Communications	-	12,959	12,959	700
Cumberland Lodge conference costs	-	12,583	12,583	20,451
Other	380	1,288	1,668	1,755
Group total	451,451	1,115,208	1,566,659	1,296,799

# CUMBERLAND LODGE

## NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 AUGUST 2023

	Trading	Charitable activities	2023 Total	2022 Total
	£	£	£	£
<b>Support costs</b>				
Staff costs	153,354	289,614	442,968	406,514
Buildings costs	118,664	224,101	342,766	165,926
Repairs and maintenance	63,338	119,617	182,955	96,184
Depreciation	60,945	115,096	176,040	204,332
IT equipment and support	19,598	37,012	56,611	46,099
Professional fees	18,076	34,136	52,212	45,341
Administration	8,944	16,891	25,835	52,151
Office supplies	6,641	12,541	19,182	15,822
Communications	3,211	6,064	9,275	10,169
Bank and finance costs	2,051	3,873	5,924	5,502
Other	881	1,663	2,543	6,127
<b>Group total</b>	<b>455,703</b>	<b>860,608</b>	<b>1,316,311</b>	<b>1,054,167</b>

Included within professional fees above were Governance costs of £22,339 (2022: £18,422) relating to Auditor's remuneration.

#### 4. NET INCOME FOR THE YEAR

	2023 £	2022 £
This is stated after charging		
Auditor's remuneration (including irrecoverable VAT):		
Audit	20,464	16,773
Other Services	1,875	1,649
	<u>22,339</u>	<u>18,422</u>
Expenses reimbursed and paid on behalf of Trustees	<u>-</u>	<u>-</u>

No Trustee received remuneration in the current or prior year.

# CUMBERLAND LODGE

## NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 AUGUST 2023

### 5. SUBSIDIARIES

The wholly-owned subsidiary Cumberland Lodge Enterprises Limited is incorporated in the UK (company number: 05389873, registered office: Cumberland Lodge, The Great Park, Windsor, SL4 2HP) and provides conference facilities for professional bodies, charities and other organisations. The subsidiary pays all its profits to Cumberland Lodge under the Gift Aid scheme. The summary financial performance of the subsidiary alone is:

	2023 £	2022 £
Turnover	1,080,675	914,460
Cost of sales and administration costs	(907,154)	(646,540)
Net profit	173,521	267,920
Brought forward – retained in subsidiary	267,920	51,602
Gift-aided to the Charity in year	(267,920)	(51,602)
Retained in subsidiary	173,521	267,920
The current assets and liabilities of the subsidiary were:		
Current assets	299,400	484,678
Current liabilities	(125,879)	(216,758)
Total net assets	173,521	267,920
Aggregate share capital and reserves	173,521	267,920

### 6. STAFF COSTS AND NUMBERS

	2023 £	2022 £
<b>Staff costs were as follows:</b>		
Salaries and wages	1,266,903	1,128,797
Social security costs	123,979	111,778
Pension contributions	80,549	47,493
	1,471,431	1,288,068
The number of employees whose emoluments for the year fell within the following bands were:		
	Number	Number
£70,001 - £80,000	1	0
£90,001 - £100,000	1	1

These employees are accruing pension contributions totalling £11,957 (2022: £4,467). The total employee benefits (including pension contributions and employer's national insurance) of the key management personnel of the Group and Charity were £292,630 (2022: £243,219).

# CUMBERLAND LODGE

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### FOR THE YEAR ENDED 31 AUGUST 2023

	2023 Number	2022 Number
The average number of permanent employees during the year was as follows:		
Programme	5	5
Hospitality	32	30
Buildings & maintenance	6	5
Administration	5	5
	<u>48</u>	<u>45</u>

The full-time equivalent number of permanent staff in 2023 was 37 (2022: 36).  
An average of 23 (2022: 19) casual hospitality employees were also employed.

