

# **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

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<b>Status</b>	The organisation is a charitable company limited by guarantee, incorporated in England and Wales on 4 March 2005.
<b>Governing Document</b>	The company was established under Memorandum and Articles which established the objects and powers of the charitable company.
<b>Company Number</b>	05383055
<b>Charity Number</b>	1108677
<b>Registered &amp; Operating Office</b>	Cumberland Lodge, The Great Park, Windsor, Berkshire, SL4 2HP
<b>Trustees</b>	<p>Baroness Prashar of Runnymede, CBE PC (Chairman, F) Charles Anson CVO DL (B) Jane Furniss CBE (B) Alan Gemmell OBE (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)</p> <p><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</p>
<b>Chief Executive</b>	Canon Dr Edmund Newell
<b>Bankers</b>	HSBC Bank Plc, 105 Mount Pleasant, Tunbridge Wells, Kent, TN1 1QP
<b>Solicitors</b>	Farrer & Co LLP, 66 Lincoln's Inn Fields, London, WC2A 3LH
<b>Investment Managers</b>	CCLA, Senator House, 85 Queen Victoria Street London EC4V 4ET
<b>Auditors</b>	Haysmacintyre LLP, 10 Queen Street Place, London, EC4R 1AG

# CUMBERLAND LODGE

## CHAIRMAN'S REPORT

FOR THE YEAR ENDED 31 AUGUST 2022

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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 75<sup>th</sup> 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

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As we transitioned from 2021 into our 75<sup>th</sup> 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 40<sup>th</sup> 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

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### 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

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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).

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## CHIEF EXECUTIVE'S REPORT

FOR THE YEAR ENDED 31 AUGUST 2022

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### 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 75<sup>th</sup> 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

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

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

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### 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

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### 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

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

#### Opinion

We have audited the financial statements of Cumberland Lodge for the year ended 31 August 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

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### **Opinions on other matters prescribed by the Companies Act 2006**

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

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

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

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

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

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

### **Responsibilities of Trustees for the financial statements**

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

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

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

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

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

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

# CUMBERLAND LODGE

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

FOR THE YEAR ENDED 31 AUGUST 2022

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

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

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

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

### Use of our report

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



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

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 £
<b>INCOME:</b>					
Donations, legacies and grants	2	44,798	-	44,798	449,990
<b>Charitable activities</b>					
Cumberland Lodge conferences		79,492	-	79,492	20,975
Student and training conferences		1,437,495	-	1,437,495	184,609
<b>Other trading activities</b>					
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
<b>Total income</b>		<u>2,742,473</u>	<u>-</u>	<u>2,742,473</u>	<u>1,380,490</u>
<b>EXPENDITURE:</b>					
<b>Costs of raising funds</b>					
Trading costs		641,883	3,853	645,736	141,478
<b>Expenditure on charitable activities</b>					
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
<b>Total expenditure</b>	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
<b>Net movement in funds</b>		<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 £
<b>FIXED ASSETS</b>					
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>
<b>CURRENT ASSETS</b>					
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>
<b>CURRENT LIABILITIES</b>					
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>
<b>NET CURRENT LIABILITIES</b>					
		<u>4,922,678</u>	<u>4,654,760</u>	<u>4,694,861</u>	<u>4,643,261</u>
<b>NET ASSETS</b>					
		<u>4,922,678</u>	<u>4,654,760</u>	<u>4,694,861</u>	<u>4,643,261</u>
<b>FUNDS</b>					
<b>Unrestricted general funds</b>	12/13	3,416,792	3,148,874	2,950,593	2,898,993
<b>Restricted funds</b>	12/14	31,416	31,416	60,670	60,670
<b>Designated funds</b>	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>
<b>TOTAL FUNDS</b>		<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 £
<b>Net cash provided / (used) by operating activities</b>	350,925	(305,163)
<b>Cash flows from investing activities</b>		
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
<b>Cash (used in) / provided by investing activities</b>	<u>(268,707)</u>	<u>448,675</u>
<b>Change in cash and cash equivalents in the year</b>	82,218	143,512
Cash and cash equivalents at the beginning of the year	<u>383,339</u>	<u>239,827</u>
<b>TOTAL CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>	<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

<b>Net income for the year</b>	227,817	244
<b>Adjustments for:</b>		
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
<b>Cash used in investing activities</b>	<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

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### 1. ACCOUNTING POLICIES

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

#### **Basis of preparation**

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Second Edition, effective 1 January 2019), (Charities SORP (FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

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

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

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

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

#### **Group financial statements**

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

#### **Income recognition**

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

#### **Grants**

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

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

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### 1. ACCOUNTING POLICIES (continued)

#### **Expenditure**

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

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

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

#### **Allocation of costs**

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

#### **Operating leases**

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

#### **Financial instruments**

The charitable company only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

#### **Investments**

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

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

#### **Fixed assets**

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

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

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

# CUMBERLAND LODGE

## NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 AUGUST 2022

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### 1. ACCOUNTING POLICIES (continued)

