

CUMBERLAND LODGE

England & Wales · Charity number 1108677

Details

Other names	KING GEORGE VI AND QUEEN ELIZABETH FOUNDATION OF ST CATHERINES CUMBERLAND LODGE
Status	Registered
Legal form	Charitable company
Company number	05383055
Registered	2005-03-22
Register	View on the Charity Commission register

Contact

Address	Cumberland Lodge Windsor Great Park Windsor SL4 2HP
Phone	01784432316
Email	reception@cumberlandlodge.ac.uk
Website	www.cumberlandlodge.ac.uk

Activities

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:3.1 THE NATURE OF HUMAN LIFE IN SOCIETY3.2 THE RELATIONSHIP BETWEEN CHRISTIAN THEOLOGY AND PHILOSOPHY AND ALTERNATIVE RELIGIOUS AND SECULAR BELIEFS3.3 THE INTER-RELATIONSHIP OF VARIOUS ACADEMIC DISCIPLINES AND THEIR PRACTICAL RELEVANCE.

Activities: The principal activity is the provision of a residential conference centre in surroundings conducive to study,debate and interaction

Classification

- **How:** Provides Buildings/facilities/open Space, Provides Services
- **What:** Education/training
- **Who:** Children/young People, Other Charities Or Voluntary Bodies, The General Public/mankind

Geography

- **Area of benefit:** NOT DEFINED. IN PRACTICE NATIONAL AND OVERSEAS.
- Throughout England And Wales

Finances

Period end	Income	Expenditure	Assets	Employees
2025-08-31	£3,036,995	£3,610,914	£4,349,830	55
2024-08-31	£3,229,517	£3,415,072	£5,045,531	56
2023-08-31	£3,017,330	£2,882,970	£4,990,732	48
2022-08-31	£2,742,473	£2,350,966	£4,922,678	45
2021-08-31	£1,380,490	£1,922,962	£4,694,861	44
2020-08-31	£1,937,038	£2,649,675	£4,694,617	68

Trustees

Name	Role	Appointed
JOHN CHARLES LOTHERINGTON	Chair	2019-07-01
Abigail Guthkelch		2024-07-11
DAVID VICTOR MATTHEWS		2021-10-14
Dr Patrina Law		2024-07-11
Eugene Huang		2024-07-11
Ingrid Tennessee		2022-04-21
JAYAPRAKASA RANGASWAMI		2020-01-16
Professor Tom Crick MBE		2024-07-11
Stephen Michael Harvey		2021-10-14

Linked charities

- KING GEORGE VI AND QUEEN ELIZABETH FOUNDATION OF ST CATHARINE'S CUMBERLAND LODGE (1108677-1)

CUMBERLAND LODGE

England & Wales - Charity number 1108677

Accounts



**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 2025

Company No. 05383055
Charity No. 1108677

CUMBERLAND LODGE

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2025

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CUMBERLAND LODGE

REFERENCE AND ADMINISTRATIVE DETAILS

FOR THE YEAR ENDED 31 AUGUST 2025

Status	The organisation is a charitable company limited by guarantee, incorporated in England and Wales on 4 March 2005.
Governing Document	The company was established under Memorandum and Articles which established the objects and powers of the charitable company.
Company Number	05383055
Charity Number	1108677
Registered & Operating Office	Cumberland Lodge, The Great Park, Windsor, Berkshire, SL4 2HP
Trustees	Professor Tom Crick MBE Jane Furniss CBE (resigned 23rd January 2026) Abby Guthkelch (F) Stephen Harvey Eugene Huang David Isaac CBE (F) (resigned 23rd January 2026) Dr Patrina Law John Lotherington (Chairman, F) David Matthews (Honorary Treasurer, F) Jayaprakasa Rangaswami Ingrid Tennessee (F) <u>Subcommittees</u> F: Denotes Member of the Finance and General Purposes Committee
Chief Executive	Fergus Drake OBE
Bankers	HSBC Bank Plc, 105 Mount Pleasant, Tunbridge Wells, Kent, TN1 1QP
Solicitors	Farrer & Co LLP, 66 Lincoln's Inn Fields, London, WC2A 3LH
Investment Managers	CCLA, Senator House, 85 Queen Victoria Street London EC4V 4ET
Auditors	HaysMac LLP, 10 Queen Street Place, London, EC4R 1AG

CUMBERLAND LODGE

CHAIRMAN'S REPORT

FOR THE YEAR ENDED 31 AUGUST 2025

I am pleased to present the Trustees' Report and financial statements for Cumberland Lodge for the year ended 31 August 2025.

As we prepare for our 80th anniversary in 2027, our mission of supporting social cohesion and a flourishing democracy remains core to what we do – and amidst the uncertainties of today's world it is clearly ever more urgent. We are developing programmes and building partnerships designed to have enduring impact and a catalytic effect through the people and institutions with which we work. Above all, our educational activity is focused on the rising generation, the ethical leaders who will be the agents of renewal in our society and democracy.

During this year, the Board, with the dedicated support of our Chief Executive and senior leadership team, has worked to ensure a secure basis for delivering that mission – closely engaged governance, monitoring of Board and executive skills and effectiveness, financial sustainability, and strategic positioning to deliver our charitable purpose in an increasingly complex external environment.

The Trustees are encouraged by the progress made during the year. Cumberland Lodge has maintained a strong programme of educational and cultural activity while continuing to welcome a wide range of external organisations to the Lodge. This breadth of activity remains central to our dual commitment: delivering impact through our mission-led work while generating the income necessary to sustain it.

The Board has paid close attention to risk management, reserves, and cash flow, and we are satisfied that appropriate controls and policies are in place to navigate the current challenges of both the Higher Education and Hospitality sectors. We remain committed to maintaining a prudent financial position that enables investment in future programmes while safeguarding the long-term interests of the charity. We strongly support the work of the Executive Team to diversify income streams in the Lodge which is captured in the ongoing work feeding into the 2025-2030 business plan.

On behalf of the Board, I would like to thank our Chief Executive and staff for their professionalism, creativity, and dedication throughout the year. I also extend our gratitude to our partners, supporters, Friends of the Lodge, and all those who contribute to the life of Cumberland Lodge. Their continued commitment enables the organisation to thrive and to offer a unique space for dialogue, reflection, and learning, in support of a rising generation bridging social divides and strengthening democracy.

John Lotherington

CUMBERLAND LODGE

CHIEF EXECUTIVE'S REPORT

FOR THE YEAR ENDED 31 AUGUST 2025

The year 2024–25 has been one of consolidation, growth, and renewed ambition for Cumberland Lodge. Building on the foundations laid by a newly formed programme team in the previous year, we have continued to strengthen our distinctive approach, drawing on expertise in education, research, and youth work to deliver a programme that is both intellectually rigorous and deeply relevant to the world young people are navigating today.

Our calendar has combined the return of established educational programmes like our growing partnership with St Pauls Institute focused on intergenerational dialogue with newer initiatives with the Attorney General's Office and the inter-faith dialogue charity, YAD Fellowship. Central to our work is our flagship three-year Youth & Democracy project. Where young people from across the country come together to reimagine democracy and develop their skills in political dialogue, media literacy, and ethical leadership, while building networks that extend well beyond their time at the Lodge.

Our International Student Christmas Conference and Life Beyond the PhD ran once again, welcoming 34 students from 15 countries and 10 universities, and 35 doctoral students from 19 universities respectively. Alumni from every event are encouraged to join our growing online community, to keep up to date with our work and access digital resources.

We are proud to continue hosting over 270 external organisations for study retreats and professional training, welcoming over 10,000 guests each year to the unique setting of Windsor Great Park. This included 3,000 students, over 1,000 charity staff and 1,600 Medical practitioners. This aspect of our work remains vital to the sustainability of the Lodge and to extending our impact beyond our own programme. We were particularly pleased to see 28 new groups booking time at the Lodge.

Alongside our mission-focused educational work, our cultural events programme continues to open the Lodge to wider audiences, celebrating dialogue, creativity, and the exceptional hospitality for which Cumberland Lodge is known. These events not only enrich our public offer but play an important role in supporting our charitable activities.

Our social outreach programme continues to introduce new people to our work. Alongside our Open Days, Ancient Tree walks, Murder Mystery weekends and history tours, we hosted a series of impactful Cumberland Conversations with leaders in their fields of Law, the Army, the Intelligence Services and Charity.

At the heart of everything we do is a commitment to nurturing the next generation of ethical leaders. In an era marked by uncertainty, polarisation, and rapid change, providing young people with the space, skills, and confidence to question, listen, and engage thoughtfully with complex social issues feels more important than ever.

I would like to express my sincere thanks to the Friends of the Lodge, alongside our supporters, partners, Trustees, and staff for their continued dedication and belief in our mission. Together, we are creating the conditions for meaningful dialogue and helping to build a more just and inclusive society — one conversation at a time.

Fergus Drake OBE

CUMBERLAND LODGE

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2025

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 2025.

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 have achieved our 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 and Chair's Report which form an integral part of this Trustees' Report.

Additionally, 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.

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 this year, (2024: none).

CUMBERLAND LODGE

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2025

Financial Review

The financial year leading up to August 2025 proved to be a challenging one. Income declined by 6%, dropping to £3,037,000 (compared to £3,230,000 in 2023/24). Both the hospitality sector and key markets within Higher Education faced significant external financial pressures, which directly affected Cumberland Lodge's revenue. Expenditure increased by 6%, to £3,611,000 (up from £3,415,000 in 2024), as we continued to support the core educational programme from our reserves. Additionally, external factors, such as wage inflation and higher Employers National Insurance contributions, further impacted our costs. As a result, we reported an operating deficit of £574,000 for the year (compared to a deficit of £186,000 in 2023/24).

Our financial returns on our pooled investment funds had a poor year in the volatile financial markets recording a loss of £123,000 (2023/24: gain of £240,000). Overall, we reported a decrease in funds of £697,000 (2023/24: increase £55,000), leaving total funds at the year-end of £4,349,000 (2023/24: £5,046,000).

Moving forward the Board is developing a robust 5 year business plan to ensure Cumberland Lodge can steward its resources carefully whilst maximizing educational impact at this critical time.

CUMBERLAND LODGE

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2025

impact.

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 £2.0m +/- 10%. At 31 August 2025 the level of general reserves was £1,675,000, (2024 £2,309,000). The Trustees recognise that the current level of reserves is below target and are reviewing plans and operations to bring this back to target.

Investments

Cumberland Lodge invests its surplus cash in ethical investment funds, seeking 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. While the performance of our invested funds has been below expectations during the period, the Trustees are working closely with our investment advisors to review the portfolio and evaluate potential actions to strengthen performance.

CUMBERLAND LODGE

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2025

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 13 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.

CUMBERLAND LODGE

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2025

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.

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.

CUMBERLAND LODGE

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2025

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.

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 23rd April 2026 and signed on their behalf by:

John C. Lotherington
John C. Lotherington

.....
John Lotherington

David Matthews
DM Matthews

.....
David Matthews

CUMBERLAND LODGE

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CUMBERLAND LODGE

FOR THE YEAR ENDED 31 AUGUST 2025

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 2024 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 2024 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 2025

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 2025

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. 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 Haysmac LLP, Statutory Auditors

Date: 11th May 2026

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 2025

	Notes	Unrestricted Funds £	Restricted Funds £	Total 2025 £	Total 2024 £
INCOME:					
Donations, legacies and grants	2	10,830	-	10,830	21,107
Charitable activities					
Cumberland Lodge conferences		32,400	-	32,400	59,233
Student and training conferences		2,018,277	-	2,018,277	1,885,203
Other trading activities					
Accommodation income		776,911	-	776,911	1,039,493
Rents and lettings		56,980	-	56,980	48,300
Investments		131,434	-	131,434	134,331
Other income	2	10,163	-	10,163	41,850
Total income		3,036,995	-	3,036,995	3,229,517
EXPENDITURE:					
Costs of raising funds					
Trading costs		567,806	-	567,806	734,143
Expenditure on charitable activities					
Cumberland Lodge programme		212,168	-	212,168	253,556
Student and training conferences		2,830,940	-	2,830,940	2,427,373
Total expenditure	3	3,610,914	-	3,610,914	3,415,072
(Deficit)/Surplus before Gains/(Losses) on investments		(573,919)	-	(573,919)	(185,555)
Gains/(Losses) on investments, net of charges		(122,792)	-	(122,792)	240,354
Net movement in funds		(696,711)	-	(696,711)	54,799
Funds brought forward		5,021,819	23,712	5,045,531	4,990,732
Funds carried forward		4,325,108	23,712	4,348,820	5,045,531

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 2024 are shown in note 19.

CUMBERLAND LODGE

Company No. 05383055

CONSOLIDATED AND CHARITY STATEMENT OF FINANCIAL POSITION

AT 31 AUGUST 2025

	Notes	2025 Group £	Charity £	2024 Group £	Charity £
FIXED ASSETS					
Tangible assets	7	849,917	849,917	912,914	912,914
Investments	8	3,825,552	3,825,552	4,202,633	4,202,633
		<u>4,675,469</u>	<u>4,675,469</u>	<u>5,115,547</u>	<u>5,115,547</u>
CURRENT ASSETS					
Stock		15,008	13,172	20,659	14,140
Debtors	9	176,257	132,108	421,052	324,802
Short term deposits and cash in hand		327,468	281,896	245,351	108,988
		<u>518,733</u>	<u>427,176</u>	<u>687,062</u>	<u>447,930</u>
CURRENT LIABILITIES					
Creditors: amounts falling due within one year	10	(844,372)	(1,120,690)	(757,078)	(818,155)
		<u>(325,639)</u>	<u>(693,514)</u>	<u>(70,016)</u>	<u>(370,225)</u>
NET CURRENT LIABILITIES					
		<u>(325,639)</u>	<u>(693,514)</u>	<u>(70,016)</u>	<u>(370,225)</u>
NET ASSETS		<u>4,349,830</u>	<u>3,981,955</u>	<u>5,045,531</u>	<u>4,745,322</u>
		<u><u>4,349,830</u></u>	<u><u>3,981,955</u></u>	<u><u>5,045,531</u></u>	<u><u>4,745,322</u></u>
FUNDS					
Unrestricted general funds	12/13	1,676,201	1,308,326	2,308,905	2,008,696
Unrestricted designated funds	15	2,649,917	2,649,917	2,712,914	2,712,914
		<u>4,326,118</u>	<u>3,958,243</u>	<u>5,021,819</u>	<u>4,721,610</u>
Restricted funds	12/14	23,712	23,712	23,712	23,712
		<u>23,712</u>	<u>23,712</u>	<u>23,712</u>	<u>23,712</u>
TOTAL FUNDS		<u>4,349,830</u>	<u>3,981,955</u>	<u>5,045,531</u>	<u>4,745,322</u>
		<u><u>4,349,830</u></u>	<u><u>3,981,955</u></u>	<u><u>5,045,531</u></u>	<u><u>4,745,322</u></u>

The deficit of the parent charity was £761,296. This comprises a deficit of £1,064,627 (2024: £248,447) plus donated profits from Cumberland Lodge Enterprises Ltd of £303,331 (2024: £176,559).

Approved and authorised for issue on 23rd April 2026 by the Trustees and signed on their behalf by:

John C. Lotherington

John C. Lotherington

John Lotherington

David Matthews

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 2025

	2025 £	2024 £
Net cash provided / (used) by operating activities	(203,743)	(316,936)
Cash flows from investing activities		
Investment income	131,353	134,331
Purchase of tangible fixed assets	(100,833)	(99,191)
Sale of tangible fixed assets	-	-
Purchase of investments	(100,000)	
Sale of investments	400,000	250,000
Cash (used in) / provided by investing activities	330,520	285,140
Change in cash and cash equivalents in the year	82,117	(31,796)
Cash and cash equivalents at the beginning of the year	245,351	277,147
TOTAL CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	327,468	245,351

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

Net income for the year	(696,711)	54,799
Adjustments for:		
Depreciation charge	163,787	160,732
(Gains)/ Losses on investments	122,792	(288,933)
Income from investments	(131,353)	(134,331)
(Increase) / Decrease in debtors	244,795	513
Decrease in stock	5,652	(61,379)
(Decrease)/ Increase in creditors	87,295	(48,337)
Cash used in investing activities	(203,743)	(316,936)

CUMBERLAND LODGE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2024

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 satisfied 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 2025

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 2025

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 represent 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 2025

2	INCOME	2025	2024
	Voluntary Income	£	£
	Donations, legacies and grants	<u>10,830</u>	<u>21,107</u>

Other Income

Other Income	<u>10,163</u>	<u>41,850</u>
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3	ANALYSIS OF EXPENDITURE	2025	2025	2025	2024
		Direct costs	Support costs	Total	Total
		£	£	£	£
	Fundraising	-	-	-	-
	Charitable Activities	1,539,034	1,504,075	3,043,109	2,680,929
	Trading	274,170	293,635	567,805	734,143
	Group Total	<u>1,813,204</u>	<u>1,797,710</u>	<u>3,610,914</u>	<u>3,415,072</u>

	Trading	Charitable	2025	2024
Direct Costs	£	£	Total	Total
	£	£	£	£
Staff Costs	185,360	1,142,486	1,327,846	1,225,261
Hospitality Costs	58,672	300,531	359,203	348,727
Trading Costs	11,672	36,235	47,907	42,210
Buildings Costs	3,553	18,302	21,855	21,159
Repairs and Maintenance	3,399	17,413	20,812	4,123
Cumberland Lodge conference costs	-	13,638	13,638	28,331
Professional Fees	10,525	827	11,352	9,728
Administration	739	5,014	5,753	2,413
Other	250	4,588	4,838	5,538
Scholarship scheme	-	-	-	3,854
Group Total	<u>274,170</u>	<u>1,539,034</u>	<u>1,813,204</u>	<u>1,691,344</u>

CUMBERLAND LODGE

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 AUGUST 2025

Support costs	2025 Direct costs £	2025 Support costs £	2025 Total £	2024 Total £
Staff Costs	138,272	708,266	846,538	754,960
Buildings Costs	46,957	240,523	287,480	243,206
Depreciation	26,753	137,035	163,788	160,732
Repairs and Maintenance	26,058	133,473	159,531	229,775
Professional Fees	14,149	72,474	86,623	88,968
IT equipment and support	11,259	57,672	68,931	66,896
Communications	10,685	54,732	65,417	45,452
Administration	10,226	52,383	62,609	75,144
Office Supplies	5,282	27,052	32,334	36,074
Other	1,566	8,023	9,589	6,902
Cumberland Lodge conference costs	1,508	7,727	9,235	10,668
Bank and Finance Costs	921	4,715	5,636	4,951
Group Total	293,636	1,504,075	1,797,711	1,723,728

Included within professional fees above were Governance costs of £43,041 (2024: £34,907) relating to Auditor's remuneration and related services.

4 NET INCOME FOR THE YEAR	2025 £	2024 £
This is stated after charging		
Auditors remuneration (including irrecoverable VAT)		
Audit	25,561	24,208
Other Services	17,479	10,699
	43,040	34,907
Expenses reimbursed and paid on behalf of Trustees		
No Trustee received remuneration in the current or prior year.	-	-

CUMBERLAND LODGE

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 AUGUST 2025

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:

	2025 £	2024 £
Turnover	781,944	1,033,622
Cost of sales and administration costs	(414,070)	(730,291)
Net profit	367,874	303,331
Brought forward - retained in subsidiary	303,331	173,521
Gift-aided to the Charity in year	(303,331)	(173,521)
Retained in subsidiary	367,874	303,331
The current assets and liabilities of the subsidiary were		
Current assets	497,468	397,666
Current liabilities	(129,594)	(94,335)
Total net assets	367,874	303,331
Aggregate share capital and reserves	367,874	303,331

6. STAFF COSTS AND NUMBERS

	2025 £	2024 £
Staff costs were as follows:		
Salaries and wages	1,674,325	1,510,823
Social security costs	215,772	146,301
Pension contributions	150,743	137,630
	2,040,840	1,794,754
The number of employees whose emoluments for the year fell within the following bands were:	Number	Number
£60,001 -£70,000	3	1
£70,001 -£80,000	-	2
£80,001 -£90,000	2	1
£90,001 -£100,000	-	0
£100,001 -£110,000	-	1
£110,001 -£120,000	1	-

These employees are accruing pension contributions totalling £8,971 (2024: £17,948). The total employee benefits (including pension contributions and employer's national insurance) of the key management personnel of the Group and Charity were £337,709 (2024: £384,154).

CUMBERLAND LODGE

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 AUGUST 2025

The average number of permanent employees during the year was as follows:

	2025	2024
Programme	4	4
Hospitality	34	36
Buildings & Maintenance	6	6
Administration	11	10
	<u>55</u>	<u>56</u>

The full-time equivalent number of permanent staff in 2025 was 45 (2024: 43).
An average of 21 (2023: 21) casual hospitality employees were also employed.

7.

