

# **The Lovington Foundation**

Financial Statements

Year Ended 31 March 2022

Charity No.: 1151072

# The Lovington Foundation

## Report and Financial Statements for the year ended 31 March 2022

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### Trustees

Lady B M F Lupton  
Annabelle M O Lupton  
Camilla C Lupton  
Victoria F Lupton  
Sam A C Lupton

### Chairman

Annabelle M O Lupton

### Principal Office

Lovington House, Ovington, Alresford, Hampshire, SO24 0RD

### Independent Examiner

Heather Wheelhouse, BDO LLP, R+ 2 Blagrove Street, Reading, RG1 1AZ

### Bankers

National Westminster Bank PLC, Bishopsgate, 15 Bishopsgate, London, EC2P 2AP

### Solicitors

Farrer & Co LLP, 66 Lincolns Inn Fields, London, WC2A 3LH

# **The Lovington Foundation**

## **Report of the Trustees for the year ended 31 March 2022**

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The Trustees present their report along with the financial statements of the charity for the year ended 31 March 2022. The Financial Statements have been prepared in accordance with the accounting policies set out on page 8 and comply with the charity's trust deed and applicable law.

The Trustees who served throughout the year were:

Lady B M F Lupton  
Annabelle M O Lupton  
Camilla C Lupton  
Victoria F Lupton  
Sam A C Lupton

### **Registered office**

Lovington House, Ovington, Alresford, Hampshire, SO24 0RD

### **Governing Document**

The Lovington Foundation is an unincorporated charitable Trust established by Declaration of Trust dated 28 February 2013. The Foundation was approved by the Charity Commission on 5 March 2013 under number 1151072.

### **Organisational Structure**

The Trust was established by an initial gift from James Lupton CBE.

The Trustees are responsible for the strategic direction and policy of the Trust. New Trustees are appointed by the existing Trustees. There are a minimum number of Trustees set out in the Trust Deed as two, with a maximum of eight. The Trustees must hold at least two meetings each year.

### **Risk management**

The Trustees have reviewed areas where potential and major risks may arise to the Trust in accordance with the statement of recommended practice and have established systems and procedures to manage those risks. The Trustees consider there to be no significant areas of concern.

The Trustees have prepared the financial statements on a going concern basis. However, before reaching their decision to do so, careful consideration has been given to the possible implications of COVID-19 on both the value of the investment portfolio and the level of income arising therefrom.

Whilst markets remained volatile in 2022, the risk posed by COVID-19 has largely abated. The trust maintains significant cash balances, with virtually no expenses, as well as receiving significant donations from Lord Lupton CBE. As a result, the Trust's investment fund value has withstood the economic challenges presented by the pandemic. Following their discussions the Trustees are satisfied that it is appropriate to prepare the financial statements on a going concern basis.

### **Objectives and Activities**

The objectives of the Trust are such charitable purposes for the benefit of the public as the Trustees may decide.

The main causes for support of the Trust are:

- Social welfare in the UK, with a particular emphasis on young people and on education.
- The arts in the UK, also with a particular emphasis on how the Trust's support could be used to improve peoples' lives (especially the young) through education.

# **The Lovington Foundation**

## **Report of the Trustees for the year ended 31 March 2022 (continued)**

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### **Public benefit**

The Trustees have taken account of the Charity Commission's guidance on public benefit. The main activity undertaken to further the Trust's purposes for the public benefit is the issuance of grants.

### **Achievements and Performance**

The Trustees are able to utilise the funds to make grants. Grants made during the year were £76,500 (2021 - £250,000).

### **Financial Review**

At the end of the reporting period, the Trust had net assets and funds of £2,662,620 (2021 - £2,351,682), £340,000 (2021: £nil) of which were restricted.

The attached financial statements show the current state of the Trust's finances to be acceptable.

### **Investment Policy**

The Trust can invest monies not immediately required for its immediate purposes in or upon such investments, securities or property as may be thought it subject to conditions or consents as may for the time being be imposed or required by law. The Trustees believe the investments of the Trust have been acceptable.

### **Reserves policy**

The Trustees are aware that contributions to the Trust are likely to be irregular. In order to enable a steady building up of annual gifts, the Trustees therefore believe that it will be prudent to build a significant reserve in the early years of the Trust's existence, from which income can be derived to smooth donations in future years.

At 31 March 2022, the unrestricted funds stood in a surplus position of £2,662,620 (2021 - £2,351,682).

### **Plans for the future**

As in the earlier years, the intention is to build up the assets of The Lovington Foundation. The financial statements are not published on a website.

### **Trustees' responsibilities in relation to the financial statements**

The Trustees are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Charity law requires the Trustees to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under charity law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Trust and of the incoming resources and application of resources, including the income and expenditure, of the Trust for that period.

In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards and statements of recommended practice have been followed subject to any departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

# The Lovington Foundation

## Report of the Trustees for the year ended 31 March 2022 (continued)

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### Trustees' responsibilities in relation to the financial statements (continued)

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Trust's transactions and disclose with reasonable accuracy at any time the financial position of the Trust and enable them to ensure that the financial statements comply with the Charities Act 2011. They are also responsible for safeguarding the assets of the Trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by the Trustees and signed on their behalf by:



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**Sam A C Lupton**  
Trustee

Date: 31/01/2023

# Independent Examiner's Report to the Trustees of

## The Lovington Foundation

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I report to the Trustees on my examination of the accounts of the Trust for the year ended 31 March 2022, which are set out on pages 6 to 13.