#### 7. FIXED ASSETS (GROUP AND CHARITY)

	Improvements to property	Furniture, fittings & equipment	Motor Vehicles	Total
	£	£	£	£
<b>Cost</b>				
At 1 September 2022	3,321,477	1,743,606	37,880	5,102,963
Additions	86,813	35,103	-	121,916
Disposals	-	-	-	-
<b>Balance at 31 August 2023</b>	<u>3,408,290</u>	<u>1,778,709</u>	<u>37,880</u>	<u>5,224,879</u>
<b>Accumulated depreciation</b>				
At 1 September 2022	2,534,191	1,503,345	36,848	4,074,384
Charge for the year	105,922	69,086	1,032	176,040
Disposals	-	-	-	-
<b>Balance at 31 August 2023</b>	<u>2,640,113</u>	<u>1,572,431</u>	<u>37,880</u>	<u>4,250,424</u>
<b>Net Book Value</b>				
C/f at 31 August 2023	<u>768,177</u>	<u>206,278</u>	<u>-</u>	<u>974,455</u>
B/f at 1 September 2022	<u>787,286</u>	<u>240,261</u>	<u>1,032</u>	<u>1,028,579</u>

# CUMBERLAND LODGE

## NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 AUGUST 2023

<b>8. INVESTMENTS (GROUP AND CHARITY)</b>			<b>2023</b>	<b>2022</b>
			<b>£</b>	<b>£</b>
Listed investments:				
Market value at 1 September			3,730,006	3,543,696
Additions			500,000	350,000
Disposals			-	-
Net gains /(losses)			(66,306)	(163,690)
Market value at 31 August			<u>4,163,700</u>	<u>3,730,006</u>
Historical cost as at 31 August			<u>3,328,492</u>	<u>2,828,492</u>
<b>9. DEBTORS: amounts falling due within one year</b>		<b>2023</b>	<b>2022</b>	
	<b>Group</b>	<b>Charity</b>	<b>Group</b>	<b>Charity</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Accommodation debtors	257,627	132,678	290,501	169,075
Other debtors and prepayments	102,046	102,046	76,777	76,777
Amounts due from subsidiary	-	-	-	-
	<u>359,673</u>	<u>234,724</u>	<u>367,278</u>	<u>245,852</u>
<b>10. CREDITORS: amounts falling due within one year</b>		<b>2023</b>	<b>2022</b>	
	<b>Group</b>	<b>Charity</b>	<b>Group</b>	<b>Charity</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Trade creditors	93,898	93,898	76,982	76,982
Other taxation and social security	78,585	78,585	100,178	31,455
Other creditors, accruals and deferred income	632,932	506,833	513,865	365,828
Amounts owed to subsidiary	-	79,003	-	87,473
	<u>805,415</u>	<u>758,539</u>	<u>691,025</u>	<u>561,738</u>
<b>11. ANALYSIS OF DEFERRED INCOME</b>		<b>2023</b>	<b>2022</b>	
	<b>Group</b>	<b>Charity</b>	<b>Group</b>	<b>Charity</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Deferred income at 1 September	374,682	233,571	438,954	280,825
Released during the year	(374,682)	(233,571)	(438,954)	(280,825)
Applied during the year	<u>431,528</u>	<u>313,864</u>	<u>374,682</u>	<u>233,571</u>
Deferred income at 31 August	<u>431,528</u>	<u>313,864</u>	<u>374,682</u>	<u>233,571</u>

# CUMBERLAND LODGE

## NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 AUGUST 2023

### 12. ANALYSIS OF GROUP NET ASSETS BETWEEN FUNDS

	Restricted Funds £	General Funds £	Total Funds £
<b>2023</b>			
Fixed assets	15,990	958,465	974,455
Investments	-	4,163,700	4,163,700
Current assets	11,574	646,418	657,992
Current liabilities	-	(805,415)	(805,415)
Net assets at 31 August	<u>27,564</u>	<u>4,963,168</u>	<u>4,990,732</u>
<b>2022</b>			
Fixed assets	19,842	1,008,737	1,028,579
Investments	-	3,730,006	3,730,006
Current assets	11,574	843,544	855,118
Current liabilities	-	(691,025)	(691,025)
Net assets at 31 August	<u>31,416</u>	<u>4,891,262</u>	<u>4,922,678</u>