FIXED ASSETS (GROUP AND CHARITY)

	Improvement s to property	Furniture, fittings & equipment	Motor Vehicles	Total
	£	£	£	£
Cost				
At September 2024	3,445,138	1,686,900	37,880	5,169,918
Additions	58,485	42,347		100,832
Disposals		(37)		(37)
Balance at 31 August 2025	<u>3,503,623</u>	<u>1,729,210</u>	<u>37,880</u>	<u>5,270,713</u>
Accumulated depreciation				
At 1 September 2024	2,743,930	1,475,194	37,880	4,257,004
Charge for the year	104,175	65,109		169,284
Disposals			(5,492)	(5,492)
Balance at 31 August 2025	<u>2,848,105</u>	<u>1,540,303</u>	<u>32,388</u>	<u>4,420,796</u>
Net Book Value				
C/f 31 August 2025	655,518	188,907	5,492	849,917
B/f 1 September 2024	701,208	211,706	-	912,914

CUMBERLAND LODGE

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 AUGUST 2025

8. INVESTMENTS (GROUP AND CHARITY)

	2025	2024
	£	£
Listed investments:		
Market value at 1 September	4,202,633	4,163,700
Additions	100,000	0
Disposals	(400,000)	(250,000)
Net gains /(losses)	(77,081)	288,933
Market value at 31 August	3,825,552	4,202,633
Historical cost as at 31 August	2,778,492	3,078,492

9. DEBTORS: amounts falling due within one year

	2025		2024	
	Group	Charity	Group	Charity
	£	£	£	£
Accommodation debtors	58,669	14,520	298,044	201,794
Other debtors and prepayments	117,588	117,588	123,008	123,008
	176,257	132,108	421,052	324,802

10. CREDITORS: amounts falling due within one year

	2025		2024	
	Group	Charity	Group	Charity
	£	£	£	£
Trade creditors	83,668	83,668	147,458	147,458
Other taxation and social security	84,866	84,751	77,014	76,929
Other creditors, accruals and deferred income	675,838	546,361	532,606	438,272
Amounts owed to subsidiary	-	405,910	-	155,496
	844,372	1,120,690	757,078	818,155

11. ANALYSIS OF DEFERRED INCOME

	2025		2024	
	Group	Charity	Group	Charity
	£	£	£	£
Deferred income at 1 September	350,800	265,753	431,528	313,864
Released during the year	(350,800)	(265,753)	(431,528)	(313,864)
Applied during the year	466,368	347,021	350,800	265,753
Deferred income at 31 August	466,368	347,021	350,800	265,753

CUMBERLAND LODGE

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 AUGUST 2025

12	ANALYSIS OF GROUP NET ASSETS BETWEEN FUNDS	Restricted Funds £	Unrestricted Funds £	Total Funds £
	2025			
	Fixed assets	12,137	837,780	849,917
	Investments		3,825,552	3,825,552
	Current assets	11,575	507,158	518,733
	Current liabilities		(844,372)	(844,372)
	Net assets at 31 August	23,712	4,326,118	4,349,830
	2024			
	Fixed assets	12,137	900,777	912,914
	Investments	0	4,202,633	4,202,633
	Current assets	11,575	675,487	687,062
	Current liabilities	0	(757,078)	(757,078)
	Net assets at 31 August	23,712	5,021,819	5,045,531

13. ANALYSIS OF UNRESTRICTED GENERAL FUNDS

	1 September £	Surplus/ (loss) £	Gains/ (losses) £	Transfers £	31st August £
Group					
2025					
General Funds	2,308,905	(573,918)	(122,792)	64,006	1,676,200
2024					
General Funds	2,188,713	(181,702)	240,354	61,540	2,308,905
Charity					
2025					
General Funds	2,008,696	(914,627)	(122,792)	62,997	1,034,274
2024					
General Funds	2,015,191	(308,389)	240,354	61,540	2,008,696

CUMBERLAND LODGE

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 AUGUST 2025

14. ANALYSIS OF RESTRICTED FUNDS

	1 September	Income £	Expenditure £	31 August £
2025				
Mews lighting project*	5,458	-	-	5,458
Chapel capital appeal*	688	-	-	688
Dining room furniture*	3,621	-	-	3,621
Basement refurbishment*	2,370	-	-	2,370
Scholarship scheme	1,830	-	-	1,830
Bursary fund	7,801	-	-	7,801
Project funding	1,944	-	-	1,944
Group Total	23,712	0	0	23,712
2024				
Mews lighting project*	5,958	-	(500)	5,458
Chapel capital appeal*	2,595	-	(1,907)	688
Dining room furniture*	4,566	-	(945)	3,621
Basement refurbishment*	2,870	-	(500)	2,370
Scholarship scheme	1,830	-	-	1,830
Bursary fund	7,801	-	-	7,801
Project funding	1,944	-	-	1,944
Youth Arts Takeover	-	9,002	(9,002)	-
Group Total	27,564	9,002	(12,854)	23,712

Capital funds

As of 31 August 2025, 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 (2024: £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 2025

15 DESIGNATED FUNDS

	Balance at 1 Sep 2024 £	Transfers £	Balance at 31 August 2025 £
Tangible Fixed Assets Fund	912,914	(62,997)	849,917
Major Repairs Fund	500,000	0	500,000
Sustainability Fund	400,000	0	400,000
Major Capital Works Fund	400,000	0	400,000
Building a Movement Fund	500,000	0	500,000
Total - Group and Charity	2,712,914	(62,997)	2,649,917

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.

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.

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 £398,938 (2024: £720,625) to Cumberland Lodge Enterprises Limited during the year, in respect of operating expenses.

CUMBERLAND LODGE

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 AUGUST 2025

Cumberland Lodge Enterprises Limited gift aids 100% of its taxable profits to the parent company. During the financial year ended 31 August 2025 it paid £303,330 (2024: 173,521) of gift aid relating to profits for the previous financial year.

At 31 August 2025 £255,911 was owed by the Charity to its subsidiary (2024: £155,496 owed by the Charity to its subsidiary).

Fergus Drake is a Governor of The Royal School from whom the Charity generated no income (2024: nil). No balances in relation to these organisations remained unpaid at the year-end (2024: nil).

There were no other transactions with related parties during the year ended 31 August 2025 (2024: 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	Charity	Group	Charity
	2025	2025	2024	2024
	£	£	£	£
In less than one year	11,040	11,040	10,650	10,650
In one to five years	0	0	0	0
	<u>11,040</u>	<u>11,040</u>	<u>10,650</u>	<u>10,650</u>

CUMBERLAND LODGE

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 AUGUST 2025

19 .COMPARATIVE CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (2024):

	Unrestricted Funds £	Restricted Funds £	Total 2024 £	Total 2023 £
INCOME:				
Donations, legacies and grants	12,105	9,002	21,107	19,557
Charitable activities				
Cumberland Lodge conferences	59,233	-	59,233	33,214
Student and training conferences	1,885,203	-	1,885,203	1,490,922
Other trading activities				
Accommodation income	1,039,493	-	1,039,493	1,302,605
Rents and lettings	48,300	-	48,300	34,925
Investments	134,331	-	134,331	113,556
Other income	41,850	-	41,850	22,551
Total income	3,220,515	9,002	3,229,517	3,017,330
EXPENDITURE:				
Costs of raising funds	730,291	3,852	734,143	907,153
Trading costs				
Expenditure on charitable activities	244,554	9,002	253,556	284,264
Cumberland Lodge programme	2,427,373	-	2,427,373	1,691,553
Student and training conferences	3,402,218	12,854	3,415,072	2,882,970
Total expenditure				
(Deficit)/Surplus before Gains/(Losses) on investments	(181,703)	(3,852)	(185,555)	134,360
Gains/(Losses) on investments, net of charges	240,354	-	240,354	(66,306)
Net movement in funds	58,651	(3,852)	54,799	68,054
Funds brought forward	4,963,168	27,564	4,990,732	4,922,678
Funds carried forward	5,021,819	23,712	5,045,531	4,990,732

Accounts



**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 2024

Company No. 05383055
Charity No. 1108677

CUMBERLAND LODGE

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2024

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CUMBERLAND LODGE

REFERENCE AND ADMINISTRATIVE DETAILS

FOR THE YEAR ENDED 31 AUGUST 2024

Status	The organisation is a charitable company limited by guarantee, incorporated in England and Wales on 4 March 2005.
Governing Document	The company was established under Memorandum and Articles which established the objects and powers of the charitable company.
Company Number	05383055
Charity Number	1108677
Registered & Operating Office	Cumberland Lodge, The Great Park, Windsor, Berkshire, SL4 2HP
Trustees	Baroness Prashar of Runnymede, CBE PC (resigned 31 October 2024, Chairman, F) Charles Anson CVO DL (resigned 25 January 2024, B) Professor Tom Crick MBE (appointed 11 July 2024, F) Jane Furniss CBE (B) Abby Guthkelch (appointed 11 July 2024, F) Stephen Harvey (B) Eugene Huang (appointed 11 July 2024, B) David Isaac CBE (F) Dr Patrina Law (appointed 11 July 2024, B) John Lotherington (appointed as Chairman, 1 November 2024, F, B) Amanda Mackenzie OBE (resigned 21 March 2024, B) David Matthews (Honorary Treasurer, F) Jayaprakasa Rangaswami (B) Ingrid Tennessee (F) <u>Subcommittees</u> F: Denotes Member of the Finance and General Purposes Committee B: Denotes Member of the Business Development Committee

Chief Executive	Fergus Drake OBE
Bankers	HSBC Bank Plc, 105 Mount Pleasant, Tunbridge Wells, Kent, TN1 1QP
Solicitors	Farrer & Co LLP, 66 Lincoln's Inn Fields, London, WC2A 3LH
Investment Managers	CCLA, Senator House, 85 Queen Victoria Street London EC4V 4ET
Auditors	Haysmac LLP, 10 Queen Street Place, London, EC4R 1AG

CUMBERLAND LODGE

CHAIRMAN'S REPORT

FOR THE YEAR ENDED 31 AUGUST 2024

As we reflect on events of the past year, it is clear that our mission at Cumberland Lodge has never been more urgent. At the heart of our work is a focus on growing the next generation of youth leaders who are empowered to lead the conversation around social division. Key to this is a commitment to restoring faith in, and engagement with, democracy, particularly among young people. Conversations that colleagues are having with youth groups around the country show that, far from being apathetic, young people are ready to make their voices heard. This is why the work our founder Amy Buller began almost 80 years ago remains so important today.

Under a new Programme team, we've shifted our approach away from traditional conferences towards more participatory activities, providing space for the exchange of ideas and for participants to question, challenge, and understand perspectives that differ from their own. We aim to ensure that young leaders are not simply empowered to discuss complex social issues but develop the skills and confidence to put their ideas into practice, in pursuit of a more just and inclusive world.

All of this is made possible thanks to our day-to-day operations as a social enterprise, and we continue to play host to a wide range of organisations that come through our doors each year, many of whom share in our ethos. We're very proud of the warm welcome and excellent hospitality they receive during their time with us.

We were delighted to be joined this year by four new Trustees – Professor Tom Crick MBE, Abby Guthkelch, Eugene Huang, and Dr Patrina Law – whose expertise in digital technology, communications, online learning, and government policy will prove invaluable. In the summer we said farewell to our outgoing Chief Executive, Ed Newell, who stewarded our work for 11 years and oversaw the development of our new strategy. We were grateful to Mike Durham, our Deputy Chief Executive and COO, for stepping in as Interim CEO and ensuring a smooth transition. Then in the autumn we welcomed Fergus Drake OBE as our new Chief Executive, who brings the vision and leadership to take us forward to the next stage on our journey.

As we look to the future, we are incredibly grateful to those who helped lay the strong foundations for our new strategic direction. I would like to take this opportunity to pay tribute to The Rt Hon. The Baroness (Usha) Prashar CBE, who stepped down as Chair in October 2024, for her outstanding service to Cumberland Lodge over many years. We know that she will continue to be a long-term advocate for our work.

Finally, I extend my warmest thanks to all of our colleagues – their creativity and commitment are the driving forces behind everything we do, and I am confident that, together, we will continue to make a meaningful difference in the years to come.

John Lotherington

CUMBERLAND LODGE

CHIEF EXECUTIVE'S REPORT

FOR THE YEAR ENDED 31 AUGUST 2024

The year 2023-24 was one of transformation for the Cumberland Lodge Programme, led by a new team with backgrounds and expertise in education, research, and youth work. A dynamic calendar of both new and returning events included the launch of our flagship three-year Youth & Democracy project, bringing together young people from across the country to develop their skills in political debate, media literacy, and ethical leadership.

Additional themes for our work included the rule of law and the right to protest, and thanks to a grant from The National Lottery Heritage Fund we held our first Youth Arts Takeover, bringing young people from Slough and East London to the Lodge and using textile art, photography, and spoken-word poetry to explore what heritage means to them.

Our International Student Christmas Conference and Life Beyond the PhD ran once again, welcoming 56 students from 29 countries and 22 universities, and 37 doctoral students from 18 universities respectively. Alumni from every event are encouraged to join our growing online community, to keep up to date with our work and access digital resources.

Alongside our mission-focused programme, a range of cultural events gives us opportunities to open our doors for the public to enjoy the excellent hospitality for which we are renowned. Highlights this year included a conversation with iconic fashion designer Dame Zandra Rhodes. The proceeds from events like this help to support our educational work.

We fulfil our charitable objectives by hosting other organisations for study retreats and for legal and medical training here in the magnificent setting of Windsor Great Park. In 2023-24 we welcomed over 9,000 guests, including more than 3,000 university students for study retreats, six weekend events for the Inns of Court involving 500 people, and more than 1,800 attendees across 50 medical groups.

Underpinning everything we do is our commitment to growing the next generation of ethical young leaders. At a time of growing populism and polarisation, empowering them with the skills, networks, perspective, and confidence to question, challenge, and understand the most complex social issues feels more critical than ever.

I would like to extend my thanks to Canon Dr Edmund Newell for his role as firstly Principal, then Chief Executive, over the last 11 years before he moved on to new pastures in August, and to Mike Durham, our Chief Operating Officer, who took over as interim CEO before my arrival in November, and is leaving us in January 2025. Both have given a huge amount to the Lodge in terms of their skills and experience and we are very thankful for their time with us.

Finally, I would like to personally thank all our supporters, partners, and staff for their dedication and hard work. Together, we are building a more just and inclusive society, one conversation at a time.

Fergus Drake OBE

CUMBERLAND LODGE

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2024

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 2024.

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 (2023: none).

CUMBERLAND LODGE

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2024

Financial Review

The year to August 2024 was mixed from a financial perspective. Whilst income grew by 7% to £3,230,000 (2022/23: £3,017,000), we did not achieve the anticipated growth in accommodation bookings in what is a challenging group stay hospitality market. Expenditure grew by 18% to £3,415,000 (2023: £2,883,000), as we invested in a new in house education team and accelerated our programme of major property repairs. Staff cost inflation remained a significant factor although rises on other inputs were less severe than the previous year. We reported an overall operating deficit for the year of £186,000 (2022/23: surplus of £134,000)

More positively, we were pleased to see better financial returns on our pooled investment funds, recording a gain of £240,000 (2022/23: loss of £66,000). Overall, we reported an increase in funds of £55,000 (2022/23: £68,000), leaving total funds at the year-end of £5,046,000 (2022/23: £4,991,000).

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 £2.1m +/- 10%. At 31 August 2024 the level of general reserves was £2,309,000, (2023: £2.189,000) representing 110% (2023: 104%) of the middle of the target range.

Investments

Cumberland Lodge invests its surplus cash in ethical investment funds, seeking 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 2024

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 13 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.

CUMBERLAND LODGE

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2024

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.

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.

CUMBERLAND LODGE

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2024

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.

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 23 January 2025 and signed on their behalf by:

John C. Lotherington

.....
John Lotherington

David Matthews

.....
David Matthews

CUMBERLAND LODGE

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CUMBERLAND LODGE

FOR THE YEAR ENDED 31 AUGUST 2024

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 2024 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 2024 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 2024

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 2024

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. 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 Haysmac LLP, Statutory Auditors

Date: 31st January 2025

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 2024

	Notes	Unrestricted Funds £	Restricted Funds £	Total 2024 £	Total 2023 £
INCOME:					
Donations, legacies and grants	2	12,105	9,002	21,107	19,557
Charitable activities					
Cumberland Lodge conferences		59,233	-	59,233	33,214
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Accommodation income		1,039,493	-	1,039,493	1,302,605
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Total income		3,220,515	9,002	3,229,517	3,017,330
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Gains/(Losses) on investments, net of charges		240,354	-	240,354	(66,306)
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Funds carried forward		5,021,819	23,712	5,045,531	4,990,732

The notes on pages 16 - 28 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 2023 are shown in note 19.

CUMBERLAND LODGE

Company No. 05383055

CONSOLIDATED AND CHARITY BALANCE SHEETS

AT 31 AUGUST 2024

	Notes	2024 Group £	Charity £	2023 Group £	Charity £
FIXED ASSETS					
Tangible assets	7	912,914	912,914	974,455	974,455
Investments	8	4,202,633	4,202,633	4,163,700	4,163,700
		<u>5,115,547</u>	<u>5,115,547</u>	<u>5,138,155</u>	<u>5,138,155</u>
CURRENT ASSETS					
Stock		20,659	14,140	21,172	14,637
Debtors	9	421,052	324,802	359,673	234,724
Short term deposits and cash in hand		245,351	108,988	277,147	188,233
		<u>687,062</u>	<u>447,930</u>	<u>657,992</u>	<u>437,594</u>
CURRENT LIABILITIES					
Creditors: amounts falling due within one year	10	(757,078)	(818,155)	(805,415)	(758,539)
		<u>(70,016)</u>	<u>(370,225)</u>	<u>(147,423)</u>	<u>(320,945)</u>
NET CURRENT LIABILITIES					
		<u>(70,016)</u>	<u>(370,225)</u>	<u>(147,423)</u>	<u>(320,945)</u>
NET ASSETS		<u>5,045,531</u>	<u>4,745,322</u>	<u>4,990,732</u>	<u>4,817,210</u>
FUNDS					
Unrestricted general funds	12/13	2,308,905	2,008,696	2,188,713	2,015,191
Unrestricted designated funds	15	2,712,914	2,712,914	2,774,455	2,774,455
Restricted funds	12/14	23,712	23,712	27,564	27,564
		<u>5,045,531</u>	<u>4,745,322</u>	<u>4,990,732</u>	<u>4,817,210</u>
TOTAL FUNDS		<u>5,045,531</u>	<u>4,745,322</u>	<u>4,990,732</u>	<u>4,817,210</u>

The deficit of the parent charity was £71,888. This comprises a deficit of £248,447 (2023: £105,470) plus donated profits from Cumberland Lodge Enterprises Ltd of £176,559 (2023: £267,920).

Approved and authorised for issue on 23 January 2025 by the Trustees and signed on their behalf by:

John C. Lotherington

.....
John Lotherington

David Matthews

.....
David Matthews

The notes on pages 16 - 28 form part of these financial statements.

CUMBERLAND LODGE

Company No. 05383055

STATEMENT OF CASH FLOWS AND CONSOLIDATED STATEMENT OF CASH FLOWS

AT 31 AUGUST 2024

	2024 £	2023 £
Net cash provided / (used) by operating activities	(316,936)	320,079
Cash flows from investing activities		
Investment income	134,331	113,427
Purchase of tangible fixed assets	(99,191)	(121,916)
Sale of tangible fixed assets	-	-
Purchase of investments		(500,000)
Sale of investments	250,000	-
Cash (used in) / provided by investing activities	285,140	(508,489)
Change in cash and cash equivalents in the year	(31,796)	(188,410)
Cash and cash equivalents at the beginning of the year	277,147	465,557
TOTAL CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	245,351	277,147

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

Net income for the year	54,799	68,054
Adjustments for:		
Depreciation charge	160,732	176,040
Gains/ (Losses) on investments	(288,933)	66,306
Income from investments	(134,331)	(113,427)
Decrease in stock	513	7,605
(Increase) / Decrease in debtors	(61,379)	1,111
(Decrease)/ Increase in creditors	(48,337)	114,390
Cash used in investing activities	(316,936)	320,079

CUMBERLAND LODGE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2024

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 2024

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 2024

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 represent 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 2024

2. INCOME	2024	2023
Voluntary income	£	£
Donations, legacies and grants	21,107	19,557
Other income		
Other income	41,850	22,551

3. ANALYSIS OF EXPENDITURE	2024 Direct costs £	2024 Support costs £	2024 Total £	2023 Total £
Fundraising	-	-	-	-
Charitable activities	1,353,413	1,327,516	2,680,929	1,975,816
Trading	337,931	396,212	734,143	907,154
Group total	1,691,344	1,723,728	3,415,072	2,882,970

	Trading £	Charitable activities £	2024 Total £	2023 Total £
Direct costs				
Staff costs	231,773	993,488	1,225,261	1,110,432
Hospitality costs	80,157	268,570	348,727	321,344
Trading costs	9,685	32,525	42,210	48,351
Cumberland Lodge conference costs	-	28,331	28,331	12,583
Buildings costs	4,864	16,295	21,159	690
Professional fees	9,499	229	9,728	15,408
Repairs and maintenance	948	3,175	4,123	13,257
Scholarship scheme	-	3,854	3,854	14,871
Administration	291	2,122	2,413	15,786
Communications	489	1,708	2,197	12,959
Other	225	3,116	3,341	978
Group total	337,931	1,353,413	1,691,344	1,566,659

CUMBERLAND LODGE

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 AUGUST 2024

	Trading	Charitable activities	2024 Total	2023 Total
	£	£	£	£
Support costs				
Staff costs	173,533	581,427	754,960	442,968
Buildings costs	55,902	187,304	243,206	342,766
Repairs and maintenance	52,816	176,959	229,775	182,955
Depreciation	36,946	123,786	160,732	176,040
Professional fees	20,450	68,518	88,968	52,212
Administration	17,272	57,872	75,144	25,835
IT equipment and support	15,376	51,520	66,896	56,611
Communications	10,448	35,004	45,452	9,275
Office supplies	8,292	27,782	36,074	19,182
Cumberland Lodge conference costs	2,452	8,216	10,668	31
Bank and finance costs	1,138	3,813	4,951	5,924
Other	1,587	5,315	6,902	2,512
Group total	396,212	1,327,516	1,723,728	1,316,311

Included within professional fees above were Governance costs of £34,907 (2022: £22,339) relating to Auditor's remuneration and related services.

4. NET INCOME FOR THE YEAR

	2024 £	2023 £
This is stated after charging		
Auditor's remuneration (including irrecoverable VAT):		
Audit	24,208	20,464
Other Services	10,699	1,875
	<u>34,907</u>	<u>22,339</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 2024

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:

	2024 £	2023 £
Turnover	1,033,622	1,080,675
Cost of sales and administration costs	(730,291)	(907,154)
Net profit	303,331	173,521
Brought forward – retained in subsidiary	173,521	267,920
Gift-aided to the Charity in year	(173,521)	(267,920)
Retained in subsidiary	303,331	173,521
The current assets and liabilities of the subsidiary were:		
Current assets	397,666	299,400
Current liabilities	(94,335)	(125,879)
Total net assets	303,331	173,521
Aggregate share capital and reserves	303,331	173,521

6. STAFF COSTS AND NUMBERS

	2024 £	2023 £
Staff costs were as follows:		
Salaries and wages	1,510,823	1,266,903
Social security costs	146,301	123,979
Pension contributions	137,630	80,549
	1,794,754	1,471,431
The number of employees whose emoluments for the year fell within the following bands were:		
	Number	Number
£60,001 - £70,000	1	-
£70,001 - £80,000	2	1
£80,001 - £90,000	1	-
£90,000 - £100,000	-	1
£100,001 - £110,000	1	-

These employees are accruing pension contributions totalling £17,948 (2023: £11,957). The total employee benefits (including pension contributions and employer's national insurance) of the key management personnel of the Group and Charity were £384,154 (2023: £292,630).

CUMBERLAND LODGE

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 AUGUST 2024

	2024 Number	2023 Number
The average number of permanent employees during the year was as follows:		
Programme	4	5
Hospitality	36	32
Buildings & maintenance	6	6
Administration	10	5
	<u>56</u>	<u>48</u>

The full-time equivalent number of permanent staff in 2024 was 43 (2023: 37).
An average of 21 (2023: 23) casual hospitality employees were also employed.