#### **Cash**

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

#### **Debtors**

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

#### **Creditors and provisions**

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

#### **Stock**

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

#### **Funds**

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

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

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

#### **Employee benefits**

- **Short term benefits**

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

- **Employee termination benefits**

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

- **Pension scheme**

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

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

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

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

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

# CUMBERLAND LODGE

## NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 AUGUST 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
<b>Group total</b>	<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 £
<b>Direct costs</b>				
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
<b>Group total</b>	<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
	£	£	£	£
<b>Support costs</b>				
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
<b>Group total</b>	<b>317,081</b>	<b>737,086</b>	<b>1,054,167</b>	<b>955,890</b>

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 £
<b>Staff costs were as follows:</b>		
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
	£	£	£	£
<b>Cost</b>				
At 1 September 2021	3,318,657	1,730,983	37,880	5,087,520
Additions	2,820	12,623	-	15,443
Disposals	-	-	-	-
<b>Balance at 31 August 2022</b>	<u>3,321,477</u>	<u>1,743,606</u>	<u>37,880</u>	<u>5,102,963</u>
<b>Accumulated depreciation</b>				
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	-	-	-	-
<b>Balance at 31 August 2022</b>	<u>2,534,191</u>	<u>1,503,345</u>	<u>36,848</u>	<u>4,074,384</u>
<b>Net Book Value</b>				
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

<b>8. INVESTMENTS (GROUP AND CHARITY)</b>			<b>2022</b>	<b>2021</b>
			<b>£</b>	<b>£</b>
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>
<b>9. DEBTORS: amounts falling due within one year</b>	<b>2022</b>		<b>2021</b>	
	<b>Group</b>	<b>Charity</b>	<b>Group</b>	<b>Charity</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
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>
<b>10. CREDITORS: amounts falling due within one year</b>	<b>2022</b>		<b>2021</b>	
	<b>Group</b>	<b>Charity</b>	<b>Group</b>	<b>Charity</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
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>
<b>11. ANALYSIS OF DEFERRED INCOME</b>	<b>2022</b>		<b>2021</b>	
	<b>Group</b>	<b>Charity</b>	<b>Group</b>	<b>Charity</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Deferred income at 1 September	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 £
<b>2022</b>			
Fixed assets	19,842	1,008,737	1,028,579
Investments	-	3,730,006	3,730,006
Current assets	11,574	843,544	855,118
Current liabilities	-	(691,025)	(691,025)
Net assets at 31 August	<u>31,416</u>	<u>4,891,262</u>	<u>4,922,678</u>
<b>2021</b>			
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 £
<b>Group</b>					
<b>2022</b>					
General funds	<u>2,950,593</u>	<u>420,761</u>	<u>(163,690)</u>	<u>209,128</u>	<u>3,416,792</u>
<b>2021</b>					
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>
<b>Charity</b>					
<b>2022</b>					
General funds	<u>2,898,993</u>	<u>204,443</u>	<u>(163,690)</u>	<u>209,128</u>	<u>3,148,874</u>
<b>2021</b>					
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 £
<b>2022</b>				
Mews lighting project*	6,958	-	(500)	6,458
Chapel capital appeal*	6,410	-	(1,908)	4,502
Dining room furniture*	6,456	-	(945)	5,511
Basement refurbishment*	3,870	-	(500)	3,370
Scholarship scheme	1,830	-	-	1,830
Bursary fund	10,000	-	(2,199)	7,801
Conference grants	5,146	-	(5,146)	-
Project funding	20,000	-	(18,056)	1,944
<b>Group total</b>	<b>60,670</b>	<b>-</b>	<b>(29,254)</b>	<b>31,416</b>
<b>2021</b>				
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
<b>Group total</b>	<b>38,640</b>	<b>26,490</b>	<b>(4,460)</b>	<b>60,670</b>

#### 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
<b>Total – Group and Charity</b>	<b>1,683,598</b>	<b>(209,128)</b>	<b>1,474,470</b>

#### **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 £
<b>INCOME:</b>				
Donations, legacies and grants		423,500	26,490	449,990
<b>Charitable activities</b>				
Cumberland Lodge conferences		20,975	-	20,975
Student and training conferences		184,609	-	184,609
<b>Other trading activities</b>				
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>
<b>Total income</b>				
<b>EXPENDITURE:</b>				
<b>Costs of raising funds</b>	3	138,570	2,908	141,478
Trading costs				
<b>Expenditure on charitable activities</b>	3			
Cumberland Lodge conferences		332,955	738	333,693
Student and training conferences		1,446,977	814	1,447,791
<b>Total expenditure</b>	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>
<b>Net gains on investments</b>		542,716	-	542,716
Net movement in funds				
<b>Funds brought forward</b>		<u>(21,786)</u>	<u>22,030</u>	<u>244</u>
<b>Funds at 31 August 2021</b>		<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

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#### **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 8<sup>th</sup> 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.