### 13. ANALYSIS OF UNRESTRICTED GENERAL FUNDS

	1 September £	Surplus/ (loss) £	Gains/ (losses) £	Transfers £	31 August £
<b>Group</b>					
<b>2023</b>					
General funds	<u>3,416,792</u>	<u>138,212</u>	<u>(66,306)</u>	<u>(1,299,985)</u>	<u>2,188,713</u>
<b>2022</b>					
General funds	<u>2,950,593</u>	<u>420,761</u>	<u>(163,690)</u>	<u>209,128</u>	<u>3,416,792</u>
<b>Charity</b>					
<b>2023</b>					
General funds	<u>3,148,874</u>	<u>(35,312)</u>	<u>(66,306)</u>	<u>(1,032,065)</u>	<u>2,015,191</u>
<b>2022</b>					
General funds	<u>2,898,993</u>	<u>204,443</u>	<u>(163,690)</u>	<u>209,128</u>	<u>3,148,874</u>

# CUMBERLAND LODGE

## NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 AUGUST 2023

### 14. ANALYSIS OF RESTRICTED FUNDS

	1 September £	Income £	Expenditure £	31 August £
<b>2023</b>				
Mews lighting project*	6,458	-	(500)	5,958
Chapel capital appeal*	4,502	-	(1,907)	2,595
Dining room furniture*	5,511	-	(945)	4,566
Basement refurbishment*	3,370	-	(500)	2,870
Scholarship scheme	1,830	-	-	1,830
Bursary fund	7,801	-	-	7,801
Project funding	1,944	-	-	1,944
<b>Group total</b>	<b>31,416</b>	<b>-</b>	<b>(3,852)</b>	<b>27,564</b>
<b>2022</b>				
Mews lighting project*	6,958	-	(500)	6,458
Chapel capital appeal*	6,410	-	(1,908)	4,502
Dining room furniture*	6,456	-	(945)	5,511
Basement refurbishment*	3,870	-	(500)	3,370
Scholarship scheme	1,830	-	-	1,830
Bursary fund	10,000	-	(2,199)	7,801
Conference grants	5,146	-	(5,146)	-
Project funding	20,000	-	(18,056)	1,944
<b>Group total</b>	<b>60,670</b>	<b>-</b>	<b>(29,254)</b>	<b>31,416</b>

#### Capital funds

As of 31 August 2023, these funds have been spent in full. However, expenditure is spread over the asset's useful economic life, and so remaining balances will be allocated in future financial years as depreciation, and do not represent unspent funds.

Excluding capital funds, the balance of restricted funds not spent is £11,575 (2022: £11,575).

#### Capital funds\* comprise:

Mews lighting — Lighting improvement within the conference rooms in the Mews.

Chapel capital appeal — Chapel refurbishment

Dining room furniture — Individual donations towards the cost of new furniture.

Basement refurbishment — Refurbishing the basement for use as a recreational space for guests.

#### Non-capital funds comprise:

Scholarship scheme — Support for scholars from the North East of England.

Bursary fund — Towards the costs of students in financial hardship.

Conference grants — Grants for specific Cumberland Lodge conferences.

Project funding — Support for preliminary work on social mobility for young people from disadvantaged backgrounds

# CUMBERLAND LODGE

## NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 AUGUST 2023

### 15. DESIGNATED FUNDS

	Balance at 1 September 2022 £	Transfers £	Balance at 31 August 2023 £
Tangible Fixed Assets Fund	1,028,579	(54,124)	974,455
Property Fund	445,891	(445,891)	-
Major Repairs Fund	-	500,000	500,000
Sustainability Fund	-	400,000	400,000
Major Capital Works Fund	-	400,000	400,000
Building a Movement Fund	-	500,000	500,000
<b>Total – Group and Charity</b>	<b>1,474,470</b>	<b>1,299,985</b>	<b>2,774,455</b>

#### **Tangible Fixed Assets Fund**

The fund represents the net book value of tangible fixed assets which have been excluded from general reserves. The trustees consider that the assets are essential for the ongoing provision of charitable activities and in any case cannot be easily converted to liquid funds in the event of a contingency.

#### **Property fund**

In 2020, the trustees designated a Property Fund of £500,000 for the purposes of repairs, maintenance and capital improvements to the premises of Cumberland Lodge, in line with the charity's obligations as long term occupier. In July 2023 the remaining balance was de-designated and replaced with separate Major Repairs and Major Capital Works Funds as set out below.