7. FIXED ASSETS (GROUP AND CHARITY)

	Improvements to property	Furniture, fittings & equipment	Motor Vehicles	Total
	£	£	£	£
Cost				
At 1 September 2023	3,408,290	1,778,709	37,880	5,224,879
Additions	36,848	62,343	-	99,191
Disposals	-	(154,152)	-	(154,152)
Balance at 31 August 2024	<u>3,445,138</u>	<u>1,686,900</u>	<u>37,880</u>	<u>5,169,918</u>
Accumulated depreciation				
At 1 September 2023	2,640,113	1,572,431	37,880	4,250,424
Charge for the year	103,817	56,915	-	160,732
Disposals	-	(154,152)	-	(154,152)
Balance at 31 August 2024	<u>2,743,930</u>	<u>1,475,194</u>	<u>37,880</u>	<u>4,257,004</u>
Net Book Value				
C/f at 31 August 2024	<u>701,208</u>	<u>211,706</u>	<u>-</u>	<u>912,914</u>
B/f at 1 September 2023	<u>768,177</u>	<u>206,278</u>	<u>-</u>	<u>974,455</u>

CUMBERLAND LODGE

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 AUGUST 2024

8. INVESTMENTS (GROUP AND CHARITY)	2024		2023	
	£		£	
Listed investments:				
Market value at 1 September	4,163,700		3,730,006	
Additions	-		500,000	
Disposals	(250,000)		-	
Net gains /(losses)	288,933		(66,306)	
Market value at 31 August	4,202,633		4,163,700	
Historical cost as at 31 August	3,078,492		3,328,492	
9. DEBTORS: amounts falling due within one year	2024		2023	
	Group	Charity	Group	Charity
	£	£	£	£
Accommodation debtors	298,044	201,794	257,627	132,678
Other debtors and prepayments	123,008	123,008	102,046	102,046
Amounts due from subsidiary	-	-	-	-
	421,052	324,802	359,673	234,724
10. CREDITORS: amounts falling due within one year	2024		2023	
	Group	Charity	Group	Charity
	£	£	£	£
Trade creditors	147,458	147,458	93,898	93,898
Other taxation and social security	77,014	76,929	78,585	78,585
Other creditors, accruals and deferred income	532,606	438,272	632,932	507,053
Amounts owed to subsidiary	-	155,496	-	79,003
	757,078	818,155	805,415	758,539
11. ANALYSIS OF DEFERRED INCOME	2024		2023	
	Group	Charity	Group	Charity
	£	£	£	£
Deferred income at 1 September	431,528	313,864	374,682	233,571
Released during the year	(431,528)	(313,864)	(374,682)	(233,571)
Applied during the year	350,800	265,753	431,528	313,864
Deferred income at 31 August	350,800	265,753	431,528	313,864

CUMBERLAND LODGE

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 AUGUST 2024

12. ANALYSIS OF GROUP NET ASSETS BETWEEN FUNDS

	Restricted Funds £	Unrestricted Funds £	Total Funds £
2024			
Fixed assets	12,137	900,777	912,914
Investments	-	4,202,633	4,202,633
Current assets	11,575	675,487	687,062
Current liabilities	-	(757,078)	(757,078)
Net assets at 31 August	<u>23,712</u>	<u>5,021,819</u>	<u>5,045,531</u>
2023			
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>

13. ANALYSIS OF UNRESTRICTED GENERAL FUNDS

	1 September £	Surplus/ (loss) £	Gains/ (losses) £	Transfers £	31 August £
Group					
2024					
General funds	<u>2,188,713</u>	<u>(181,702)</u>	<u>240,354</u>	<u>61,540</u>	<u>2,308,905</u>
2023					
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>
Charity					
2024					
General funds	<u>2,015,191</u>	<u>(308,389)</u>	<u>240,354</u>	<u>61,540</u>	<u>2,008,696</u>
2023					
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>

CUMBERLAND LODGE

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 AUGUST 2024

14. ANALYSIS OF RESTRICTED FUNDS

	1 September £	Income £	Expenditure £	31 August £
2024				
Mews lighting project*	5,958	-	(500)	5,458
Chapel capital appeal*	2,595	-	(1,907)	688
Dining room furniture*	4,566	-	(945)	3,621
Basement refurbishment*	2,870	-	(500)	2,370
Scholarship scheme	1,830	-	-	1,830
Bursary fund	7,801	-	-	7,801
Project funding	1,944	-	-	1,944
Youth Arts Takeover	-	9,002	(9,002)	-
Group total	27,564	9,002	(12,854)	23,712
2023				
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
Group total	31,416	-	(3,852)	27,564

Capital funds

As of 31 August 2024, 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 (2023: £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 2024

15. DESIGNATED FUNDS

	Balance at 1 September 2023 £	Transfers £	Balance at 31 August 2024 £
Tangible Fixed Assets Fund	974,455	(61,541)	912,914
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
Total – Group and Charity	2,774,455	(61,541)	2,712,914

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.

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.

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 £720,625 (2023: £895,698) to Cumberland Lodge Enterprises Limited during the year, in respect of operating expenses.

CUMBERLAND LODGE

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 AUGUST 2024

Cumberland Lodge Enterprises Limited gift aids 100% of its taxable profits to the parent company. During the financial year ended 31 August 2024 it paid £173,521 (2023: £267,920) of gift aid relating to profits for the previous financial year.

At 31 August 2024 £155,496 was owed by the Charity to its subsidiary (2023: £79,003 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 (2023: £nil), and Governor of The Royal School from whom the Charity generated no income (2023: nil). No balances in relation to these organisations remained unpaid at the year-end (2023: nil).

There were no other transactions with related parties during the year ended 31 August 2024 (2023: 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 2024 £	Charity 2024 £	Group 2023 £	Charity 2023 £
In less than one year	10,650	10,650	20,100	20,100
In one to five years	-	-	10,050	10,050
	<u>10,650</u>	<u>10,650</u>	<u>30,150</u>	<u>30,150</u>

CUMBERLAND LODGE

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 AUGUST 2024

19. COMPARATIVE CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (2023):

	Notes	Unrestricted Funds £	Restricted Funds £	Total 2023 £
INCOME:				
Donations, legacies and grants		19,557	-	19,557
Charitable activities				
Cumberland Lodge conferences		33,214	-	33,214
Student and training conferences		1,490,922	-	1,490,922
Other trading activities				
Accommodation income		1,302,605	-	1,302,605
Rents and lettings		34,925	-	34,925
Investments		113,556	-	113,556
Other		22,551	-	22,551
		<u>3,017,330</u>	<u>-</u>	<u>3,017,330</u>
Total income				
EXPENDITURE:				
Costs of raising funds	3	903,301	3,852	907,153
Trading costs				
Expenditure on charitable activities	3			
Cumberland Lodge conferences		284,264	-	284,264
Student and training conferences		1,691,553	-	1,691,553
Total expenditure	3	<u>2,879,118</u>	<u>3,852</u>	<u>2,882,970</u>
		<u>138,212</u>	<u>(3,852)</u>	<u>134,360</u>
Net gains on investments		(66,306)	-	(66,306)
		<u>71,906</u>	<u>(3,852)</u>	<u>68,054</u>
Net movement in funds				
Funds at 1 September 2022		4,891,262	31,416	4,922,678
Funds at 31 August 2023		<u>4,963,168</u>	<u>27,564</u>	<u>4,990,732</u>

Accounts



**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

Status	The organisation is a charitable company limited by guarantee, incorporated in England and Wales on 4 March 2005.
Governing Document	The company was established under Memorandum and Articles which established the objects and powers of the charitable company.
Company Number	05383055
Charity Number	1108677
Registered & Operating Office	Cumberland Lodge, The Great Park, Windsor, Berkshire, SL4 2HP
Trustees	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) <u>Subcommittees</u> F: Denotes Member of the Finance and General Purposes Committee B: Denotes Member of the Business Development Committee
Chief Executive	Canon Dr Edmund Newell
Bankers	HSBC Bank Plc, 105 Mount Pleasant, Tunbridge Wells, Kent, TN1 1QP
Solicitors	Farrer & Co LLP, 66 Lincoln's Inn Fields, London, WC2A 3LH
Investment Managers	CCLA, Senator House, 85 Queen Victoria Street London EC4V 4ET
Auditors	Haysmacintyre LLP, 10 Queen Street Place, London, EC4R 1AG

CUMBERLAND LODGE

CHAIRMAN'S REPORT

FOR THE YEAR ENDED 31 AUGUST 2023

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

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

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

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

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

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

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

.....
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

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

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

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. 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 £
INCOME:					
Donations, legacies and grants	2	19,557	-	19,557	44,798
Charitable activities					
Cumberland Lodge conferences		33,214	-	33,214	79,492
Student and training conferences		1,490,922	-	1,490,922	1,437,495
Other trading activities					
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
Total income		3,017,330	-	3,017,330	2,742,473
EXPENDITURE:					
Costs of raising funds					
Trading costs		903,301	3,852	907,153	645,736
Expenditure on charitable activities					
Cumberland Lodge programme		284,264	-	284,264	248,888
Student and training conferences		1,691,553	-	1,691,553	1,456,342
Total expenditure	3	2,879,118	3,852	2,882,970	2,350,966
		138,212	(3,852)	134,360	391,507
Losses on investments, net of charges		(66,306)	-	(66,306)	(163,690)
Net movement in funds		71,906	(3,852)	68,054	227,817
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 £
FIXED ASSETS					
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>
CURRENT ASSETS					
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>
CURRENT LIABILITIES					
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>
NET CURRENT LIABILITIES					
		<u>(147,423)</u>	<u>(320,945)</u>	<u>164,093</u>	<u>(103,825)</u>
NET ASSETS		<u>4,990,732</u>	<u>4,817,210</u>	<u>4,922,678</u>	<u>4,654,760</u>
FUNDS					
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>
TOTAL FUNDS		<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	<u>(508,489)</u>	<u>(268,707)</u>
Change in cash and cash equivalents in the year	(188,410)	82,218
Cash and cash equivalents at the beginning of the year	<u>465,557</u>	<u>383,339</u>
TOTAL CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u><u>277,147</u></u>	<u><u>465,557</u></u>

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	<u><u>320,079</u></u>	<u><u>350,925</u></u>

CUMBERLAND LODGE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2023

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

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

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
Support costs	£	£	£	£
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
Group total	455,703	860,608	1,316,311	1,054,167

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 £
Staff costs were as follows:		
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
	£	£	£	£
Cost				
At 1 September 2022	3,321,477	1,743,606	37,880	5,102,963
Additions	86,813	35,103	-	121,916
Disposals	-	-	-	-
Balance at 31 August 2023	<u>3,408,290</u>	<u>1,778,709</u>	<u>37,880</u>	<u>5,224,879</u>
Accumulated depreciation				
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	-	-	-	-
Balance at 31 August 2023	<u>2,640,113</u>	<u>1,572,431</u>	<u>37,880</u>	<u>4,250,424</u>
Net Book Value				
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

8. INVESTMENTS (GROUP AND CHARITY)	2023		2022	
	£		£	
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	4,163,700		3,730,006	
Historical cost as at 31 August	3,328,492		2,828,492	
9. DEBTORS: amounts falling due within one year	2023		2022	
	Group	Charity	Group	Charity
	£	£	£	£
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	-	-	-	-
	359,673	234,724	367,278	245,852
10. CREDITORS: amounts falling due within one year	2023		2022	
	Group	Charity	Group	Charity
	£	£	£	£
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
	805,415	758,539	691,025	561,738
11. ANALYSIS OF DEFERRED INCOME	2023		2022	
	Group	Charity	Group	Charity
	£	£	£	£
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	431,528	313,864	374,682	233,571
Deferred income at 31 August	431,528	313,864	374,682	233,571

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 £
2023			
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>
2022			
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 £
Group					
2023					
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>
2022					
General funds	<u>2,950,593</u>	<u>420,761</u>	<u>(163,690)</u>	<u>209,128</u>	<u>3,416,792</u>
Charity					
2023					
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>
2022					
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 £
2023				
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
Group total	31,416	-	(3,852)	27,564
2022				
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
Group total	60,670	-	(29,254)	31,416

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
Total – Group and Charity	1,474,470	1,299,985	2,774,455

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

Accounts

CUMBERLAND LODGE

(A Registered Charity and Company Limited by Guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2022

Company No. 05383055
Charity No. 1108677

CUMBERLAND LODGE

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2022

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CUMBERLAND LODGE

REFERENCE AND ADMINISTRATIVE DETAILS

FOR THE YEAR ENDED 31 AUGUST 2022

Status	The organisation is a charitable company limited by guarantee, incorporated in England and Wales on 4 March 2005.
Governing Document	The company was established under Memorandum and Articles which established the objects and powers of the charitable company.
Company Number	05383055
Charity Number	1108677
Registered & Operating Office	Cumberland Lodge, The Great Park, Windsor, Berkshire, SL4 2HP
Trustees	Baroness Prashar of Runnymede, CBE PC (Chairman, F) Charles Anson CVO DL (B) Jane Furniss CBE (B) Alan Gemmell OBE (F) Paul Hampden Smith* (F) resigned 27 January 2022 Stephen Harvey appointed 14 October 2021 (B) John Lotherington (Vice Chair from 21 July 2022, F, B) Amanda Mackenzie OBE appointed 21 July 2022 (B) David Matthews appointed 14 October 2021 (Honorary Treasurer from 27 January 2022, F) Simon Pearce* (Honorary Treasurer, F) resigned 27 January 2022 Baroness Pitkeathley of Caversham*, OBE (Vice Chair, F) resigned 21 July 2022 Jayaprakasa Rangaswami (B) Ingrid Tennessee appointed 21 April 2022 (F) <u>Subcommittees</u> F: Denotes Member of the Finance and General Purposes Committee B: Denotes Member of the Business Development Committee * term of office extended to provide continuity during the pandemic
Chief Executive	Canon Dr Edmund Newell
Bankers	HSBC Bank Plc, 105 Mount Pleasant, Tunbridge Wells, Kent, TN1 1QP
Solicitors	Farrer & Co LLP, 66 Lincoln's Inn Fields, London, WC2A 3LH
Investment Managers	CCLA, Senator House, 85 Queen Victoria Street London EC4V 4ET
Auditors	Haysmacintyre LLP, 10 Queen Street Place, London, EC4R 1AG

CUMBERLAND LODGE

CHAIRMAN'S REPORT

FOR THE YEAR ENDED 31 AUGUST 2022

On 5 August 1947, an announcement appeared in *The Times* to say that King George VI had granted a former royal residence in Windsor Great Park as the home for an experimental educational foundation, then called St Katharine's. Its purpose was to provide a space for university students and graduates from across varying academic disciplines and the Commonwealth to study and discuss "the nature of man and society".

The idea was a response to the situation in the late 1930s, as explored in the book *Darkness Over Germany*, written by Amy Buller. In it, Buller analyses how National Socialism took hold in Germany prior to the Second World War. Her vision was to set up a place where students could meet to discuss the moral issues of the day. The book came to the attention of the King and Queen, who helped Buller to set up the foundation.

This experiment has clearly worked, and its objectives are as relevant today as they were in 1947. This educational charity, now known simply by the name of its home, Cumberland Lodge, is now 75 years old and looking to its future with renewed vigour to fulfil its purpose.

Our 75th anniversary and the pandemic, which restricted what we could do in terms of residential events, provided an opportunity to reflect on our past, our origins, and our objectives. While our original purpose, to foster critical thinking and constructive dialogue underpinned by values to sustain an open society, remains fundamental to what we do, the trustees and the staff have worked together to consider how best to deliver these objectives even more effectively and to increase our impact.

These deliberations resulted in a new five-year Programme strategy which will inform the next phase of our work. While we will continue to provide space for young people to think deeply about the critical issues of our time, to equip them to navigate our turbulent world which raises many ethical dilemmas, and to help to build a movement for social progress, our future work will be more focused on how best to achieve our objectives in a much more polarised world with ever increasing digital connectivity.

CUMBERLAND LODGE

CHIEF EXECUTIVE'S REPORT

FOR THE YEAR ENDED 31 AUGUST 2022

As we transitioned from 2021 into our 75th anniversary year in 2022, three things stand out for me. First, is how quickly we managed to bounce back operationally from the COVID-19 pandemic. We introduced new flexible working arrangements for all staff, which has paid dividends. Our conference trade bounced back strongly, meaning we are in a far stronger financial position than we could have anticipated during the bleak times of the pandemic.

The bounce-back was not only quick and strong in terms of our conference business. As will be seen in what follows, a significant feature of the past year is how quickly we were able to resume our Programme activities. The investment we made in digital technology in 2019 has meant that as well as returning to in-person events, we have continued to develop our online activities, and the ability to hold hybrid events has proved invaluable in terms of extending our reach and involving those who, for one reason or another, cannot be with us physically in Windsor Great Park.

Finally, alongside planning and delivering conferences, webinars, and other events, over the past year staff and trustees have been working hard to develop a new five-year Programme strategy, which we are now beginning to implement. We have exciting plans to develop new streams of work, building on what has been achieved in recent years and involving many more people than has previously been possible. My review of the year also gives a flavour of what is planned, with the promise of much more to come.

Our Programme 2021-22

Conferences

As we moved out of the pandemic, we were once again able to hold in-person events at Cumberland Lodge. During the year we held five conferences:

- *Practitioner Responses to Child Trafficking: Emerging Good Practices* (10-12 October 2021), organised in partnership with the Independent Anti-Slavery Commissioner, built on our 2017 report, *Eliminating Modern Slavery: Enhancing the Police Response*.
- *The British German Democracy Forum* (25-27 October 2021), organised in partnership with the Goethe-Institut, London, explored the problematic issues associated with colonial history in the UK and Germany and connected with our 2019 report *Difficult Histories & Positive Identities*.
- *Shaping Social Mobility: Education and Employment* (7-8 March 2022) explored in depth issues raised in our 2020 *Dialogue & Debate* webinar 'Is education the answer to social mobility?'
- Our 40th annual police conference *Legitimacy & Confidence in Policing* (17-19 June 2022) revisited a recurring issue for this series, last explored in the 2013 conference *The Legitimacy of Policing: Connecting the People to the Reforms*.
- The annual *Life Beyond the PhD* conference (15-19 August 2022) again provided support for students from universities across the UK completing doctorates, with a focus on applying research skills into areas that promote social progress.

Unfortunately, the 2021 *Commonwealth and International Students' Conference* had to be cancelled due to COVID-19. It was replaced by a webinar held on 21 December 2021 to discuss the experience of students studying at university during the pandemic.

Reports

During the year we published three reports generated from earlier conferences:

- *Climate Futures: Youth Perspectives* was launched at a hybrid event at Cumberland Lodge on 16 September 2021, in advance of the 2021 UN Climate Change Conference in Glasgow (COP26) and Pre-COP26 Conference in Milan, Italy.
- *Towards Justice: Law Enforcement & Reconciliation* was launched at a hybrid event at New Scotland Yard, London on 1 February 2022.
- *Practitioner Responses to Child Trafficking: Emerging Good Practices* was launched at a hybrid event at Deloitte, London on 11 April 2022.

CUMBERLAND LODGE

CHIEF EXECUTIVE'S REPORT

FOR THE YEAR ENDED 31 AUGUST 2022

Dialogue & Debate webinars

Throughout the pandemic, we held monthly *Dialogue & Debate* webinars. With the reintroduction of in-person events, we have reduced the frequency of these webinars, which we now hold on an occasional basis. This change is apparent in the list of webinars held in 2021-22:

- *The Social Impact of Sport*, 1 September 2021
- *Schooling and Inequality*, 6 October 2021
- *Beyond Tokenism*, 3 November 2021
- *Women in Leadership*, 6 March 2022

Life Perspective podcasts

In 2022, we launched a new inter-generational podcast series, *Life Perspectives*, in which current and past Fellows discussed issues of mutual interest with leading practitioners in their fields. During the year we released four episodes:

- *Youth in Leadership*, Dr Angelika Love and Dr Margaret Heffernan
- *Policy and Public Life*, Hannah Phillips and Lord (David) Anderson of Ipswich
- *Ethnicity & Religion in Recruitment*, Samir Sweida-Metwally and Dr Valentina di Stasio
- *Autism and Spirituality*, Henna Cundill with Dame Stephanie Shirley

Special events

In addition to our regular activities, we held two special events:

Moot Court

On 28 February 2022 we held a Moot Court and fundraising dinner in honour of our former Visitor, the late Sir John Laws. In *Regina v Billy Goat 1*, leading barristers Kirsty Brimelow KC and Simon Myerson KC teamed up with sixth form students from the social mobility charity Big Voice London for an appeal court hearing following Billy Goat Gruff's conviction for manslaughter after his encounter with a troll. The (successful) appeal was heard by the Rt Hon Lord Justice Bean, the Rt Hon Lady Justice Whipple, and Her Honour Judge Anuja Dhir KC.

Zutshi-Smith Symposium

On 16 May 2022, we partnered with the University of Bristol to deliver its Sixth Biennial Zutshi-Smith Symposium on the topic *Believing in the University: freedom, inclusion and academic citizenship*. Held in Bristol, the event was chaired by Cumberland Lodge Visiting Fellow Dame Sara Thornton.

Visiting groups

An important aspect of our charitable work is providing facilities for educational activities for visiting groups. These fall into three main categories: study retreats for university students (which can include discussions on topical ethical issues led by Cumberland Lodge staff), advocacy training for trainee barristers from all four Inns of Court and continuing professional development for doctors. Over the past year, 55 student study retreats were held at Cumberland Lodge, involving 2,040 participants; there were nine advocacy training weekends for the Inns of Court, with 633 participants; and 53 medical training events, with 1,741 participants. This means that, in total, 117 charitable events were held at Cumberland Lodge over the past outside our own Programme, involving 4,940 participants.

As well as the Inns of Court, external organisations with whom we work on a regular basis include Health Education England, West Middlesex Hospital, London North West University Healthcare NHS Trust, University College London, London School of Economics, Imperial College London, King's College London, Queen Mary

CUMBERLAND LODGE

CHIEF EXECUTIVE'S REPORT

FOR THE YEAR ENDED 31 AUGUST 2022

University of London, University of Bristol, University of Warwick, University of Hertfordshire, and the Association of Commonwealth Universities.

Public cultural events

In addition to our Programme events, we continue to hold educational and cultural events that are open to the public.

Shakespeare Reading Retreat

Our Shakespeare Reading Retreat on *Othello*, postponed from 2021, took place on 4-7 January 2022. Our regular contributors Lord (Rowan) Williams, Sir Stanley Wells, Dr Paul Edmondson, and Dr Amanda Piesse were joined by Shakesporean actor Andrew French.

Cumberland Conversations

During the year, we held two Cumberland Conversations:

- Isabella Naylor-Leyland joined us to discuss Alatheia FitzAlan Howard's *The Windsor Diaries*, in November 2021.
- In January 2022 our former Principal Alastair Niven spoke about his memoir *In Glad or Sorry Hours*. This followed the dedication of revamped archive in honour of Sir Eric Anderson and the launch of a 75th anniversary exhibition.

Windsor Festival

On 30 September 2021, we continued our longstanding relationship with the Windsor Festival with a discussion with Simon Heffer as editor of *Henry 'Chips' Channon: The Diaries 1938-1943*.

Concerts

To mark the Platinum Jubilee of our then Patron, Her Late Majesty Queen Elizabeth II, on 10 July 2022 we hosted a performance of *Music of the Royal Court* sung by Quire Voices.

People

It is the contribution of so many people that makes Cumberland Lodge such a vibrant organisation, with an exceptional reputation for its hospitality. We benefit from both the dedication of those involved with us over many years and those who bring fresh ideas and new skills and experience into the mix.

Trustees

Over the past year, we said farewell to three trustees: Simon Pearce (Treasurer), Paul Hampden-Smith (Chair of the Audit Committee), and Baroness (Jill) Pitkeathley (Vice-Chair), all of whom not only completed their two five-year terms on the Board but kindly continued for an extra year to help us navigate our way through the pandemic. In their place, we have welcomed Stephen Harvey, David Matthews (Treasurer) and Ingrid Tennessee. John Lotherington has also taken on the role of Vice-Chair of Trustees.

Staff

There have also been several staff changes. Among the Senior Management Team, we said farewell to Linda Webber (Finance Director) and Helen Taylor (Communications Director). In their place, we welcomed, respectively, Mike Durham (in the reconfigured role of Chief Operating Officer) and Nicola Hine (Communications Manager).

CUMBERLAND LODGE

CHIEF EXECUTIVE'S REPORT

FOR THE YEAR ENDED 31 AUGUST 2022

Fellows

As we said farewell to our 2019-2021 cohort of Fellows, we welcomed our 2021-2023 cohort: Ellen Bristow (Cardiff University), Julia Buzan (LSE), Henna Cundill (University of Aberdeen), Joshua Ettinger (University of Oxford), Hannah Gumble (UCL), Andrew Marks (University of Edinburgh), Callum O'Malley (University of Kent), Scott Kaba Matafwali (London School of Hygiene and Tropical Medicine), Nour Nashed (University of Sussex), and Rachel Newell (Queen's University Belfast). During the year, Antonin Ficatier represented Fellows on the Board of Trustees.

Volunteers

We continue to benefit from the help of volunteers and are grateful to Elias Kupfermann (who sadly passed away in December 2022), Katherine Saunders and Mimi Markham for their work on the archive and to Jessamy Hadley and Linda Howell for their work on the Library. We are grateful, too, to Jessamy for curating our 75th anniversary exhibition and the display in the main corridor, and to Elias for curating the exhibition on Princess Christian in the Tapestry Hall. Our Volunteer Coordinator Peter Symonds continues to lead history tours of the Lodge for visiting groups.

Looking ahead

As the Chairman's foreword highlights, during the year a new five-year plan for our Programme was created and is now beginning to be implemented. Two key objectives have been agreed that will inform our work for the foreseeable future. The primary objective is "to nurture young people to be ethically minded thought leaders" and the secondary objective is to "build a movement for social progress".

What these mean in practice is to ensure all that we do provides opportunities for young people to engage with challenging issues with an ethical dimension, and as many opportunities as possible for long-term involvement with us. To achieve these objectives, we will reduce the number of stand-alone conferences that we organise and introduce cohort programmes that will involve participants making multiple visits for residential events. We are also planning investments in an online community engagement platform and online learning capabilities to enable us to involve people across the world in our activities on an ongoing basis.

As we begin to shape our future Programme, there are three areas on which we intend to focus. The application of the rule of law and its relationship to democracy raises many ethical questions in the UK and globally, and this will be the topic for our first cohort programme, with a focus on Commonwealth countries. We also intend to reintroduce our previous cohort programme on freedom of religion or belief. The third area we plan to focus on is young people's attitudes to democracy, in the UK and elsewhere in the Commonwealth. The latter stream of work will take our work off-site and, initially, across the UK.

To support these new initiatives, a priority is to enhance our online presence and to develop new income streams – including holding more regular social and cultural fundraising events that will appeal to the Friends of Cumberland Lodge and other supporters.

We are also developing our policies on environmental sustainability and equity, diversity, and inclusion (EDI).

CUMBERLAND LODGE

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2022

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 2022

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

Set up after the Second World War as St Catharine's Foundation, based on Christian faith and philosophy, 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.

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 two programmatic objectives for the Charity:

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

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.

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.

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 where possible lie outside their routine work programmes.

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. 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 (2021: none).

CUMBERLAND LODGE

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2022

Financial Review

During the previous two financial years, income generating activities were severely curtailed by the COVID-19 pandemic which necessitated the Lodge being closed for lengthy periods. Consequently, significant operating deficits were reported in both 2019/20 and 2020/21.

As restrictions eased during 2021/22, the conference trade returned rapidly to more normal levels. Total income of £2,742,000 (2020/21: £1,380,000) reflected activity levels that recovered a long way towards pre-pandemic levels, and with expenditure kept firmly under control an operating surplus of £392,000 (2020/21: deficit of £542,000) was generated.

Unfortunately, the adverse impact on global financial markets of uncertainties following the invasion of Ukraine in early 2022 meant that the performance of our managed investment funds was less resilient, and investment losses of £164,000 (2020/21: gain of £543,000) were incurred.

Overall, we reported an increase in funds of £228,000 (2020/21: breakeven), leaving total funds at the year end of £4,923,000 (2020/21: £4,695,000). Unrestricted general funds at the year end were £3,417,000 (2020/21: £2,951,000).

Reserves policy

Cumberland Lodge holds reserves for three reasons:

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 - funds set aside either against the net book value of fixed assets (which are not freely available to be spent on the charity's purposes) or which are to be set aside for designated future projects or commitments. Details are set out in Note 15.

General funds – funds held as a buffer against unanticipated reductions in income, increases in expenditure or working capital requirements. The level of general funds at 31st August 2022, which represented approximately 17 months of operating expenditure reflects the prudent approach to financial management taken by Trustees.

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.

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:

CUMBERLAND LODGE

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2022

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.
Forced 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.
Loss of premises	Risks resulting in the loss of access to the building are mitigated by the fire safety system, insurance and discussion with the landlord. The condition of the buildings is constantly reviewed and both preventative and reactive maintenance measures are undertaken to ensure that the buildings are safe and efficient and offer appropriate facilities to all categories of users.

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. Trustees are represented on each committee.

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.

CUMBERLAND LODGE

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2022

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 benchmarks 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.

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 24 March 2023 and signed on their behalf by:

Usha Prashar

.....
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 2022

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 2022 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 2022 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 2022

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 2022

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. 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

27 March 2023

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 2022

	Notes	Unrestricted Funds £	Restricted Funds £	Total 2022 £	Total 2021 £
INCOME:					
Donations, legacies and grants	2	44,798	-	44,798	449,990
Charitable activities					
Cumberland Lodge conferences		79,492	-	79,492	20,975
Student and training conferences		1,437,495	-	1,437,495	184,609
Other trading activities					
Accommodation income		1,028,392	-	1,028,392	287,412
Rents and lettings		34,594	-	34,594	35,928
Investments		96,736	-	96,736	94,020
Other income	2	20,966	-	20,966	307,556
Total income		<u>2,742,473</u>	<u>-</u>	<u>2,742,473</u>	<u>1,380,490</u>
EXPENDITURE:					
Costs of raising funds					
Trading costs		641,883	3,853	645,736	141,478
Expenditure on charitable activities					
Cumberland Lodge conferences		230,832	18,056	248,888	333,693
Student and training conferences		1,448,997	7,345	1,456,342	1,447,791
Total expenditure	3	<u>2,321,712</u>	<u>29,254</u>	<u>2,350,966</u>	<u>1,922,962</u>
		<u>420,761</u>	<u>(29,254)</u>	<u>391,507</u>	<u>(542,472)</u>
(Losses)/Gains on investments, net of charges		(163,690)	-	(163,690)	542,716
Net movement in funds		<u>257,071</u>	<u>(29,254)</u>	<u>227,817</u>	<u>244</u>
Funds brought forward		<u>4,634,191</u>	<u>60,670</u>	<u>4,694,861</u>	<u>4,694,617</u>
Funds carried forward		<u>4,891,262</u>	<u>31,416</u>	<u>4,922,678</u>	<u>4,694,861</u>

The notes on pages 18 - 31 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 2021 are shown in note 19.

CUMBERLAND LODGE

Company No. 05383055

CONSOLIDATED AND CHARITY BALANCE SHEETS

AT 31 AUGUST 2022

	Notes	2022 Group £	Charity £	2021 Group £	Charity £
FIXED ASSETS					
Tangible assets	7	1,028,579	1,028,579	1,217,468	1,217,468
Investments	8	3,730,006	3,730,006	3,543,696	3,543,696
		<u>4,758,585</u>	<u>4,758,585</u>	<u>4,761,164</u>	<u>4,761,164</u>
CURRENT ASSETS					
Stock		22,283	13,955	16,245	7,948
Debtors	9	367,278	245,852	154,636	168,624
Short term deposits and cash in hand		465,557	198,106	383,339	133,062
		<u>855,118</u>	<u>457,913</u>	<u>554,220</u>	<u>309,634</u>
CURRENT LIABILITIES					
Creditors: amounts falling due within one year	10	(691,025)	(561,738)	(620,523)	(427,537)
		<u>164,093</u>	<u>(103,825)</u>	<u>(66,303)</u>	<u>(117,903)</u>
NET CURRENT LIABILITIES					
		<u>4,922,678</u>	<u>4,654,760</u>	<u>4,694,861</u>	<u>4,643,261</u>
NET ASSETS					
		<u>4,922,678</u>	<u>4,654,760</u>	<u>4,694,861</u>	<u>4,643,261</u>
FUNDS					
Unrestricted general funds	12/13	3,416,792	3,148,874	2,950,593	2,898,993
Restricted funds	12/14	31,416	31,416	60,670	60,670
Designated funds	15	1,474,470	1,474,470	1,683,598	1,683,598
		<u>4,922,678</u>	<u>4,654,760</u>	<u>4,694,861</u>	<u>4,643,261</u>
TOTAL FUNDS		<u>4,922,678</u>	<u>4,654,760</u>	<u>4,694,861</u>	<u>4,643,261</u>

The surplus of the parent charity was £11,499. This comprises a deficit of £40,103 (2021: £51,357) plus donated profits from Cumberland Lodge Enterprises Ltd of £51,602 (2021: £3,702).

Approved and authorised for issue on 24 March 2023 by the Trustees and signed on their behalf by:

Usha Prashar

.....
Baroness Usha Prashar

David Matthews

.....
David Matthews

The notes on pages 18 - 31 form part of these financial statements.

CUMBERLAND LODGE

Company No. 05383055

STATEMENT OF CASH FLOWS AND CONSOLIDATED STATEMENT OF CASH FLOWS

AT 31 AUGUST 2022

	2022 £	2021 £
Net cash provided / (used) by operating activities	350,925	(305,163)
Cash flows from investing activities		
Investment income	96,736	94,020
Purchase of tangible fixed assets	(15,443)	(17,173)
Sale of tangible fixed assets	-	1,828
Purchase of investments	(350,000)	(150,000)
Sale of investments	-	520,000
Cash (used in) / provided by investing activities	<u>(268,707)</u>	<u>448,675</u>
Change in cash and cash equivalents in the year	82,218	143,512
Cash and cash equivalents at the beginning of the year	<u>383,339</u>	<u>239,827</u>
TOTAL CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u><u>465,557</u></u>	<u><u>383,339</u></u>

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

Net income for the year	227,817	244
Adjustments for:		
Depreciation charge	204,332	230,463
Losses / (gains) on investments	163,690	(542,716)
Income from investments	(96,736)	(94,020)
(Increase) / decrease in debtors	(212,642)	(32,003)
(Increase) / Decrease in stock	(6,038)	3,124
Increase / (decrease) in creditors	70,502	129,745
Cash used in investing activities	<u><u>350,925</u></u>	<u><u>(305,163)</u></u>

CUMBERLAND LODGE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2022

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.

Grants include Government grant income relating to the Coronavirus Job Retention Scheme (CJRS) and are recognised as receivable in line with the period that the expense has been incurred.

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 2022

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 2022

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 2022

2. INCOME	2022	2021
Voluntary income	£	£
Donations, legacies and grants	44,798	37,273
Coronavirus Job Retention Scheme grant	-	345,645
Coronavirus local authority support grants	-	67,072
	<u>44,798</u>	<u>449,990</u>

Other income

Business interruption insurance claim	-	300,000
Other income	20,966	7,556
	<u>20,966</u>	<u>307,556</u>

3. ANALYSIS OF EXPENDITURE	2022 Direct costs £	2022 Support costs £	2022 Total £	2021 Total £
Fundraising	-	-	-	7,554
Charitable activities	968,143	737,086	1,705,229	1,773,930
Trading	328,656	317,081	645,737	141,478
Group total	<u>1,296,799</u>	<u>1,054,167</u>	<u>2,350,966</u>	<u>1,922,962</u>

	Trading £	Charitable activities £	2022 Total £	2021 Total £
Direct costs				
Administration	56	8,180	8,236	-
Advertising & promotion	-	700	700	3,090
Bank & finance costs	(239)	-	(239)	2,176
Buildings costs	160	372	532	-
Cumberland Lodge conference costs	9,571	10,880	20,451	6,993
Hospitality costs	75,980	171,233	247,213	57,440
IT equipment & support	-	300	300	200
Office supplies	70	301	371	507
Professional fees	7,061	1,119	8,180	13,403
Repairs & maintenance	553	1,284	1,837	962
Scholarship scheme	-	10,167	10,167	9,711
Staff costs	222,223	733,589	955,812	872,378
Trading expenses	13,092	29,356	42,448	-
Travel & subsistence	129	662	791	212
Group total	<u>328,656</u>	<u>968,143</u>	<u>1,296,799</u>	<u>967,072</u>

CUMBERLAND LODGE

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 AUGUST 2022

	Trading	Charitable activities	2022 Total	2021 Total
	£	£	£	£
Support costs				
Administration	15,687	36,464	52,151	17,683
Advertising & promotion	3,058	7,111	10,169	7,578
Bank & finance costs	1,655	3,847	5,502	4,165
Buildings costs	49,909	116,017	165,926	165,069
Cumberland Lodge conference costs	31	71	102	-
Depreciation	61,460	142,872	204,332	230,463
Hospitality costs	829	1,927	2,756	-
IT equipment and support	13,866	32,233	46,099	44,340
Motor expenses	822	1,911	2,733	4,523
Office supplies	4,759	11,063	15,822	9,743
Professional fees	13,638	31,703	45,341	19,501
Repairs & maintenance	28,931	67,253	96,184	66,495
Scholarship scheme	10	22	32	-
Staff costs	122,275	284,239	406,514	385,787
Travel & subsistence	151	353	504	543
Group total	317,081	737,086	1,054,167	955,890

Included within professional fees above were Governance costs of £18,422 (2021: £17,157) relating to Auditor's remuneration.

4. NET INCOME FOR THE YEAR

	2022 £	2021 £
This is stated after charging		
Auditor's remuneration (including irrecoverable VAT):		
Audit	16,773	15,540
Other Services	1,649	1,617
	<u>18,422</u>	<u>17,157</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 2022

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:

	2022 £	2021 £
Turnover	914,460	203,545
Cost of sales and administration costs	(646,540)	(151,943)
Net profit	267,920	51,602
Brought forward – retained in subsidiary	51,602	3,702
Gift-aided to the Charity in year	(51,602)	(3,702)
Retained in subsidiary	267,920	51,602
The current assets and liabilities of the subsidiary were:		
Current assets	484,678	309,564
Current liabilities	(216,758)	(427,468)
Total net assets	267,920	51,602
Aggregate share capital and reserves	267,920	51,602

6. STAFF COSTS AND NUMBERS

	2022 £	2021 £
Staff costs were as follows:		
Salaries and wages	1,128,797	1,063,811
Social security costs	111,778	96,171
Pension contributions	47,493	98,183
	1,288,068	1,258,165
The number of employees whose emoluments for the year fell within the following bands were:		
	Number	Number
£80,001 - £90,000	0	1
£90,001 - £100,000	1	0

These employees are accruing pension contributions totalling £4,467 (2021: £8,702). The total employee benefits (including pension contributions and employer's national insurance) of the key management personnel of the Group and Charity were £243,219 (2021: £233,657).

CUMBERLAND LODGE

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 AUGUST 2022

	2022 Number	2021 Number
The average number of permanent employees during the year was as follows:		
Programme	5	5
Hospitality	30	28
Buildings & maintenance	5	5
Administration	5	6
	<u>45</u>	<u>44</u>

The full-time equivalent number of permanent staff in 2022 was 36 (2021: 35).
An average of 19 (2021: 4) casual hospitality employees were also employed.

7. FIXED ASSETS (GROUP AND CHARITY)

	Improvements to property	Furniture, fittings & equipment	Motor Vehicles	Total
	£	£	£	£
Cost				
At 1 September 2021	3,318,657	1,730,983	37,880	5,087,520
Additions	2,820	12,623	-	15,443
Disposals	-	-	-	-
Balance at 31 August 2022	<u>3,321,477</u>	<u>1,743,606</u>	<u>37,880</u>	<u>5,102,963</u>
Accumulated depreciation				
At 1 September 2021	2,421,564	1,417,825	30,663	3,870,052
Charge for the year	112,627	85,520	6,185	204,332
Disposals	-	-	-	-
Balance at 31 August 2022	<u>2,534,191</u>	<u>1,503,345</u>	<u>36,848</u>	<u>4,074,384</u>
Net Book Value				
C/f at 31 August 2022	<u>787,286</u>	<u>240,261</u>	<u>1,032</u>	<u>1,028,579</u>
B/f at 1 September 2021	<u>897,093</u>	<u>313,158</u>	<u>7,217</u>	<u>1,217,468</u>

CUMBERLAND LODGE

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 AUGUST 2022

8. INVESTMENTS (GROUP AND CHARITY)			2022	2021
			£	£
Listed investments:				
Market value at 1 September			3,543,696	3,370,980
Additions			350,000	150,000
Disposals			-	(520,000)
Net gains /(losses)			(163,690)	542,716
			<u>3,730,006</u>	<u>3,543,696</u>
Market value at 31 August			<u>3,730,006</u>	<u>3,543,696</u>
Historical cost as at 31 August			<u>2,828,492</u>	<u>2,478,492</u>
9. DEBTORS: amounts falling due within one year	2022		2021	
	Group	Charity	Group	Charity
	£	£	£	£
Accommodation debtors	290,501	169,075	60,100	48,124
Other debtors and prepayments	76,777	76,777	94,536	94,535
Amounts due from subsidiary	-	-	-	25,965
	<u>367,278</u>	<u>245,852</u>	<u>154,636</u>	<u>168,624</u>
10. CREDITORS: amounts falling due within one year	2022		2021	
	Group	Charity	Group	Charity
	£	£	£	£
Trade creditors	76,982	76,982	25,317	25,317
Other taxation and social security	100,178	31,455	44,712	17,705
Other creditors, accruals and deferred income	513,865	365,828	550,494	384,515
Amounts owed to subsidiary		87,473		
	<u>691,025</u>	<u>561,738</u>	<u>620,523</u>	<u>427,537</u>
11. ANALYSIS OF DEFERRED INCOME	2022		2021	
	Group	Charity	Group	Charity
	£	£	£	£
Deferred income at 1 September	438,954	280,825	227,717	134,943
Released during the year	(438,954)	(280,825)	(227,717)	(134,943)
Applied during the year	374,682	233,571	438,954	280,825
	<u>374,682</u>	<u>233,571</u>	<u>438,954</u>	<u>280,825</u>
Deferred income at 31 August	<u>374,682</u>	<u>233,571</u>	<u>438,954</u>	<u>280,825</u>

CUMBERLAND LODGE

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 AUGUST 2022

12. ANALYSIS OF GROUP NET ASSETS BETWEEN FUNDS	Restricted Funds £	General Funds £	Total Funds £
2022			
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>
2021			
Fixed assets	23,695	1,193,773	1,217,468
Investments	-	3,543,696	3,543,696
Current assets	36,975	517,245	554,220
Current liabilities	-	(620,523)	(620,523)
Net assets at 31 August	<u>60,670</u>	<u>4,634,191</u>	<u>4,694,861</u>

13. ANALYSIS OF UNRESTRICTED GENERAL FUNDS

	1 September £	Surplus/ (loss) £	Gains/ (losses) £	Transfers £	31 August £
Group					
2022					
General funds	<u>2,950,593</u>	<u>420,761</u>	<u>(163,690)</u>	<u>209,128</u>	<u>3,416,792</u>
2021					
General funds	<u>1,823,390</u>	<u>(564,502)</u>	<u>542,716</u>	<u>1,148,989</u>	<u>2,950,593</u>
Charity					
2022					
General funds	<u>2,898,993</u>	<u>204,443</u>	<u>(163,690)</u>	<u>209,128</u>	<u>3,148,874</u>
2021					
General funds	<u>1,818,189</u>	<u>(610,901)</u>	<u>542,716</u>	<u>1,148,989</u>	<u>2,898,993</u>

CUMBERLAND LODGE

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 AUGUST 2022

14. ANALYSIS OF RESTRICTED FUNDS

	1 September £	Income £	Expenditure £	31 August £
2022				
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
Group total	60,670	-	(29,254)	31,416
2021				
Mews lighting project*	7,458	-	(500)	6,958
Chapel capital appeal*	8,318	-	(1,908)	6,410
Dining room furniture*	5,926	530	-	6,456
Basement refurbishment*	4,370	-	(500)	3,870
Scholarship scheme	1,830	-	-	1,830
Bursary fund	10,738	-	(738)	10,000
Conference grants	-	5,960	(814)	5,146
Project funding	-	20,000	-	20,000
Group total	38,640	26,490	(4,460)	60,670

Capital funds

As of 31 August 2022, 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 (2021: £36,975).