#### **Major Repairs Fund**

In July 2023 the trustees designated £500,000 from unrestricted general reserves to fund the ongoing programme of repairs needed to comply with the terms under which the charity occupies Cumberland Lodge.

#### **Sustainability Fund**

In July 2023 the trustees designated £400,000 from unrestricted general reserves to part fund the investments needed to deliver the charity's carbon reduction strategy.

#### **Major Capital Works Fund**

In July 2023 the trustees designated £400,000 from unrestricted general reserves to part fund the re-development of the premises in line with the charity's business plans.

#### **Building a Movement Fund**

In July 2023 the trustees designated £500,000 from unrestricted general reserves to fund the creation of a movement of young people committed to social progress in line with the charity's programme strategy.

# CUMBERLAND LODGE

## NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 AUGUST 2023

### 16. TAXATION

The Charity is exempt from corporation tax as all its income is charitable and is applied for charitable purposes. The Charity is not exempt from VAT, the irrecoverable part of which is included with the expenses to which it relates on the Statement of Financial Activities.

### 17. RELATED PARTY TRANSACTIONS

During the financial year the following transactions took place between the Charity and its wholly-owned subsidiary:

Cumberland Lodge recharged £895,698 (2022: £626,491) to Cumberland Lodge Enterprises Limited during the year, in respect of operating expenses.

Cumberland Lodge Enterprises Limited gift aids 100% of its taxable profits to the parent company. During the financial year ended 31 August 2022 it paid £267,920 (2022: £51,602) of gift aid relating to profits for the previous financial year.

At 31 August 2023 £79,003 was owed by the Charity to its subsidiary (2022: £87,473 owed by the Charity to its subsidiary).

Canon Dr Edmund Newell is Vice-Patron of Windsor Festival Society, from whom the Charity generated no income during the year (2022: £255), and Governor of The Royal School from whom the Charity generated no income (2022: £84) No balances in relation to these organisations remained unpaid at the year-end (2022: nil).

There were no other transactions with related parties during the year ended 31 August 2023 (2022: nil).

### 18. OPERATING LEASES

At the year end, the Group and Charity were committed to the following future minimum lease payments in respect of operating leases:

	Land and buildings		Land and buildings	
	Group 2023 £	Charity 2023 £	Group 2022 £	Charity 2022 £
In less than one year	20,100	20,100	20,100	20,100
In one to five years	10,050	10,050	30,150	30,150
	<u>30,150</u>	<u>30,150</u>	<u>50,250</u>	<u>50,250</u>

# CUMBERLAND LODGE

## NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 AUGUST 2023

### 19. COMPARATIVE CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (2022):

	Notes	Unrestricted Funds £	Restricted Funds £	Total 2022 £
<b>INCOME:</b>				
Donations, legacies and grants		44,798	-	44,798
<b>Charitable activities</b>				
Cumberland Lodge conferences		79,492	-	79,492
Student and training conferences		1,437,495	-	1,437,495
<b>Other trading activities</b>				
Accommodation income		1,028,392	-	1,028,392
Rents and lettings		34,594	-	34,594
Investments		96,736	-	96,736
Other		20,966	-	20,966
<b>Total income</b>		<u>2,742,473</u>	<u>-</u>	<u>2,742,473</u>
<b>EXPENDITURE:</b>				
<b>Costs of raising funds</b>	3	641,883	3,853	645,736
Trading costs				
<b>Expenditure on charitable activities</b>	3			
Cumberland Lodge conferences		230,832	18,056	248,888
Student and training conferences		1,448,997	7,345	1,456,342
<b>Total expenditure</b>	3	<u>2,321,712</u>	<u>29,254</u>	<u>2,350,966</u>
<b>Net gains on investments</b>		420,761	(29,254)	391,507
Net movement in funds		(163,690) 257,071	- (29,254)	(163,690) 227,817
<b>Funds brought forward</b>		<u>4,634,191</u>	<u>60,670</u>	<u>4,694,861</u>
<b>Funds at 31 August 2021</b>		<u><u>4,891,262</u></u>	<u><u>31,416</u></u>	<u><u>4,922,678</u></u>