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 2022

15. DESIGNATED FUNDS

	Balance at 1 September 2021 £	Transfers £	Balance at 31 August 2022 £
Tangible fixed assets	1,217,468	(188,889)	1,028,579
Property fund	466,130	(20,239)	445,891
Total – Group and Charity	1,683,598	(209,128)	1,474,470

Tangible fixed assets

The fund represents assets which are essential for the provision of charitable activities. Funds transferred represent depreciation charged and the sale of an asset during the year.

Property fund

In respect of our duties as custodians of the buildings here at Cumberland Lodge, the Trustees consider that it is prudent to retain a property fund, available both for capital improvements and repairs and maintenance. In 2020, £500,000 was designated for this purpose, and of this £54,109 has so far been spent. A detailed 10-year maintenance and repairs plan is kept and updated as quotations are sought and work carried out.

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 £626,491 (2020: £141,478) 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 £51,602 (2021: £3,702) of gift aid relating to profits for the previous financial year.

At 31 August 2022 £87,473 was owed by the Charity to its subsidiary (2021: £25,965 owed by subsidiary to the Charity).

Canon Dr Edmund Newell is Vice-Patron of Windsor Festival Society, from whom the Charity generated £255 of income during the year (2021: nil), and Governor of The Royal School from whom the Charity generated £84 of income (2021: nil) No balances in relation to these transactions remained unpaid at the year end (2021: nil).

There were no other transactions with related parties during the year ended 31 August 2022 (2021: nil).

CUMBERLAND LODGE

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 AUGUST 2022

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 2022 £	Charity 2022 £	Group 2021 £	Charity 2021 £
In less than one year	20,100	20,100	9,810	9,810
In one to five years	30,150	30,150	-	-
	<u>50,250</u>	<u>50,250</u>	<u>9,810</u>	<u>9,810</u>
	Office equipment		Office equipment	
	Group 2022 £	Charity 2022 £	Group 2021 £	Charity 2021 £
In less than one year	-	-	239	239
In one to five years	-	-	-	-
	<u>-</u>	<u>-</u>	<u>239</u>	<u>239</u>

CUMBERLAND LODGE

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 AUGUST 2022

19. COMPARATIVE CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (2021):

	Notes	Unrestricted Funds £	Restricted Funds £	Total 2021 £
INCOME:				
Donations, legacies and grants		423,500	26,490	449,990
Charitable activities				
Cumberland Lodge conferences		20,975	-	20,975
Student and training conferences		184,609	-	184,609
Other trading activities				
Accommodation income		287,412	-	287,412
Rents and lettings		35,928	-	35,928
Investments		94,020	-	94,020
Other		307,556	-	307,556
		<u>1,354,000</u>	<u>26,490</u>	<u>1,380,490</u>
Total income				
EXPENDITURE:				
Costs of raising funds	3	138,570	2,908	141,478
Trading costs				
Expenditure on charitable activities				
Cumberland Lodge conferences	3	332,955	738	333,693
Student and training conferences		1,446,977	814	1,447,791
Total expenditure	3	<u>1,918,502</u>	<u>4,460</u>	<u>1,922,962</u>
		<u>(564,502)</u>	<u>22,030</u>	<u>(542,472)</u>
Net gains on investments		542,716	-	542,716
Net movement in funds				
Funds brought forward		<u>(21,786)</u>	<u>22,030</u>	<u>244</u>
Funds at 31 August 2021		<u><u>4,655,977</u></u>	<u><u>38,640</u></u>	<u><u>4,694,617</u></u>

CUMBERLAND LODGE

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 AUGUST 2022

20. POST BALANCE SHEET EVENT

The terms under which our charity Cumberland Lodge occupies the premises known as Cumberland Lodge are set out in an agreement known as a Royal Warrant. The death of Queen Elizabeth II on 8th September 2022 will trigger a review of the terms of the Royal Warrant. Trustees are of the view that the most likely outcome of any such review, the timing of which is still unclear, is that the charity will continue to enjoy occupation of the premises under substantially the same terms as previously.

CUMBERLAND LODGE

England & Wales - Charity number 1108677

Accounts

CUMBERLAND LODGE

(A Registered Charity and Company Limited by Guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2021

Company No. 05383055
Charity No. 1108677

CUMBERLAND LODGE

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2021

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CUMBERLAND LODGE

REFERENCE AND ADMINISTRATIVE DETAILS

FOR THE YEAR ENDED 31 AUGUST 2021

Status	The organisation is a charitable company limited by guarantee, incorporated in England and Wales on 4 March 2005.
Governing Document	The company was established under Memorandum and Articles which established the objects and powers of the charitable company.
Company Number	05383055
Charity Number	1108677
Registered & Operating Office	Cumberland Lodge, The Great Park, Windsor, Berkshire, SL4 2HP
Trustees	Baroness Prashar of Runnymede, CBE PC (Chairman) Charles Anson CVO DL (F19, B) Jane Furniss CBE (P, B) Alan Gemmell OBE (P, F20) Paul Hampden Smith* (A, F19, F20) John Lotherington (P, B) Simon Pearce* (F19, F20) (Honorary Treasurer) Baroness Pitkeathley of Caversham*, OBE (P, F20) (Vice Chair) Jayaprakasa Rangaswami (A, P,B) Stephen Harvey (from 14 October 2021) David Matthews (from 14 October 2021) (F19 – Member of the Finance and General Purposes Committee until October 2020; F20 from October 2020) (A – Member of the Audit Committee) (P – Member of the Programme Committee until 15 October 2020) (B – Member of the Business Development Committee from 16 October 2020) *term of office extended to provide continuity during the pandemic
Chief Executive	Canon Dr Edmund Newell
Bankers	HSBC Bank Plc, 105 Mount Pleasant, Tunbridge Wells, Kent, TN1 1QP
Solicitors	Farrer & Co LLP, 66 Lincoln's Inn Fields, London, WC2A 3LH
Investment Managers	CCLA, Senator House, 85 Queen Victoria Street London EC4V 4ET
Auditors	Haysmacintyre LLP, 10 Queen Street Place, London, EC4R 1AG

CUMBERLAND LODGE

CHAIRMAN'S REPORT

FOR THE YEAR ENDED 31 AUGUST 2021

Chairman's Report

The past year will be remembered not only for the devastating impact of the COVID-19 pandemic, but for the way in which it brought people together online. Harnessing the power of the internet proved invaluable for keeping many of us connected through months of physical separation, and enabled convening organisations such as Cumberland Lodge to continue operating. However, as a charity whose purpose and business model depend upon bringing people together physically, the pandemic raised some fundamental questions - would the appetite for face-to-face meetings return once lockdowns and other restrictions were lifted? Are online gatherings likely to replace physical events in the long term?

What we have witnessed here as life begins to return to normal is a strong desire for people to meet in person. We are therefore optimistic about our future in the 'new normal'. What's more, having now convened numerous online events, we are convinced that meeting face-to-face is preferable. We know from years of experience how much can be achieved when people meet together, not only in a conference room, but over the dinner table, in the bar, or on a walk in the park.

However, we also recognise that hybrid events are here to stay. They are practically convenient, and the ability to involve international participants and those unable to be here in person has proved invaluable. The pandemic has accelerated a process that was already taking place, and we are fortunate to have previously invested in the equipment and technical expertise to enable us to move seamlessly into this new way of working.

The past year has been demanding for all involved in running charities. I am grateful to my fellow Trustees, who have given freely of their time and expertise over the past year. In particular, I would like to thank Paul Hampden Smith, Simon Pearce and Jill Pitkeathley who agreed to remain on the Board beyond their term of office to help us on through the crisis period. In preparation for their departure in 2022, we have recently welcomed Stephen Harvey and David Matthews as Trustees, and I look forward to working with them in hopefully less demanding times ahead.

I also wish to thank the staff, who have worked tirelessly over the past year. Their commitment to our charitable purposes and to delivering a high-quality service to our clients is what makes Cumberland Lodge so special, and I hope that what follows gives a glimpse of this. I hope, too, that this report demonstrates the impact of our work and the desire to develop it further as we approach our 75th anniversary in 2022.

CUMBERLAND LODGE

CHIEF EXECUTIVE'S REPORT

FOR THE YEAR ENDED 31 AUGUST 2021

Chief Executive's Report

The past year has been challenging, to say the least. What I hope comes across in this report, however, is that as a result of a tremendous team effort we have come through it successfully. Despite not being able to hold residential events, we were able to maintain the momentum of the Cumberland Lodge Programme — a key aspect of our charitable work — by moving much of it online; and despite a year of almost no commercial income, careful financial management means that we have reserves available both to support us through continuing uncertainty due to the pandemic and to begin to rebuild — although our development plans have been affected by the overall financial impact of the pandemic, and new funding streams will need to be sought to support future development.

Cumberland Lodge Programme

Despite the constraints due to COVID-19, we delivered five conferences over the past year, four of which were moved online because of the pandemic: Faith and Belief 2040 (online, November 2020), the Commonwealth and International Students' Christmas Conference (online, December 2020), Climate Futures: Youth Perspectives (online, March 2021), the Police Conference Towards Justice: Law Enforcement & Reconciliation, (online, June 2021), and Life Beyond the PhD (at Cumberland Lodge, August 2021). We also held a follow-up consultation on the Climate Futures: Youth Perspectives conference (June 2020) and released two reports: Black Lives Matter (published 8 October 2020), a summary report from our Dialogue & Debate mini-series in July 2020, and Faith and Belief 2040 (published 24 June 2021). During the year we ran 11 Dialogue & Debate webinars and a series of three webinars in advance of the 2021 Police Conference. Our Annual Dialogue, organised in partnership with Goodenough College, was also moved online.

Supporting the local community

As ever, we have delivered a range of events with our supporters and local community in mind, which were particularly important given the social isolation caused by lockdowns. Over the year four Cumberland Conversations took place online. We also ran a fundraising special interest art event, The Artists of Nice, led by the former Bishop of St Albans, the Rt Revd Christopher Herbert. In September 2020 the première of the cantata Conference of the Birds, composed by Danyal Dhondy and commissioned by our friends from Cantata Dramatica, took place on the back lawn, also to raise funds for Cumberland Lodge. For much of the year we continued to run a Sunday service of Morning Prayer on behalf of the Royal Chapel in the Great Park, with which we have a close association.

Re-emerging from the pandemic

The need to rebuild is immediate, having moved from employing over 70 permanent and regular casual staff in 2019 to around 40 by the summer of 2021. We have thought carefully about staffing levels and roles needed going forward and have taken the opportunity to make some significant changes. After a consultation process, permanent staff have moved to 'annualised hours' contracts, which gives us far greater flexibility in terms of how staff are deployed to meet the ups and downs of activity levels, and much better cost control. This will be of significant long-term benefit. We are now looking to strengthen how we manage digital technology, for our own purposes and to ensure those who use our facilities are able to operate effectively in a hybrid environment of meeting in-person and on-line. This will be essential, as the way people meet and interact has fundamentally changed during the pandemic and will almost certainly continue.

Another change has been to involve a greater number of volunteers in our work, and we are immensely grateful to those who generously give of their time and expertise to help us in this way. During the period of closure, our new team of volunteer archivists and librarians have worked hard to reorganise our archive and collection of books, with the objective of making them accessible to a wider range of people than is currently possible. Such an exercise would not have been possible had we not been able to spread out books and papers across the Lodge for sorting for several months.

The closure provided a rare opportunity to undertake an extensive maintenance and redecoration programme. The Cumberland and Prince Christian dining rooms and the top floor of the Lodge have been completely redecorated, and a considerable amount of highly disruptive plumbing work has taken place. Overall, the Lodge is in extremely good decorative order, providing a comfortable and attractive venue for our own events and for external users.

CUMBERLAND LODGE

CHIEF EXECUTIVE'S REPORT

FOR THE YEAR ENDED 31 AUGUST 2021

Financial situation

In terms of finances, we began the pandemic with healthy reserves, and despite sustaining heavy losses during the initial stage of the pandemic in the last financial year 2019-20, we have managed to break even this financial year. Much of this, however, has been due to income which will not recur, including insurance payments, support from the Government's furlough scheme, and business recovery grants. Although, as I write this, the future remains uncertain, not just because of the pandemic, but also due to inflationary pressures and the possibility that our investments may have peaked in value. Current levels of reserves provide a measure of protection against these uncertainties, but not enough to support new initiatives.

With this in mind, we plan to forge more strategic partnerships where working together will not only be of mutual benefit in terms of increasing the impact of our work and that of our partners, but is likely to attract external funding. We will also reach out to those we have not approached before who might wish to support our work and enable it to grow.

Staff changes

Over the past year we have said farewell to Sarah Birch (Sales and Marketing Manager), Jan Bock (Programme Director), Charlotte Booth (Events Manager), Daren Bowyer (COO and Deputy Chief Executive), Natalie Brooks (Dining Room Supervisor), James Cooper (Night Porter and Bartender), Andrzej Makosz (Night Supervisor), Rachel Swaney (Housekeeping Supervisor), and Helen Taylor (Head of Communications). Recent appointees include Malcolm Gadd (Night Porter), Nicola Hine (Communications Manager), Danny Martin (Night Porter), Gareth Powell (Programme Manager), Tabitha Price (Duty Manager) and Raz Sorica (Electrician), while Alison Taggart re-joined us as Duty Manager and Sally Craig and Jayne Webb were promoted to the roles of Dining Room Supervisor and Housekeeping Supervisor respectively.

While it has been sad to say farewell to so many people over the past year and to lose considerable expertise and experience, the new arrivals bring new skills and ideas into the mix, which is important as we look to develop as we move beyond the pandemic. As ever, I am so grateful to my colleagues for all that they contribute to the life and work of the Lodge, and in particular for their commitment and adaptability over the past year, and positive attitude amid the frustration and uncertainty caused by the pandemic.

Looking ahead

Only a few months ago we had hoped that we were past the worst effects of the pandemic. The Lodge was full of returning groups and we achieved a small surplus in the first quarter of 2021-22. However, the emergence of the Omicron variant leaves in a further period of uncertainty. What we do know however, is that we have emerged from 2020-21 in leaner form, better adapted to weather the storm, and despite it all, able to approach our 75th anniversary in 2022 with optimism. The financial hit, while significant, was not catastrophic, and we were able to retain sufficient reserves to support us through continued uncertainty, whilst we continue to diversify our income. We have a strong programme of activities planned, and are able to deliver these in person or virtually. Projects are underway which focus on the societal impacts of climate change, drawing young people from disadvantaged backgrounds into our work, and engaging with schools at a national level. Our priority now is to find the resources to ensure we maximise the opportunities of these exciting and important projects.

CUMBERLAND LODGE

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2021

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 2021.

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

Set up after the Second World War as St Catharine's Foundation, based on Christian faith and philosophy, 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.

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;
- to increase student participation.

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.

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.

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. 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.

CUMBERLAND LODGE

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2021

In a 'normal' year, 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 also attend the lectures and conversations. For most of the financial year we were very restricted in the ways in which we could reach our audiences, but we made the most of our studio facilities and virtual conferencing to continue our work. Since the relaxation of lockdown restrictions from May 2021 we have gradually returned to live events and have a full programme of activities planned to take place at Cumberland Lodge during 2021-22.

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 (2020: none).

Financial review

When the pandemic started to impact on our activities in March 2020, our main sources of income simply disappeared. We cut costs where possible, in all reducing our operating costs by around a third. Although a small number of redundancies was inevitable, we took an early decision not to replace leavers unless essential, and to support remaining staff, some of whom have been with us for many years, by topping up furlough payments to maintain earnings. Once we were able to re-open, although we could not accommodate our usual numbers, we saw many of our long-term clients return, and indeed welcomed some completely new clients, attracted by our very special setting.

Whilst none of us can predict the continued impact of the pandemic, we are grateful that we have been able to continue our work both virtually and more recently in person, retained most of our staff, and covered much of our lost income. Careful investment of reserves built up over many years, together with insurance cover and government support have significantly reduced the impact of what would otherwise have seen an operating deficit of £1.8 million over the 18 months since March 2020.

We remain cautious, but also feel able to plan 2021-22 as a year both of recovery and celebration as we mark our 75th anniversary and plan for the future.

The operating deficit for 2020-21 of £542,472 (2020: £712,637) reflects the very restrictive conditions enforced on our activities due to the pandemic. However, Government COVID-19 support, including furlough grants, and a business interruption insurance claim provided a better outcome than anticipated when the £900,000 reserve was set aside last year. Investment growth in the year of £542,716 (2020: £66,941) enabled a very small net growth in total funds of £244 (2020 reduction of £645,696).

Reserves policy

As a charity whose principal activity is 'The provision of a residential conference centre in surroundings conducive to study, debate and interaction', the intervention of the COVID-19 pandemic has forced us, in common with many other charities, to reconsider our reserves policy. In a more normal year, most of our income is derived from groups attending conferences at the Lodge, and so the effects of the virus have drastically reduced our main regular sources of income.

We require reserves in order to meet our charitable purposes, both directly and indirectly, through supporting our commercial operations and maintaining our heritage property, Cumberland Lodge, which respectively provide income and the primary venue for our charitable activities.

Designated funds

At the time of finalising our 2019-20 financial statements, in February 2021, we forecast a substantial loss in 2020-21, and accordingly designated a fund of £900,000 to cover this. Since this date an insurance test case has enabled us to re-visit a claim for business interruption, we have benefitted from additional local authority support, furlough was extended, and our investments continued to grow throughout the year. We were also able to start re-opening to client groups from May 2021. As a result, the financial outcome for the year was

CUMBERLAND LODGE

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2021

considerably better than expected, producing an operating deficit of £542,472, which has been almost exactly covered by growth of £542,716 in our investments, which have performed very strongly.

We have been fortunate to receive one-off support to protect against what would otherwise have been a substantial financial hit as a result of the pandemic. However, although we are now seeing many clients return, some of these groups are in smaller numbers, and the global impact of the pandemic is not yet over. If there is a further wave there is no guarantee that we will be able to rely on the same sources of government support, and it is unlikely that our investments will grow at the same high rate seen during this year, which saw a 10-year high for the CCLA COIF fund in which they are held. The insurance protection from which we benefitted this year is no longer available in new policies. Accordingly, the Trustees feel that a return to former levels of activity is sufficiently uncertain to justify retaining the £900,000 designated against losses in 2019-20, but that a more appropriate place for it is as part of the general reserve. The designated fund has therefore been released.

In respect of our duties as custodians of the buildings here at Cumberland Lodge, the Trustees consider that it is prudent to retain a property fund, available both for capital improvements and repairs and maintenance. Two years ago, £500,000 was designated for this purpose. A decennial survey of the buildings was completed during 2020-21. This identified some larger-scale structural repairs which will need to be undertaken, and work has begun to identify suppliers and obtain quotations. During the year £33,870 was spent on repairs and maintenance beyond regular upkeep. The remaining fund will be released gradually over the next 10 years to enable the work to be completed.

A further designated fund recognises that a proportion of our funds is tied up in fixed assets which are not readily convertible to cash. At 31 August 2021 the required sum was £1,217,468 (2020: £1,432,586).

Undesignated funds

Previously, we determined that our most significant risk was a major catastrophe (e.g. fire) that substantially denies us the use of our principal facilities. Consequently, we required sufficient free reserves to continue to operate and to maintain at least a reduced programme of residential events, using off-site facilities as necessary, for up to 18 months while repairs and refurbishment take place, and for a reduced operation on-site for a further 12 months.

This risk remains key, as it is fundamental to being able to fulfil all three of our main purposes. Our estimate of these costs remains at £2-£2.2 million (2020: £2-£2.2 million). This sum is greater than the estimated costs of closure.

As explained above in the context of designated funds, the COVID-19 pandemic has prompted us to reconsider whether we should make some allowance for continued risk of forced closure and / or temporary income reduction as a result of the pandemic. Accordingly, we believe that the level of undesignated, unrestricted funds at £2,950,593 (2020: £1,823,390) is appropriate for the organisation at this time of uncertainty, providing £0.8 - £1 million further protection against lost income. This represents five to seven months' budgeted costs.

Endowment fund

Given the economic uncertainty ahead it is felt that now is not the appropriate time to restrict the use of funds unnecessarily and so the plans for an endowment fund seeded by the Charity's own funds have been put aside for at least the forthcoming year.

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

CUMBERLAND LODGE

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2021

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. The Trustees consider that the net gain on investments was very satisfactory.

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
Inadequate income	COVID-19 restrictions have now been lifted, and early signs of a return to more usual levels of occupancy and income are encouraging, although the spread of the Omicron variant has slowed this down. Booking trends are closely monitored, including comparison with the order book in earlier years. Work continues to diversify income streams, under the remit of our Business Development Committee. A strategic review of fundraising is currently in progress and the Finance and General Purposes Committee is specifically tasked with cost scrutiny.
Forced closure	Further COVID-19 or other pandemic restrictions are not inconceivable. Event contracts have been re-worked this year to give us more protection in this situation, and the reserves policy has been adapted to increase our reserve cover. Reserves are sufficient to enable partial continuation and recovery in the event of a fire.
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.
Loss of premises	Risks resulting in the loss of access to the building are mitigated by the fire safety system, insurance and discussion with the landlord. The condition of the buildings is constantly reviewed and both preventative and reactive maintenance measures are undertaken to ensure that the buildings are safe and efficient and offer appropriate facilities to all categories of users.

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.

CUMBERLAND LODGE

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2021

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 three committees of the Board (Finance and General Purposes, Audit, and Business Development) met to implement policy and exercise control. Trustees are represented on each committee. An additional Task Group was formed specifically to monitor response to the pandemic. This has now been disbanded.

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

During the financial year day-to-day management of the Charity was delegated to the Chief Executive, Chief Operating Officer and Finance Director, supported by other senior staff. Since the Chief Operating Officer's departure in October 2020, day-to-day management is delegated to the Chief Executive, Finance Director and a new post of Hospitality Director, filled by Merrill Ryan (formerly General Manager). 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.

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 and all staff is reviewed annually.

In view of the nature of the Charity, the Trustees 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;

CUMBERLAND LODGE

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2021

-
- 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.

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 27th January 2022 and signed on their behalf by:



Baroness Usha Prashar



Simon Pearce

CUMBERLAND LODGE

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CUMBERLAND LODGE

FOR THE YEAR ENDED 31 AUGUST 2021

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 2021 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 2021 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 2021

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 2021

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

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

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: 8 February 2022

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 2021

	Notes	Unrestricted Funds £	Restricted Funds £	Total 2021 £	Total 2020 £
INCOME:					
Donations, legacies and grants	2	423,500	26,490	449,990	215,908
Charitable activities					
Cumberland Lodge conferences		20,975	-	20,975	38,099
Student and training conferences		184,609	-	184,609	998,658
Other trading activities					
Accommodation income		287,412	-	287,412	535,974
Rents and lettings		35,928	-	35,928	19,613
Investments		94,020	-	94,020	107,362
Other income	2	307,556	-	307,556	21,424
Total income		<u>1,354,000</u>	<u>26,490</u>	<u>1,380,490</u>	<u>1,937,038</u>
EXPENDITURE:					
Costs of raising funds					
Trading costs		138,570	2,908	141,478	389,517
Expenditure on charitable activities					
Cumberland Lodge conferences		332,955	738	333,693	456,070
Student and training conferences		1,446,977	814	1,447,791	1,804,088
Total expenditure	3	<u>1,918,502</u>	<u>4,460</u>	<u>1,922,962</u>	<u>2,649,675</u>
		<u>(564,502)</u>	<u>22,030</u>	<u>(542,472)</u>	<u>(712,637)</u>
Gains on investments, net of charges		542,716	-	542,716	66,941
Net movement in funds		<u>(21,786)</u>	<u>22,030</u>	<u>244</u>	<u>(645,696)</u>
Funds brought forward		<u>4,655,977</u>	<u>38,640</u>	<u>4,694,617</u>	<u>5,340,313</u>
Funds carried forward		<u>4,634,191</u>	<u>60,670</u>	<u>4,694,861</u>	<u>4,694,617</u>

The notes on pages 18 - 31 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 2020 are shown in note 20.

CUMBERLAND LODGE

Company No. 05383055

CONSOLIDATED AND CHARITY BALANCE SHEETS

AT 31 AUGUST 2021

	Notes	2021 Group £	Charity £	2020 Group £	Charity £
FIXED ASSETS					
Tangible assets	7	1,217,468	1,217,468	1,432,586	1,432,586
Investments	8	3,543,696	3,543,696	3,370,980	3,370,980
		<u>4,761,164</u>	<u>4,761,164</u>	<u>4,803,566</u>	<u>4,803,566</u>
CURRENT ASSETS					
Stock		16,245	7,948	19,369	9,903
Debtors	9	154,636	168,624	122,633	157,316
Short term deposits and cash in hand		383,339	133,062	239,827	72,545
		<u>554,220</u>	<u>309,634</u>	<u>381,829</u>	<u>239,764</u>
CURRENT LIABILITIES					
Creditors: amounts falling due within one year	10	(620,523)	(427,537)	(490,778)	(352,413)
		<u>(66,303)</u>	<u>(117,903)</u>	<u>(108,949)</u>	<u>(112,649)</u>
NET CURRENT LIABILITIES					
		<u>(66,303)</u>	<u>(117,903)</u>	<u>(108,949)</u>	<u>(112,649)</u>
NET ASSETS		<u>4,694,861</u>	<u>4,643,261</u>	<u>4,694,617</u>	<u>4,690,917</u>
FUNDS					
Unrestricted general funds	12/13	2,950,593	2,898,993	1,823,390	1,818,189
Restricted funds	12/14	60,670	60,670	38,640	40,141
Designated funds	15	1,683,598	1,683,598	2,832,587	2,832,587
		<u>4,694,861</u>	<u>4,643,261</u>	<u>4,694,617</u>	<u>4,690,917</u>
TOTAL FUNDS		<u>4,694,861</u>	<u>4,643,261</u>	<u>4,694,617</u>	<u>4,690,917</u>

The deficit of the parent charity was £47,655. This comprises a deficit of £51,357 (2020: £799,395) plus donated profits from Cumberland Lodge Enterprises Ltd of £3,702 (2020: £415,033).

Approved and authorised for issue on 27th January 2022 by the Trustees and signed on their behalf by:


.....
Baroness Usha Prashar


.....
Simon Pearce

The notes on pages 18 - 31 form part of these financial statements.

CUMBERLAND LODGE

Company No. 05383055

STATEMENT OF CASH FLOWS AND CONSOLIDATED STATEMENT OF CASH FLOWS

AT 31 AUGUST 2021

	2021 £	2020 £
Net cash provided by operating activities	(305,163)	(490,840)
Cash flows from investing activities		
Investment income	94,020	107,362
Purchase of tangible fixed assets	(17,173)	(20,858)
Sale of tangible fixed assets	1,828	-
Purchase of investments	(150,000)	(3,019,749)
Sale of investments	520,000	3,019,897
Cash used in investing activities	448,675	86,652
Change in cash and cash equivalents in the year	143,512	(404,188)
Cash and cash equivalents at the beginning of the year	239,827	644,015
TOTAL CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	383,339	239,827

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

Net (deficit) /income for the year	244	(645,696)
Adjustments for:		
Depreciation charge	230,463	244,059
(Gains)/ losses on disposal of fixed assets	-	-
(Gains)/ losses on investments	(542,716)	(66,941)
Income from investments	(94,020)	(107,362)
(Increase) / decrease in debtors	(32,003)	159,169
Decrease in stock	3,124	6,488
Increase / (decrease) in creditors	129,745	(80,557)
Cash used in investing activities	(305,163)	(490,840)

CUMBERLAND LODGE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2021

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

The COVID-19 pandemic forced periods of closure and restricted activity upon us. Although the relaxation of restrictions has meant a swift return to more normal levels of activity for us, we are very aware that the pandemic is not over and that a return to restrictions may be more difficult for us to weather than previously, as government support may not be as generous, insurance is unlikely to cover loss of income, and our investment growth may have peaked. However, as the order book is recovering, and we have sufficient reserves to weather any difficulties for at least 12 months ahead, the Trustees consider there to be no material uncertainties regarding going concern, and so the going concern basis is considered to be 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.

Grants include Government grant income relating to the Coronavirus Job Retention Scheme (CJRS) and are recognised as receivable in line with the period that the expense has been incurred.

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 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 2021

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 2021

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 2021

2. INCOME	2021	2020
Voluntary income	£	£
Donations, legacies and grants	37,273	37,592
Coronavirus Job Retention Scheme grant	345,645	178,316
Coronavirus local authority support grants	67,072	-
	<u>449,990</u>	<u>215,008</u>

Other income

Business interruption insurance claim	300,000	-
Other income	7,556	21,424
	<u>307,556</u>	<u>21,424</u>

3. ANALYSIS OF EXPENDITURE	2021 Direct costs	2021 Support costs	2021 Total	2020 Total
	£	£	£	£
Fundraising	7,554	-	7,554	37,897
Charitable activities	892,412	881,518	1,773,930	2,222,261
Trading	67,106	74,372	141,478	389,517
Group total	<u>967,072</u>	<u>955,890</u>	<u>1,922,962</u>	<u>2,649,675</u>

	Trading	Fundraising	Charitable activities	2021 Total	2020 Total
Direct costs	£	£	£	£	£
Advertising & promotion	640	-	2,450	3,090	1,690
Bank & finance costs	2,176	-	-	2,176	103
Cumberland Lodge conference costs	-	-	6,993	6,993	57,003
Hospitality costs	5,830	-	51,610	57,440	241,046
IT equipment & support	-	-	200	200	0
Office supplies	325	-	182	507	597
Professional fees	5,849	7,554	-	13,403	14,355
Repairs & maintenance	75	-	887	962	7,503
Scholarship scheme	-	-	9,711	9,711	12,611
Staff costs	52,211	-	820,167	872,378	935,655
Travel & subsistence	-	-	212	212	1,883
Group total	<u>67,106</u>	<u>7,554</u>	<u>892,412</u>	<u>967,072</u>	<u>1,272,446</u>

CUMBERLAND LODGE

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 AUGUST 2021

	Trading	Fundraising	Charitable activities	2021 Total	2020 Total
	£	£	£	£	£
Support costs					
Administration	1,375	-	16,308	17,683	35,136
Advertising & promotion	590	-	6,988	7,578	13,543
Bank & finance costs	324	-	3,841	4,165	5,534
Buildings costs	12,843	-	152,226	165,069	194,303
Depreciation	17,931	-	212,532	230,463	244,057
IT equipment and support	3,450	-	40,890	44,340	59,778
Motor expenses	352	-	4,171	4,523	3,920
Office supplies	758	-	8,985	9,743	19,249
Professional fees	1,517	-	17,984	19,501	26,587
Repairs & maintenance	5,174	-	61,321	66,495	60,212
Staff costs	30,016	-	355,771	385,787	714,559
Travel & subsistence	42	-	501	543	351
Group total	74,372	-	881,518	955,890	1,377,230

Included within professional fees above were Governance costs of £17,157 (2020: £16,440) relating to Auditor's remuneration.

4. NET INCOME FOR THE YEAR

	2021 £	2020 £
This is stated after charging		
Auditor's remuneration (including irrecoverable VAT):		
Audit	15,540	14,862
Other Services	1,617	1,578
	<u>17,157</u>	<u>16,440</u>
Expenses reimbursed and paid on behalf of Trustees	<u>-</u>	<u>542</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 2021

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 of its profits to Cumberland Lodge under the Gift Aid scheme. The summary financial performance of the subsidiary alone is:

	2021 £	2020 £
Turnover	203,545	556,452
Cost of sales and administration costs	(151,943)	(402,751)
Net profit	51,602	153,701
Brought forward – retained in subsidiary	3,702	265,034
Gift-aided to the Charity in year	(3,702)	(415,033)
Retained in subsidiary	51,602	3,702
The current assets and liabilities of the subsidiary were:		
Current assets	309,564	194,060
Current liabilities	(427,468)	(190,358)
Total net assets	51,602	3,702
Aggregate share capital and reserves	51,602	3,702

6. STAFF COSTS AND NUMBERS

	2021 £	2020 £
Staff costs were as follows:		
Salaries and wages	1,063,811	1,407,852
Social security costs	96,171	122,202
Pension contributions	98,183	120,160
	1,258,165	1,650,214
The number of employees whose emoluments for the year fell within the following bands were:		
	Number	Number
£70,001 - £80,000	0	1
£80,001 - £90,000	1	1

These employees are accruing pension contributions totalling £8,702 (2020: £19,371). The total employee benefits (including pension contributions and employer's national insurance) of the key management personnel of the Group and Charity were £233,657 (2020: £236,207).

CUMBERLAND LODGE

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 AUGUST 2021

	2021 Number	2020 Number
The average number of employees during the year was as follows:		
Programme	5	8
Hospitality	28	32
Buildings & maintenance	5	5
Administration	6	8
	<u>44</u>	<u>53</u>

This analysis has been revised for 2021 (and 2020's comparative adjusted) to better reflect the structure of the organisation, and to include only permanent members of staff. The full-time equivalent number of staff in 2021 was 35 (2020: 45).

7. FIXED ASSETS (GROUP AND CHARITY)

	Improvements to property	Furniture, fittings & equipment	Motor Vehicles	Total
	£	£	£	£
Cost				
At 1 September 2020	3,301,484	1,734,411	37,880	5,073,775
Additions	17,173	-	-	17,173
Disposals	-	3,428	-	3,428
Balance at 31 August 2021	<u>3,318,657</u>	<u>1,730,983</u>	<u>37,880</u>	<u>5,087,520</u>
Accumulated depreciation				
At 1 September 2020	2,300,533	1,316,178	24,478	3,641,189
Charge for the year	121,031	103,247	6,185	230,463
Disposals	-	1,600	-	1,600
Balance at 31 August 2021	<u>2,421,564</u>	<u>1,417,825</u>	<u>30,663</u>	<u>3,870,052</u>
Net Book Value				
C/f at 31 August 2021	<u>897,093</u>	<u>313,159</u>	<u>7,217</u>	<u>1,217,468</u>
B/f at 1 September 2020	<u>1,000,951</u>	<u>418,233</u>	<u>13,402</u>	<u>1,432,586</u>

CUMBERLAND LODGE

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 AUGUST 2021

8. INVESTMENTS (GROUP AND CHARITY)	2021		2020	
	£		£	
Listed investments:				
Market value at 1 September	3,370,980		3,304,187	
Additions	150,000		3,019,749	
Disposals	(520,000)		(3,019,897)	
Net gains /(losses)	542,716		66,941	
	<u>3,543,696</u>		<u>3,370,980</u>	
Market value at 31 August	<u>3,543,696</u>		<u>3,370,980</u>	
	<u>2,478,492</u>		<u>2,848,492</u>	
Historical cost as at 31 August	<u>2,478,492</u>		<u>2,848,492</u>	
9. DEBTORS: amounts falling due within one year	2021		2020	
	Group	Charity	Group	Charity
	£	£	£	£
Accommodation debtors	60,100	48,124	29,977	12,867
Other debtors and prepayments	94,536	94,535	92,656	92,454
Amounts due from subsidiary	-	25,965	-	51,995
	<u>154,636</u>	<u>168,624</u>	<u>122,633</u>	<u>157,316</u>
10. CREDITORS: amounts falling due within one year	2021		2020	
	Group	Charity	Group	Charity
	£	£	£	£
Trade creditors	25,317	25,317	27,598	27,598
Other taxation and social security	44,712	17,705	46,411	54,956
Other creditors, accruals and deferred income	550,494	384,514	416,769	269,859
	<u>620,523</u>	<u>427,537</u>	<u>490,778</u>	<u>352,413</u>
11. ANALYSIS OF DEFERRED INCOME	2021		2020	
	Group	Charity	Group	Charity
	£	£	£	£
Deferred income at 1 September	227,717	134,943	274,169	182,007
Released during the year	(227,717)	(134,943)	(274,169)	(182,007)
Applied during the year	438,954	280,825	227,717	134,943
	<u>438,954</u>	<u>280,825</u>	<u>227,717</u>	<u>134,943</u>
Deferred income at 31 August	<u>438,954</u>	<u>280,825</u>	<u>227,717</u>	<u>134,943</u>

CUMBERLAND LODGE

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 AUGUST 2021

12. ANALYSIS OF GROUP NET ASSETS BETWEEN FUNDS	Restricted Funds £	General Funds £	Total Funds £
2021			
Fixed assets	23,695	1,193,773	1,217,468
Investments	-	3,543,696	3,543,696
Current assets	36,975	517,245	554,220
Current liabilities	-	(620,523)	(620,523)
Net assets at 31 August	<u>60,670</u>	<u>4,634,191</u>	<u>4,694,861</u>
2020			
Fixed assets	2,908	1,429,678	1,432,587
Investments	-	3,370,980	3,370,980
Current assets	35,732	346,097	381,829
Current liabilities	-	(490,778)	(490,777)
Net assets at 31 August	<u>38,640</u>	<u>4,655,977</u>	<u>4,694,619</u>

13. ANALYSIS OF UNRESTRICTED GENERAL FUNDS

	1 September £	Surplus/ (loss) £	Gains/ (losses) £	Transfers £	31 August £
Group					
2021					
General funds	<u>1,823,390</u>	<u>(564,502)</u>	<u>542,716</u>	<u>1,148,989</u>	<u>2,950,593</u>
2020					
General funds	<u>3,152,906</u>	<u>(719,657)</u>	<u>66,941</u>	<u>(676,800)</u>	<u>1,823,390</u>
Charity					
2021					
General funds	<u>1,818,189</u>	<u>(612,401)</u>	<u>542,716</u>	<u>1,148,989</u>	<u>2,898,993</u>
2020					
General funds	<u>2,887,873</u>	<u>(458,323)</u>	<u>66,941</u>	<u>(676,800)</u>	<u>1,818,189</u>

CUMBERLAND LODGE

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 AUGUST 2021

14. ANALYSIS OF RESTRICTED FUNDS

	1 September £	Income £	Expenditure £	31 August £
2021				
Mews lighting project*	7,458	-	(500)	6,958
Chapel capital appeal*	8,318	-	(1,908)	6,410
Dining room furniture*	5,926	530	-	6,456
Basement refurbishment*	4,370	-	(500)	3,870
Scholarship scheme	1,830	-	-	1,830
Bursary fund	10,738	-	(738)	10,000
Conference grants	-	5,960	(814)	5,146
Project funding	-	20,000	-	20,000
Group total	38,640	26,490	(4,460)	60,670
2020				
Mews lighting project*	7,958	-	(500)	7,458
Chapel capital appeal*	10,226	-	(1,908)	8,318
Dining room furniture*	2,856	3,070	-	5,926
Basement refurbishment*	4,870	-	(500)	4,370
Scholarship scheme	2,843	-	(1,013)	1,830
Bursary fund	1,427	10,000	(689)	10,738
Conference grants	1,440	13,715	(15,155)	-
COVID-19 food parcels	-	13,249	(13,249)	-
Group total	31,620	40,034	(33,014)	38,640

Capital funds

As of 31 August 2021, 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 £36,975 (2020: £13,068).

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 2021

15. DESIGNATED FUNDS

	Balance at 1 September 2020 £	Transfers £	Balance at 31 August 2021 £
Tangible fixed assets	1,432,587	(215,119)	1,217,468
Property fund	500,000	(33,870)	466,130
COVID-19 impact fund	900,000	(900,000)	-
Total – Group and Charity	2,832,587	(1,148,989)	1,683,598

Tangible fixed assets

The fund represents assets which are essential for the provision of charitable activities. Funds transferred represent depreciation charged and the sale of an asset during the year.

Property fund

In respect of our duties as custodians of the buildings here at Cumberland Lodge, the Trustees consider that it is prudent to retain a property fund, available both for capital improvements and repairs and maintenance. Last year, £500,000 was designated for this purpose, and of this £33,870 has been spent. A detailed 10-year maintenance and repairs plan is kept and updated as quotations are sought and work carried out.

COVID-19 impact fund

This fund was set aside last year to cover the anticipated impact of losses during the pandemic. This was not required during the year, due to various source of one-off income; accordingly the balance has been undesignated and has been included in undesignated funds, where it is held to protect against continuing market uncertainties due to the pandemic.

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

In 2021 the following transactions took place between the Charity and its wholly-owned subsidiary:

Cumberland Lodge recharged £141,478 (2020: £389,517) 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. Cumberland Lodge Enterprises Limited has paid £3,702 during 2021 in gift aid relating to profits for the year ended 31 August 2020. No gift aid relating to profits in the current year was paid during the year. At 31 August 2021 an amount of £51,602 (2020: £51,995) was owed by Cumberland Lodge Enterprises Limited to its parent company, Cumberland Lodge in respect of the above transactions.

CUMBERLAND LODGE

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 AUGUST 2021

Until 3 July 2021, Canon Dr Edmund Newell, Chief Executive of Cumberland Lodge and a Director of Cumberland Lodge Enterprises Limited, was a Trustee of the AMAR International Charitable Foundation which held an event at Cumberland Lodge during 2020-21. The event was charged in accordance with Cumberland Lodge standard pricing and the income earned by Cumberland Lodge Enterprises Limited from the booking totalled £19,629 (2020: £7,165). No balance in relation to this remained unpaid at the year end (2020: nil).

Canon Dr Edmund Newell is Vice-Patron of Windsor Festival Society, with whom there were no transactions during the year (2020: income of £277). No balance in relation to this remained unpaid at the year end (2020: nil).

There were no other transactions with related parties during the year ended 31 August 2021 (2020: 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 2021 £	Charity 2021 £	Group 2020 £	Charity 2020 £
In less than one year	9,810	9,810	-	-
In one to five years	-	-	19,620	19,620
	<u>9,810</u>	<u>9,810</u>	<u>19,620</u>	<u>19,620</u>
	<u><u>9,810</u></u>	<u><u>9,810</u></u>	<u><u>19,620</u></u>	<u><u>19,620</u></u>
	Office equipment		Office equipment	
	Group 2021 £	Charity 2021 £	Group 2020 £	Charity 2020 £
In less than one year	239	239	478	478
In one to five years	-	-	239	239
	<u>239</u>	<u>239</u>	<u>717</u>	<u>717</u>
	<u><u>239</u></u>	<u><u>239</u></u>	<u><u>717</u></u>	<u><u>717</u></u>

19. POST BALANCE SHEET EVENT

At the year end, we were hopeful of a gradual return to normal levels of activity as the world recovered from the COVID-19 pandemic. Activity in the early months of 2021-22 appeared to bear this out, with a surplus being generated in the first quarter. Most of our regular clients were re-booking for events in 2021-22, and we were attracting some new clients, as people sought safe opportunities to hold face-to-face events. However, since the spread of the Omicron variant, we have seen a reduction in expected revenue in December and cancellations affecting bookings into 2022. In 2020-21 we were able to cut costs and benefit from pandemic relief in the form of furlough and government grants, as well as claim on business interruption insurance. We also saw substantial growth in our investments.

CUMBERLAND LODGE

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 AUGUST 2021

If the pandemic continues to affect income, the picture will be rather different in 2021-22, as none of these options is likely to offer much in the way of support. It is likely that 2021-22 will produce a deficit, which may take some time to turn around. We are fortunate in having sufficient reserves to cover at least a year ahead, and consequently the Trustees are of the opinion that it is still appropriate to prepare the financial statements on a going concern basis. Nevertheless, the future remains uncertain, and we will continue to focus on diversifying income and developing a long-term fundraising strategy.

CUMBERLAND LODGE

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 AUGUST 2021

20. COMPARATIVE CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (2020):

	Notes	Unrestricted Funds £	Restricted Funds £	Total 2020 £
INCOME:				
Donations, legacies and grants		189,589	26,319	215,908
Charitable activities				
Cumberland Lodge conferences		24,384	13,715	38,099
Student and training conferences		998,658	-	998,658
Other trading activities				
Accommodation income		535,974	-	535,974
Rents and lettings		19,613	-	19,613
Investments		107,362	-	107,362
Other		21,424	-	21,424
Total income		<u>1,897,004</u>	<u>40,034</u>	<u>1,937,038</u>
EXPENDITURE:				
Costs of raising funds	3			
Trading costs		376,268	13,249	389,517
Expenditure on charitable activities	3			
Cumberland Lodge conferences		453,270	2,800	456,070
Student and training conferences		1,787,123	16,965	1,804,088
Total expenditure	3	<u>2,616,661</u>	<u>33,014</u>	<u>2,649,675</u>
		(719,657)	7,020	(712,637)
Net gains on investments		<u>66,941</u>	-	<u>66,941</u>
Net movement in funds		(652,716)	7,020	(645,696)
Funds brought forward		<u>5,308,693</u>	<u>31,620</u>	<u>5,340,313</u>
Funds at 31 August 2020		<u><u>4,655,977</u></u>	<u><u>38,640</u></u>	<u><u>4,694,617</u></u>

CUMBERLAND LODGE

England & Wales - Charity number 1108677

Accounts

CUMBERLAND LODGE

(A Registered Charity and Company Limited by Guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2020

Company No. 05383055
Charity No. 1108677

CUMBERLAND LODGE

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2020

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CUMBERLAND LODGE

REFERENCE AND ADMINISTRATIVE DETAILS

FOR THE YEAR ENDED 31 AUGUST 2020

Status	The organisation is a charitable company limited by guarantee, incorporated on 4 March 2005.
Governing Document	The company was established under Memorandum and Articles which established the objects and powers of the charitable company.
Company Number	05383055
Charity Number	1108677
Registered & Operating Office	Cumberland Lodge, The Great Park, Windsor, Berkshire, SL4 2HP
Trustees	Baroness Usha Prashar (Chairman) CBE PC, appointed 9 January 2019 Charles Anson CVO DL (F19, B) Sir Malcolm Evans KCMG OBE (P), resigned 16 January 2020 Jane Furniss CBE (P, B) Alan Gemmell (P, F20), appointed 10 October 2019 Paul Hampden Smith (A, F19, F20, I) John Lotherington (P, B), appointed 26 July 2019 Baroness Ruby McGregor Smith CBE (A, I), resigned 19 March 2020 Simon Pearce (F19, F20, I) Baroness Pitkeathley of Caversham, OBE (P, F20) Jayaprakasa Rangaswami (A, P,B), appointed 16 January 2020 (F19 – Member of the Finance and General Purposes Committee until October 2020; F20 from October 2020) (A – Member of the Audit Committee) (I – Member of the Investment Committee until 20 July 2020) (P – Member of the Programme Committee until 15 October 2020) (B – Member of the Business Development Committee from 16 October 2020)
Honorary Treasurer	Simon Pearce
Chief Executive	Canon Dr Edmund Newell
Bankers	HSBC Bank Plc, 105 Mount Pleasant, Tunbridge Wells, Kent, TN1 1QP
Solicitors	Farrer & Co LLP, 66 Lincoln's Inn Fields, London, WC2A 3LH
Investment Managers	Kleinwort Hambros, 8 St James's Square, London, SW1Y 4JU (to April 2020) CCLA, Senator House, 85 Queen Victoria Street London EC4V 4ET (from March 2020)
Auditors	Haysmacintyre LLP, 10 Queen Street Place, London, EC4R 1AG

CUMBERLAND LODGE

CHAIRMAN'S REPORT

FOR THE YEAR ENDED 31 AUGUST 2020

Chairman's report

As a charity that brings people together for discussions, and receives most of its income from conferences, the impact of COVID-19 on Cumberland Lodge has been severe. In 2020, our buildings were closed from mid-March until the end of August, resulting in the cancellation of some of our own events, as well as depriving us of conference income from visiting groups and organisations.

Cost-cutting measures taken in the summer, including some staff redundancies and an internal restructuring exercise to maximise efficiencies, have reduced our cost base by 35%, the benefit of which will mostly be seen in the coming financial year. There has been no significant recovery since being able to reopen, owing to bookings being cancelled or postponed in light of the ongoing pandemic and its wider economic impacts.

The reason for our closure was, of course, to protect people, and this has been our number one priority throughout the pandemic. While, at the time of writing, nobody on site has been taken ill, sadly our Visitor, Sir John Laws, died in March 2020 after contracting COVID-19. Shortly afterwards, we also heard of the death of one of my predecessors, Sir Eric Anderson. We are immensely grateful to John and Eric for their unerring commitment and friendships, and for all they did to make Cumberland Lodge such an inspiring and convivial organisation. We offer our deepest condolences to their families.

While the financial situation at Cumberland Lodge remains serious, we are fortunate to have sufficient free reserves to prevent the immediate threat of insolvency. We are using a portion of these, carefully and strategically, as a buffer, while we put in place a new business model and a strategy for continuing to develop our own programme of activities. Our objective is to come through this difficult period stronger, as an organisation, if financially poorer, and we are pouring our energies into paving the way for an invigorating and increasingly impactful future.

This year's Chief Executive's report demonstrates clearly how our programme has continued to build a movement for positive change, offering transformational experiences for participants, and generating cross-sector ideas and recommendations on a range of issues relating to social cohesion, which are valuable to practitioners in many fields and to those who shape social policy.

We are committed to maintaining this momentum, and one of the main ways we are doing this is by harnessing the power and scope of new digital opportunities. We are particularly thankful that our investment in a multi-media studio and new audio-visual equipment last year, as well as staff training in webcasting, means that we have been well-placed to keep our work going online while we have been unable to host guests at Cumberland Lodge in person.

Over the past year, Sir Malcolm Evans and Baroness McGregor Smith stepped down from the Board, and I am grateful to them both for their expertise and valued contributions to our work. We also welcomed Alan Gemmell OBE and JP Rangaswami as new trustees and I look forward to working with them over the coming years.

Crises of the kind we are now facing often amplify the qualities of individuals and organisations. What struck me in particular, in 2020, was the tenacity, agility and calmness of the staff and my fellow trustees in dealing with the challenges that the COVID-19 pandemic poses. I am grateful to everyone who has contributed to safeguarding the future of this important institution, this year, and confident that these qualities will not only see us through the present crisis, but enable us to grow and flourish in whatever our 'new normal' world will be.

CUMBERLAND LODGE

CHIEF EXECUTIVE'S REPORT

FOR THE YEAR ENDED 31 AUGUST 2020

Chief Executive's report

If there is one word to describe the effect of COVID-19 on the work of Cumberland Lodge, it is 'digital'. Long before the pandemic, we had taken the decision to develop our digital presence in order to expand our reach and become increasingly agile in our response to current events. So, when lockdown forced us to close for physical events in March 2020, we were well-placed to move our work online. I am pleased to say that this was a fairly seamless transition and one that has allowed us to build our networks and involve ever larger numbers of people in the conversations we convene.

During the autumn of 2019, we live-streamed a number of events, including a discussion on *Defending Democracy: Checks and Balances under the Rule of Law* led by Neal Katyal (former Acting Solicitor-General to the United States) and Lord (David) Anderson QC (our recently appointed Visiting Fellow). Then, in January 2020, when we launched our 'Dialogue & Debate' webinar series, we started live-streaming from our new multi-media studio. As with all our work, our webinars involve people of different ages, backgrounds and perspectives in candid conversation on pressing aspects of social cohesion. The emphasis is on constructive discussion that draws on different viewpoints and perspectives, and we were delighted to launch this initiative with an exploration of *The Art of Reflection in a Digital Age*, involving another of our Visiting Fellows, Dr Rowan Williams, and Sophie Deen, CEO of the children's media company Bright Little Labs. Subsequent webinars have included a four-part mini-series on issues of social cohesion relating to the *Black Lives Matter* movement, and discussions on *Finding Common Values*, *How Future Literate is the Charity Sector?*, *A Good Death and The Community*, *Reimagining the High Street*, *Faith Responses to COVID-19*, *Fake News and Press Freedom*, and *Polarisation and The Pandemic*. They have been hosted by our staff, trustees and Cumberland Lodge Scholars. During the first national lockdown alone, these webinars and our other online events involved around 10,000 participants, which bodes well as we continue to develop this stream of work. As well as 'Dialogue & Debate', we brought to fruition a series of other initiatives set out in our five-year plan for 2016–21, *Raising our Game*. These included consolidating a methodology whereby our cross-sector projects begin with research conducted by a freelance Research Associate, to shape and inform discussions at a residential conference held at Cumberland Lodge. Key themes and ideas that emerge from those discussions are then collated in a draft report, which is reviewed and refined by conference participants and further specialists in the relevant field, before being published and launched at a public event in Westminster. Thus, in autumn 2019, we launched the reports from our previous year's conferences, in central London, on *Race in Britain* (in partnership with the Runnymede Trust), *Difficult Histories & Positive Identities*, and *Working Identities*. In October 2019, we also convened a consultation on *Understanding and Policing Gangs*, to review the draft report prepared after our June 2019 conference on this topic, and we launched our final report at New Scotland Yard in January 2020. Our cross-sector conference on *Resilient Communities*, convened in partnership with the Young Foundation in February 2020, was followed by a consultation via Zoom during the first national lockdown, in May 2020, and an online launch event in July 2020. The topical nature of this work has resulted in significant interest. Our *Digital Inclusion: Bridging Divides* conference in November 2019 was followed by a virtual consultation in March 2020 and an online launch in August 2020. In this sense, we were well placed to carry out our work and continue to make a meaningful impact, despite the physical constraints of the pandemic.

Within a short period, we have generated a considerable range of concrete outputs – from interdisciplinary briefings and cross-sector reports to interactive webinars, podcasts, blog posts, live-streams, and a considerable library of audio and video recordings, which is precisely what we aimed to achieve from the five-year plan.

Looking ahead, we are seeking to develop our work in two main ways: by convening a wider range of partners, at the outset of a project, who are likely to take action in response to the ideas and recommendations that are generated; and by initiating our own spin-off projects to further support the implementation of those recommendations. An example of the latter can be seen in the partnership we have established with Royal Holloway, University of London, to develop resources for schools that encourage a balanced interpretation and exploration of Britain's colonial history, in line with recommendations from our 2019 *Difficult Histories & Positive Identities* report.

Mindful of our connections with the Commonwealth, we were pleased to work with the Commonwealth Secretariat, the British Council and the Association of Commonwealth Universities to convene a conference for youth leaders from across the Commonwealth in December 2019. The recommendations from *Commonwealth Futures: Youth Perspectives*, concerning ICT innovation, the rule of law and leadership, have

CUMBERLAND LODGE

CHIEF EXECUTIVE'S REPORT

FOR THE YEAR ENDED 31 AUGUST 2020

been fed into the Commonwealth Youth Forum, which in turn will feed into the postponed 26th Commonwealth Heads of Government Meeting (CHOGM).

Our Commonwealth links were also expressed through our Commonwealth and International Students' Christmas Conference in 2019, which this year explored the role of digital technologies in promoting progress towards more peaceful, open and inclusive societies, and our flourishing Emerging International Leaders programme on Freedom of Religion or Belief, for Commonwealth and Chevening scholars studying in the UK. Although the final residential retreat for the latter could not take place this year, we held a condensed programme online instead. We were delighted, as well, to renew our association with Goodenough College in London, which hosted our 2019 Annual Dialogue, ensuring that we had a lively audience of international students for the discussion on *Challenges for Democracy in the Digital Age* between Lord Howell, Dr Katharine Domett, and Marnie Howlett, chaired by our Chairman, Baroness Prashar.

Another way in which we are seeking to expand our work is to encourage sixth-form students to think critically about contemporary issues through the lens of Amy Buller's 1943 book, *Darkness over Germany*, which was instrumental in the post-war establishment of Cumberland Lodge as a centre for intergenerational dialogue. A trial event was held at the Marist School in Sunninghill, in November 2019, involving 29 students from local schools, and we are currently developing an online resource for national use, to be launched in 2021.

Unfortunately, the pandemic restricted the number of events we were able to hold this year for the Friends of Cumberland Lodge and our wider local community. Nevertheless, we marked the restoration of our historic collection of Crimean War prints by convening a Cumberland Conversation with the war artist Arabella Dorman. Earlier in the day, Arabella had officially opened the refurbished Hobson Corridor, where the prints are on display. The corridor is named after the late Sir Ronald Hobson, a generous benefactor to Cumberland Lodge who provided a grant to restore the print collection. Shortly before the first national lockdown, in March 2020, we held a live-streamed Conversation with Baroness Hale, having decided not to host an audience on-site as cases of COVID-19 were rising rapidly. Before Christmas, singer-songwriter Ana Silvera also performed a fundraising concert for us in our new performance space in the basement, The Vaults. We were delighted to display an exhibition of paintings by local artists Sally Anne and Peter Jones in our main corridor for much of the year, before installing our new semi-permanent exhibition boards charting the history and heritage of the Lodge. Meanwhile we continued to host our popular Dining Club, which is an income-generating initiative that helps us to make new connections locally.

Our New Year Shakespeare retreat explored *The Merchant of Venice*, and as well as contributions by Dr Rowan Williams, the Rev Dr Paul Edmondson, Dr Amanda Piesse and Sir Stanley Wells, we were joined by Rowan Mackenzie, an award-winning doctoral researcher from the Shakespeare Institute at the University of Birmingham, theatre director Bill Alexander, and actors Anton Lesser and John McAndrew. We also hosted three literary events for the 2019 Windsor Festival, with Sadie Jones speaking about her novel *The Snakes*, Simon Heffer on his book *Staring at God: Britain in the Great War*, and a seminar on my own book, *The Sacramental Sea: A Spiritual Voyage through Christian History*.

We are always pleased to play our part in the local community, and so it was particularly good to be able to use our catering facilities and work in partnership with the Crown Estate to provide supplies of food to pensioners living in the Great Park during the early part of the first COVID-19 lockdown. We also partnered with the Royal Chapel in the Great Park to provide a weekly online Sunday morning service while the chapel was closed, and this is ongoing, as the number of people allowed in the chapel is still restricted because of the need to maintain social distancing.

During the year we were also pleased to help the AMAR International Charitable Foundation by accommodating a choir of young Yezidi women and other musicians from Iraq, who were in the UK to raise awareness of how the Yezidi people have been affected by attacks from ISIS. During their time with us, they performed a concert in the library for a small invited audience, which was recorded and broadcast for *Music Planet* on BBC Radio 3.

The Cumberland Lodge Scholarship scheme, which is now in its seventh year, goes from strength to strength. This year we appointed ten new scholars who are studying for doctorates at universities across the UK, and in the summer we held a virtual reunion to bring together past and present scholars. It is particularly good that past scholars are staying in touch and returning to participate in our events, which is what we hoped would happen when the scheme was introduced in 2014. As ever, we held an annual autumn retreat for the scholars, and were honoured and delighted when the Patron of Cumberland Lodge, Her Majesty The Queen, met privately with current scholars in the spring to find out more about their role with us.

Despite having to postpone our summer Police Conference on justice and reconciliation until 2021, and cancel our annual Life Beyond the PhD conference in August 2020, being well prepared to move the majority of our

CUMBERLAND LODGE

CHIEF EXECUTIVE'S REPORT

FOR THE YEAR ENDED 31 AUGUST 2020

programme online meant that we were able to deliver an extensive range of events during lockdown. Although our experience of online working has reinforced our belief that face-to-face meetings are more effective than those held over the internet, it has also highlighted the potential for hybrid events that enable people to take part who might not otherwise attend. This will be an important consideration in future planning, not least because greater use of virtual and blended meetings is likely to become the norm in society as a whole.

Finances

Over the past year, we expended £2.3 million on delivering our charitable objectives. This included providing subsidised places for 2,949 students from 22 higher education institutions to attend residential study retreats at Cumberland Lodge, including 15 fully funded bursary places to allow applicants with limited financial means to attend with their peers. We also supported 20 Cumberland Lodge Scholarships and an Amy Buller Scholarship in association with Royal Holloway, University of London. In the first half of the year – ahead of the first national lockdown of the COVID-19 pandemic – we awarded 16 bursaries to enable PhD students working in relevant fields to take part in our cross-sector residential conferences.

The impact of the pandemic on our income has been significant. The closure of Cumberland Lodge for on-site events between March and August 2020 resulted in an estimated loss of conference income of £1.1m. To mitigate this loss, significant cost-cutting measures were taken, including, sadly, some staff redundancies, and reducing the level of subsidised educational activities planned for 2020–21. As the lockdown eased, we were able to generate some income by reopening for socially distanced afternoon teas on the lawn, which proved very popular, but we were still unable to host larger visiting groups.

Last year's annual report highlighted our relatively high level of reserves, which are required both for protecting the work of the charity and maintaining the large complex of historic, listed buildings that we are responsible for. As the Chairman's report makes clear, the wisdom of this policy of maintaining substantial reserves quickly became evident during the pandemic. However, although this has protected us from the threat of insolvency, we are acutely aware that the economic impact of the pandemic will be long-term. For that reason, we are reviewing our current business model. We are particularly conscious of the lack of diversity in our income streams, with a high dependency on conference income and, within that, a particular reliance on business from the higher-education sector.

As well as developing a wider client base, we are also reviewing our approach to fundraising and how we plan and deliver our charitable activities. Before the pandemic, we had already begun to explore the potential for increased partnership working with funding organisations whose objectives and areas of work align with ours. As well as the financial benefits of this model, it offers potential for scaling up our work and increasing its impact.

People

Staff departures this year included: Dr Daren Bowyer (Chief Operating Officer and Deputy Chief Executive), Dr Jan-Jonathan Bock (Programme Director), Katy Crowe (Development Director), Matthew Hancock (Sales and Marketing Manager), Deborah West (Executive Assistant), Emma Alberty (Friends, Outreach and Alumni Officer), Alison Taggart and Crystal Chillingworth (Duty Managers), Jane Bailey (Accountant) and Ethan Coombridge (Programme Assistant). We are grateful to all that they contributed to the life and work of Cumberland Lodge.

We also welcomed four new members of staff to the team: Sarah Birch (Head of Meetings and Events), Nasima Khatun (Management Accountant), Charlotte Booth (Event Manager) and Joe Adams (Maintenance Assistant).

Concluding remarks

At this time of rapid change and great uncertainty, it is good to look back over the past year and be reminded of what has been achieved, whilst operating under severe financial and logistical constraints. Although some of our work has been curtailed, we have, at the same time, developed new ways of operating online, and responded quickly and positively to the unprecedented challenges that we have faced. This has only been possible thanks to the commitment and resilience of our wonderful team of staff and Board of Trustees, who work so hard to make Cumberland Lodge such a vibrant and effective organisation.

CUMBERLAND LODGE

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2020

Trustees' 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 2020.

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

Objectives and activities

Set up after the Second World War as St Catharine's Foundation, based on Christian faith and philosophy, 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.

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;
- to increase student participation.

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.

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.

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. 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.

CUMBERLAND LODGE

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2020

In a more 'normal' year, 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 also attend the lectures and conversations. Since March 2020 we have been very restricted in the ways in which we can reach our audiences, but have made the most of our studio facilities and virtual conferencing to continue our work.

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.

Financial review

Up until the end of March 2020, the Charity generated a small operating surplus, in line with the previous year and ahead of budget. Unfortunately since then COVID-19 restrictions have severely limited our ability to generate income, and the Charity produced an operating deficit for the year of £645,696. Total incoming resources of £1,937,038 represent a year-on-year fall of 33%. Net deficit before gains on investments for the year was £712,637 (2019: net deficit £32,644). After investment gains of £66,941, there was a reduction in reserves of £645,696 (2019: £72,972 increase).

Reserves policy

As a charity whose principal activity is 'The provision of a residential conference centre in surroundings conducive to study, debate and interaction', the intervention of the COVID-19 pandemic has forced us, in common with many other charities, to reconsider our reserves policy. In a more normal year, most of our income is derived from groups attending conferences at the Lodge, and so the effects of the virus have drastically reduced our income, and are likely to continue to do so over at least the coming months.

We believe that there are three main purposes for which we require reserves. Firstly, to meet our charitable purposes, secondly to support our commercial operations, which in turn provide income for our charitable activities, and finally to enable us to act as responsible custodians for our heritage property, Cumberland Lodge, (for which we have responsibility for all repairs and maintenance).

Designated funds

Whilst we have been creative in developing additional income streams and focussing on opportunities for smaller groups, together with virtual events, the impact will continue to be felt for at least some months to come. Accordingly we are forecasting a substantial loss in 2020-21, and have designated a fund of £900,000 to cover this, allowing us to continue with adapted versions of our programme work in the meantime, as well as continue to diversify our income sources and plan ahead for the future, including a major fundraising drive for our 75th anniversary in 2022. This fund therefore supports the first two of the purposes outlined above.

In respect of our duties as custodians of the buildings here at Cumberland Lodge, the trustees consider that it is prudent to retain a property fund, available both for capital improvements and repairs and maintenance. Last year, £500,000 was designated for this purpose. A decennial survey of the buildings has recently been undertaken. This will assist the preparation of a detailed plan, which is likely to see work commencing towards the end of 2020-2021. The fund will be reassessed when the working plan is complete.

A further designated fund recognises that a proportion of our funds is tied up in fixed assets which are not readily convertible to cash. At 31 August 2020 the required sum was £1,432,587.

CUMBERLAND LODGE

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2020

Undesignated funds

Previously, we determined that our most significant risk was a major catastrophe (e.g. fire) that substantially denies us the use of our principal facilities. Consequently, we required sufficient free reserves to continue to operate and to maintain at least a reduced programme of residential events, using off-site facilities as necessary, for up to 18 months while repairs and refurbishment take place, and for a reduced operation on-site for a further 12 months.

This risk remains key, as it is fundamental to being able to fulfil all three of our main purposes. However, having reduced our operations during the pandemic, our estimate of these costs has fallen to £1.7- £1.9 million (2019: £2-£2.2 million). This sum is greater than the estimated costs of closure. Current undesignated, unrestricted reserves of £1,823,390 therefore provide sufficient cover for this eventuality.

Endowment fund

Given the economic uncertainty ahead it is felt that now is not the appropriate time to restrict the use of funds unnecessarily and so the plans for an endowment fund seeded by the charity's own funds have been put aside for at least the forthcoming year.

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. As a result of a review early in the financial year, the Trustees decided to transfer investment to CCLA's COIF Charities Investment Fund. The investment committee has now been disbanded and investments are monitored by the Trustee group as a whole. A review meeting with CCLA was held in July 2020 with the full Board of Trustees. The Trustees consider that given the market conditions the net gain on investments was acceptable.

Principal risks and uncertainties

Cumberland Lodge has a formal risk management process through which the major risks to which the organisation may be exposed 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
Inadequate income	COVID-19 Restrictions have severely impacted business and the necessary social distancing regulations that may stay in place for some time after we are able to reopen represent an ongoing threat to income levels. The budget for 2020-2021 is set accordingly and income levels and forecasts will be kept under close review. Work is underway to diversify income streams, with a new Business Development committee.
Loss of property	Risks resulting in the loss of access to the property are mitigated by the fire safety system, insurance and discussion with the landlord. The condition of the buildings is constantly reviewed and both preventative and reactive maintenance measures are undertaken to ensure that the buildings are safe and efficient and offer appropriate facilities to all categories of users.
Insufficient funds for the organisation to operate	The cost base has been reduced by 35% and work has begun to revise the fundraising strategy, ahead of a fundraising drive for the Charity's 75 th anniversary in 2022. Whilst reserves are able to cushion the impact of COVID-19 for several months, Trustees are keen to ensure that costs are continually scrutinised, additional sources of income are developed and these funds are used constructively to strengthen our long-term financial resilience.

CUMBERLAND LODGE

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2020

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 four committees of the Board; Finance and General Purposes, Audit, Investments and Programme, met to implement policy and exercise control. Trustees are represented on each committee.

Since the end of the financial year the committees have been restructured, with a new Business Development Committee set up alongside the existing Finance and General Purposes and Audit Committees. Both the Investment and Programme committees have been disbanded, with their remits now covered by the main Board. During the financial year day-to-day management of the charity was delegated to the Chief Executive, Chief Operating Officer and Finance Director, supported by other senior staff. Since the Chief Operating Officer's departure in October 2020, day-to-day management is delegated to the Chief Executive, Finance Director and a new post of Hospitality Director, filled by Merrill Ryan (formerly General Manager). 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. 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.

Remuneration of key management

The Trustees consider 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 and all staff are reviewed annually.

In view of the nature of the charity, the Trustees benchmark against pay levels in other charities. The remuneration bench-mark 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.

CUMBERLAND LODGE

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2020

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.

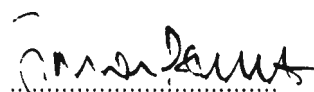
The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website.

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 11 February 2021 and signed on their behalf by:



.....
Baroness Usha Prashar



.....
Simon Pearce

CUMBERLAND LODGE

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CUMBERLAND LODGE

FOR THE YEAR ENDED 31 AUGUST 2020

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 2020 which comprise 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 2020 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 charitable company 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.

Responsibilities of trustees for the financial statements

As explained more fully in the trustees' responsibilities statement set out on page 11 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 and charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

CUMBERLAND LODGE

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CUMBERLAND LODGE

FOR THE YEAR ENDED 31 AUGUST 2020

Conclusions relating to going concern

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

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Trustees' Annual Report and Chairman's 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.

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' Annual 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' Annual 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 and charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Annual 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 group and charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the consolidated 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.

CUMBERLAND LODGE

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CUMBERLAND LODGE

FOR THE YEAR ENDED 31 AUGUST 2020

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
17 February 2021

10 Queen Street Place, London EC4R 1AG

CUMBERLAND LODGE

Company No. 05383055

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

(including consolidated income and expenditure account)

AT 31 AUGUST 2020

	Notes	Unrestricted Funds £	Restricted Funds £	Total 2020 £	Total 2019 £
INCOME:					
Donations, legacies and grants	2	189,589	26,319	215,908	62,858
Charitable activities					
Cumberland Lodge conferences		24,384	13,715	38,099	74,124
Student and training conferences		998,658	-	998,658	1,556,641
Other trading activities					
Accommodation income		535,974	-	535,974	1,033,361
Rents and lettings		19,613	-	19,613	30,945
Investments		107,362	-	107,362	88,497
Other income		21,424	-	21,424	23,337
Total income		<u>1,897,004</u>	<u>40,034</u>	<u>1,937,038</u>	<u>2,869,763</u>
EXPENDITURE:					
Costs of raising funds					
Trading costs		376,268	13,249	389,517	612,356
Expenditure on charitable activities					
Cumberland Lodge conferences		453,270	2,800	456,070	421,065
Student and training conferences		1,787,123	16,965	1,804,088	1,844,886
Total expenditure	3	<u>2,616,661</u>	<u>33,014</u>	<u>2,649,675</u>	<u>2,878,307</u>
		<u>(719,657)</u>	<u>7,020</u>	<u>(712,637)</u>	<u>(8,544)</u>
Gains on investments, net of charges		66,941	-	66,941	81,515
Net movement in funds		<u>(652,716)</u>	<u>7,020</u>	<u>(645,696)</u>	<u>72,971</u>
Funds brought forward		<u>5,308,693</u>	<u>31,620</u>	<u>5,340,313</u>	<u>5,267,342</u>
Funds carried forward		<u>4,655,977</u>	<u>38,640</u>	<u>4,694,617</u>	<u>5,340,313</u>

The notes on pages 18 - 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 2019 are shown in note 20.

CUMBERLAND LODGE

Company No. 05383055

CONSOLIDATED AND CHARITY BALANCE SHEETS

AT 31 AUGUST 2020

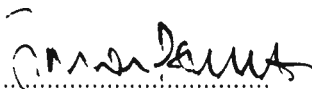
	Notes	2020 Group £	Charity £	2019 Group £	Charity £
FIXED ASSETS					
Tangible assets	7	1,432,586	1,432,586	1,655,787	1,655,787
Investments	8	3,370,980	3,370,980	3,304,187	3,304,187
		<u>4,803,566</u>	<u>4,803,566</u>	<u>4,959,974</u>	<u>4,959,974</u>
CURRENT ASSETS					
Stock		19,369	9,903	25,857	15,070
Debtors	9	122,633	157,316	281,802	307,383
Short term deposits and cash in hand		239,827	72,545	644,015	202,156
		<u>381,829</u>	<u>239,764</u>	<u>951,674</u>	<u>524,609</u>
CURRENT LIABILITIES					
Creditors: amounts falling due within one year	10	(490,778)	(352,413)	(571,335)	(409,303)
		<u>(108,949)</u>	<u>(112,649)</u>	<u>380,339</u>	<u>115,306</u>
NET CURRENT ASSETS					
		<u>(108,949)</u>	<u>(112,649)</u>	<u>380,339</u>	<u>115,306</u>
NET ASSETS		<u>4,694,617</u>	<u>4,690,917</u>	<u>5,340,313</u>	<u>5,075,280</u>
FUNDS					
Unrestricted general funds	13	1,823,390	1,818,189	3,152,906	2,887,873
Restricted funds	13/14	38,640	40,141	31,620	31,620
Designated funds	15	2,832,587	2,832,587	2,155,787	2,155,787
		<u>4,694,617</u>	<u>4,690,917</u>	<u>5,340,313</u>	<u>5,075,280</u>
TOTAL FUNDS		<u>4,694,617</u>	<u>4,690,917</u>	<u>5,340,313</u>	<u>5,075,280</u>

The deficit of the parent charity was £645,694. This comprises a deficit of £799,395 (2019:292,061) plus donated profits from Cumberland Lodge Enterprises Ltd of £153,701 (2019: £617,506).

Approved and authorised for issue on 11 February 2021 by the Trustees and signed on their behalf by:



Baroness Usha Prashar



Simon Pearce

The notes on pages 18 - 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 2020

	2020 £	2019 £
Net cash provided by operating activities	(490,840)	112,370
Cash flows from investing activities		
Investment income	107,362	88,497
Purchase of tangible fixed assets	(20,858)	(28,657)
Sale of tangible fixed assets	-	8,456
Purchase of investments	(3,019,749)	(1,113,957)
Sale of investments	3,019,897	935,526
Cash used in investing activities	86,652	(330,135)
Change in cash and cash equivalents in the year	(404,188)	(217,765)
Cash and cash equivalents at the beginning of the year	644,015	861,780
TOTAL CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	239,827	644,015

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

Net (deficit) /income for the year	(645,696)	72,971
Adjustments for:		
Depreciation charge	244,059	237,795
(Gains)/ losses on disposal of fixed assets	-	(8,456)
(Gains)/ losses on investments	(66,941)	(105,615)
Income from investments	(107,362)	(88,497)
Decrease / (increase) in debtors	159,169	10,319
Decrease in stock	6,488	6,361
(Decrease) in creditors	(80,557)	(12,508)
Cash used in investing activities	(490,840)	112,370

CUMBERLAND LODGE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2020

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

The COVID-19 pandemic has forced periods of closure and restricted activity upon us. Although the emergence of vaccines is encouraging, it is likely that income will be reduced for some time to come. Accordingly, staffing levels and costs have been reduced and where possible conferences are going ahead on a smaller scale and/ or virtually. The review of our financial position, reserves levels and future plans gives Trustees confidence the charity remains a going concern for the foreseeable future.

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 is recognised once the charity is entitled to the income, the amount of income receivable can be measured reliably and receipt is probable.

Donations and legacies

Donations and gifts are included in full in the Statement of Financial Activities when 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.

Grants include Government grant income relating to the Coronavirus Job Retention Scheme (CJRS) and is recognised as receivable in line with the period that the expense has been incurred.

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 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 2020

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.

Expenditure is allocated to the particular activity on a direct and indirect cost basis. The apportionment of indirect costs is based on estimates of the relative use of Lodge resources.

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 Lodge 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 initially 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 2020

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.

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 2020

2. VOLUNTARY INCOME	2020 £	2019 £
Donations, legacies and grants	37,592	62,858
Coronavirus Job Retention Scheme grant	178,316	-
	<u>215,008</u>	<u>62,858</u>

3. ANALYSIS OF EXPENDITURE	Staff Costs £	Other Costs £	Depreciation £	Total £
2020				
Charitable Activities				
Cumberland Lodge				
Conferences	359,082	89,580	7,408	456,070
Student and training				
Conferences	1,076,192	533,267	194,629	1,804,088
Costs of Generating Funds				
Trading costs	232,358	115,135	42,022	389,515
Group total	<u>1,667,632</u>	<u>737,982</u>	<u>244,059</u>	<u>2,649,673</u>
2019				
Charitable Activities				
Cumberland Lodge				
Conferences	318,554	77,823	24,688	421,065
Student and training				
Conferences	960,027	671,752	213,107	1,844,886
Costs of Generating Funds				
Trading costs	376,938	235,418	-	612,356
Group total	<u>1,655,519</u>	<u>984,993</u>	<u>237,795</u>	<u>2,878,307</u>

Included within Other Costs above were Governance costs of £16,440 (2019: £15,761) relating to Auditor's remuneration.

4. NET INCOME FOR THE YEAR	2020 £	2019 £
This is stated after charging		
Auditor's remuneration (including irrecoverable VAT):		
Audit	14,862	14,156
Other Services	1,578	1,605
	<u>16,440</u>	<u>15,761</u>
Expenses reimbursed and paid on behalf of Trustees	<u>542</u>	<u>1,081</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 2020

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 of its profits to Cumberland Lodge under the Gift Aid scheme. The summary financial performance of the subsidiary alone is:

	2020 £	2019 £
Turnover	556,452	1,039,405
Cost of sales and administration costs	(402,751)	(674,371)
Net profit	153,701	365,034
Brought forward – retained in subsidiary	265,034	517,506
Gift aided to the charity in year	(415,033)	(617,506)
Retained in subsidiary	3,702	265,034
The current assets and liabilities of the subsidiary were:		
Current assets	194,060	527,909
Current liabilities	(190,358)	(262,875)
Total net assets	3,702	265,034
Aggregate share capital and reserves	3,702	265,034

6. STAFF COSTS AND NUMBERS

	2020 £	2019 £
Staff costs were as follows:		
Salaries and wages	1,407,852	1,414,573
Social security costs	122,202	119,960
Pension contributions	120,160	120,986
	1,650,214	1,655,519
The number of employees whose emoluments for the year fell within the following bands were:		
	Number	Number
£80,001 - £90,000	1	1
£70,001- £80,000	1	1

These employees are accruing pension contributions totalling £19,371 (2019: £15,578). The total employee benefits (including pension contributions and employer's national insurance) of the key management personnel of the Group and charity were £236,207 (2019: £236,519).

CUMBERLAND LODGE

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 AUGUST 2020

	2020 Number	2019 Number
The average number of employees during the year was as follows:		
Academic	6	6
House	49	48
Administration	13	18
	<u>68</u>	<u>72</u>

The full-time equivalent number of staff in 2020 was 45 (2019:49).

7. FIXED ASSETS (GROUP AND CHARITY)

	Improvements to property	Furniture, fittings & equipment	Motor Vehicles	Total
	£	£	£	£
Cost				
At 1 September 2019	3,298,492	1,716,545	37,880	5,052,917
Additions	2,992	17,866	-	20,858
Disposals	-	-	-	-
Balance at 31 August 2020	<u>3,301,484</u>	<u>1,734,411</u>	<u>37,880</u>	<u>5,073,775</u>
Accumulated depreciation				
At 1 September 2019	2,179,537	1,199,300	18,293	3,397,130
Charge for the year	120,996	116,878	6,185	244,059
Disposals	-	-	-	-
Balance at 31 August 2020	<u>2,300,533</u>	<u>1,316,178</u>	<u>24,478</u>	<u>3,641,189</u>
Net Book Value				
C/f at 31 August 2020	<u>1,000,951</u>	<u>418,233</u>	<u>13,402</u>	<u>1,432,586</u>
B/f at 1 September 2019	<u>1,118,955</u>	<u>517,245</u>	<u>19,587</u>	<u>1,655,787</u>

8. INVESTMENTS (GROUP AND CHARITY)

	2020 £	2019 £
Market value at 1 September	3,304,187	3,020,141
Additions	3,019,749	1,113,957
Disposals	(3,019,897)	(935,526)
Net gains /(losses)	<u>66,941</u>	<u>105,615</u>
Market value at 31 August	<u>3,370,980</u>	<u>3,304,187</u>
Historical cost as at 31 August	<u>2,848,492</u>	<u>2,842,711</u>

CUMBERLAND LODGE

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 AUGUST 2020

9. DEBTORS: amounts falling due within one year	2020		2019	
	Group £	Charity £	Group £	Charity £
Accommodation debtors	29,977	12,867	209,741	209,741
Other debtors and prepayments	92,656	92,454	72,061	72,061
Amounts due from subsidiary		51,995		105,894
	<u>122,633</u>	<u>157,316</u>	<u>281,802</u>	<u>307,383</u>
	<u><u>122,633</u></u>	<u><u>157,316</u></u>	<u><u>281,802</u></u>	<u><u>307,383</u></u>
10. CREDITORS: amounts falling due within one year	2020		2019	
	Group £	Charity £	Group £	Charity £
Trade creditors	27,598	27,598	56,616	56,616
Other taxation and social security	46,411	54,956	89,600	32,419
Other creditors, accruals and deferred income	416,769	269,859	425,119	320,268
	<u>490,778</u>	<u>352,413</u>	<u>571,335</u>	<u>409,303</u>
	<u><u>490,778</u></u>	<u><u>352,413</u></u>	<u><u>571,335</u></u>	<u><u>409,303</u></u>
11. ANALYSIS OF DEFERRED INCOME	2020		2019	
	Group £	Charity £	Group £	Charity £
Deferred income at 1 September	274,169	182,007	314,803	209,764
Released during the year	(274,169)	(182,007)	(314,803)	(209,764)
Applied during the year	227,717	134,943	274,169	182,007
	<u>227,717</u>	<u>134,943</u>	<u>274,169</u>	<u>182,007</u>
	<u><u>227,717</u></u>	<u><u>134,943</u></u>	<u><u>274,169</u></u>	<u><u>182,007</u></u>

CUMBERLAND LODGE

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 AUGUST 2020

12. FINANCIAL INSTRUMENTS	2020		2019	
	Group £	Charity £	Group £	Charity £
Financial assets measured at amortised cost	362,460	229,861	925,817	509,539
Financial assets measured at fair value	3,370,980	3,370,980	3,304,187	3,304,187
Financial liabilities measured at amortised cost	(490,778)	(352,413)	(571,335)	(409,303)
Net financial assets measured at amortised cost	<u>3,242,662</u>	<u>3,248,428</u>	<u>3,658,669</u>	<u>3,404,423</u>

Financial assets measured at amortised cost include cash, accommodation debtors and other debtors.

Financial assets measured at fair value comprise listed investments.

Financial liabilities measured at amortised cost include trade creditors and other creditors.

13. ANALYSIS OF GROUP NET ASSETS BETWEEN FUNDS	Restricted Funds £	General Funds £	Total Funds £
2020			
Fixed assets	2,908	1,429,678	1,432,587
Investments	-	3,370,980	3,370,980
Current assets	35,732	346,097	381,829
Current liabilities	-	(490,778)	(490,777)
Net assets at 31 August	<u>38,640</u>	<u>4,655,977</u>	<u>4,694,619</u>
2019			
Fixed assets	25,910	1,629,877	1,655,787
Investments	-	3,304,187	3,304,187
Current assets	5,710	945,964	951,674
Current liabilities	-	(571,335)	(571,335)
Net assets at 31 August	<u>31,620</u>	<u>5,308,693</u>	<u>5,340,313</u>

CUMBERLAND LODGE

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 AUGUST 2020

14. ANALYSIS OF RESTRICTED FUNDS

	1 September £	Income £	Expenditure £	31 August £
2020				
Mews lighting project*	7,958	-	(500)	7,458
Chapel capital appeal*	10,226	-	(1,908)	8,318
Dining room furniture*	2,856	3,070	-	5,926
Basement refurbishment*	4,870	-	(500)	4,370
Scholarship scheme	2,843	-	(1,013)	1,830
Bursary fund	1,427	10,000	(689)	10,738
Conference grants	1,440	13,715	(15,155)	-
COVID-19 food parcels	-	13,249	(13,249)	-
Group total	31,620	40,034	(33,014)	38,640
2019				
Mews lighting project*	8,458	-	(500)	7,958
Chapel capital appeal*	12,117	-	(1,891)	10,226
Dining room furniture*	-	6,380	(3,524)	2,856
Basement refurbishment*	-	5,000	(130)	4,870
Art restoration fund	10,688	-	(10,688)	-
Scholarship scheme	4,225	-	(1,382)	1,427
Bursary fund	1,800	-	(373)	1,800
Conference grants	-	12,098	(10,658)	1,440
Group total	37,288	23,478	(29,146)	31,620

Capital Funds

As of 31 August 2020, 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 £13,068 (2019: £5,710).

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:

Art restoration fund - Restoration of Cumberland Lodge's collection of Crimea prints.

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.

COVID-19 food parcels - Donations for the food cost of meals provided locally as support parcels during lockdown

CUMBERLAND LODGE

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 AUGUST 2020

15. DESIGNATED FUNDS

	Balance at 1 September 2019 £	Transfers £	Expenditure £	Balance at 31 August 2020 £
Tangible fixed assets	1,655,787	-	-223,200	1,432,587
Property fund	500,000	-	-	500,000
COVID-19 impact fund	-	900,000	-	900,000
Total – Group and Charity	2,155,787	900,000	-223,200	2,832,587

Tangible fixed assets

The fund represents assets which are essential for the provision of charitable activities.

Property fund

In respect of our duties as custodians of the buildings here at Cumberland Lodge, the trustees consider that it is prudent to retain a property fund, available both for capital improvements and repairs and maintenance. Last year, £500,000 was designated for this purpose. A decennial survey of the buildings has recently been undertaken. This will assist the preparation of a detailed plan, which is likely to see work commencing towards the end of 2020-2021. The fund will be reassessed when the working plan is complete.

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

In 2020 the following transactions took place between the Charity and its wholly-owned subsidiary:

Cumberland Lodge recharged £389,517 (2019: £658,637) 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. Cumberland Lodge Enterprises Limited has paid £265,033 during 2020 in gift aid relating to profits for the year ended 31 August 2019. A further £150,000 was paid in gift aid relating to profits in the current year. At 31 August 2020 an amount of £51,995 (2019: £100,844) was owed by Cumberland Lodge Enterprises Limited to its parent company, Cumberland Lodge in respect of the above transactions.

Canon Dr Edmund Newell, Chief Executive of Cumberland Lodge and a Director of Cumberland Lodge Enterprises Limited, is a Trustee of the AMAR International Charitable Foundation which held an event at Cumberland Lodge during 2020. The event was charged in accordance with Cumberland Lodge standard pricing and the income earned by Cumberland Lodge Enterprises Limited from the booking totalled £7,165. There were no transactions with this organisation in 2019.

Canon Dr Newell is Vice-Patron of Windsor Festival Society, who held one meeting during the year, billed at £277. The event was billed in accordance with standard pricing.

CUMBERLAND LODGE

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 AUGUST 2020

There were no other transactions with related parties as at 31 August 2020.

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 2020 £	Charity 2020 £	Group 2019 £	Charity 2019 £
In less than one year	-	-	-	-
In one to two years	19,620	19,620		
In two to five years	-	-	19,620	19,620
	<u>19,620</u>	<u>19,620</u>	<u>19,620</u>	<u>19,620</u>
	<u><u>19,620</u></u>	<u><u>19,620</u></u>	<u><u>19,620</u></u>	<u><u>19,620</u></u>
	Office equipment		Office equipment	
	Group 2020 £	Charity 2020 £	Group 2019 £	Charity 2019 £
In less than one year	478	478	3,454	3,454
In one to two years	239	239	478	478
In two to five years	-	-	239	239
	<u>717</u>	<u>717</u>	<u>4,171</u>	<u>4,171</u>
	<u><u>717</u></u>	<u><u>717</u></u>	<u><u>4,171</u></u>	<u><u>4,171</u></u>

19. POST BALANCE SHEET EVENT

In light of the emergence and spread of the coronavirus (COVID-19), the Trustees have been monitoring the situation very closely to assess the potential impact on the Charity's operations.

Since the year end, two nationwide lockdowns have been implemented, forcing temporary closure of the Lodge to the public, impacting on income. Events will only be able to start again once Government advice makes it possible. These are considered non-adjusting post balance sheet events.

The Trustees have prepared cash flow forecasts to plan for the above, including any reasonably foreseeable mitigating factors and the Trustees are comfortable that the Charity can continue as a going concern for the foreseeable future.

CUMBERLAND LODGE

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 AUGUST 2020

20. COMPARATIVE CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (2019):

	Notes	Unrestricted Funds £	Restricted Funds £	Total 2018 £
INCOME:				
Donations, legacies and grants		39,380	23,478	62,858
Charitable activities				
Cumberland Lodge conferences		74,124	-	74,124
Student and training conferences		1,556,641	-	1,556,641
Other trading activities				
Accommodation income		1,033,361	-	1,033,361
Rents and lettings		30,945	-	30,945
Investments		88,497	-	88,497
Other		23,337	-	23,337
Total income		<u>2,846,285</u>	<u>23,478</u>	<u>2,869,763</u>
EXPENDITURE:				
Costs of raising funds				
Trading costs	3	612,356	-	612,356
Investment management costs		24,100	-	24,100
Expenditure on charitable activities				
Cumberland Lodge conferences	3	406,915	14,150	421,065
Student and training conferences		1,829,890	14,996	1,844,886
Total expenditure	3	<u>2,873,261</u>	<u>29,146</u>	<u>2,902,407</u>
		(26,976)	(5,668)	(32,644)
Net gains on investments		<u>105,615</u>	<u>-</u>	<u>105,615</u>
Net movement in funds		78,639	(5,688)	72,971
Funds brought forward		<u>5,230,054</u>	<u>37,288</u>	<u>5,267,342</u>
Funds at 31 August 2019		<u><u>5,308,693</u></u>	<u><u>31,620</u></u>	<u><u>5,340,313</u></u>