This report is made solely to the charity's Trustees, as a body, in accordance with Regulation 31 of the Charities (Accounts and Reports) Regulations 2008. My work has been undertaken so that I might state to the charity's Trustees those matters I am required to state to them in an independent examiner's report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the charity's Trustees as a body, for my work, for this report, or for the statement I have made.

### Responsibilities and basis for report

As the charity Trustees of the Trust you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ("the ACT").

I report in respect of my examination of the Trust's accounts carried out under section 145 of the 2011 Act and in carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

### Independent examiner's statement

I have completed my examination. I confirm that no material matters have come to my attention in connection with the examination giving me cause to believe:

1. accounting records were not kept in respect of the Trust as required by section 130 of the Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements concerning the form and content of the accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a 'true and fair view which is not a matter considered as part of an independent examination; or
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

DocuSigned by:

*Heather Wheelhouse*

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**Heather Wheelhouse ACA**

BDO LLP

Reading, UK

Date: 31 January 2023

# The Lovington Foundation

## Statement of Financial Activities for the year ended 31 March 2022

	Notes	2022 Unrestricted £	2022 Restricted £	2022 Total £	2021 Unrestricted £	2021 Restricted £	2021 Total £
<b>Income and endowments from</b>							
Donations and legacies	4	-	340,000	340,000	-	-	-
Investments	5	13,229	-	13,228	29,952	-	29,952
<b>Total</b>		<b>13,229</b>	<b>340,000</b>	<b>353,228</b>	<b>29,952</b>	<b>29,952</b>	<b>29,952</b>
<b>Expenditure on</b>							
Raising funds		11,200	-	11,200	10,148	-	10,148
Charitable activities							
Activities undertaken	7	76,500	-	76,500	250,000	-	250,000
Support costs	8	2,717	-	2,717	9,231	-	9,231
<b>Total</b>		<b>90,417</b>	<b>-</b>	<b>90,417</b>	<b>269,379</b>	<b>-</b>	<b>269,379</b>
<b>before investment gains/(losses)</b>		<b>(77,188)</b>	<b>340,000</b>	<b>262,811</b>	<b>(239,427)</b>	<b>-</b>	<b>(239,427)</b>
Realised and unrealised gains/(losses) on investments		48,126	-	48,126	466,374	-	466,374
<b>Net income</b>		<b>(29,062)</b>	<b>340,000</b>	<b>310,937</b>	<b>226,947</b>	<b>-</b>	<b>226,947</b>
<b>Other recognised (losses)/gains</b>							
Realised gains on currency exchange		-	-	-	(72)	-	(72)
<b>Net movement in funds</b>		<b>(29,062)</b>	<b>340,000</b>	<b>310,937</b>	<b>226,875</b>	<b>-</b>	<b>226,875</b>
Total funds at 1 April 2021		2,351,682	-	2,351,682	2,124,807	-	2,124,807
<b>Total funds at 31 March 2022</b>		<b>2,322,620</b>	<b>340,000</b>	<b>2,662,619</b>	<b>2,351,682</b>	<b>-</b>	<b>2,351,682</b>

All funds are unrestricted and relate to continuing activities.

The notes on pages 8 to 13 form part of these financial statements

# The Lovington Foundation

Balance Sheet as at 31 March 2022

	Notes	2022	2021
		£	£
<b>Fixed Assets</b>			
Investments	9	<u>2,653,445</u>	<u>2,342,211</u>
		2,653,445	2,342,211
<b>Current Assets</b>			
Cash at bank and in hand	10	12,800	12,802
<b>Current Liabilities</b>			
Creditors: amounts falling due within one year	11	<u>(3,625)</u>	<u>(3,331)</u>
Net current assets		<u>9,175</u>	<u>9,471</u>
<b>Total net assets</b>		<u><u>2,662,620</u></u>	<u><u>2,351,682</u></u>
<b>Funds</b>			
Restricted Funds		340,000	-
Unrestricted Funds		<u>2,322,621</u>	<u>2,351,682</u>
		<u><u>2,662,621</u></u>	<u><u>2,351,682</u></u>

Approved by the Trustees and signed on their behalf by:



**Sam A C Lupton**  
Trustee

Date: 31/01/2023

The notes on pages 8 to 13 form part of these financial statements



# The Lovington Foundation

## Notes to the financial statements for the year ended 31 March 2022

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### 1 General information

The Lovington Foundation is an unincorporated charitable Trust established by Declaration of Trust dated 28 February 2013. The Foundation was approved by the Charity Commission on 5 March 2013 under number 1151072. The address of the principle office is on the reference and administrative information page and the nature of the charities operations and its activities are set out in the Trustees' report.

### 2 Principal Accounting Policies

#### (a) Accounting Convention

The financial statements are prepared under the historical cost convention and in preparing the financial statements the charity follows best practice as laid down in the Statement of Recommended Practice "Accounting and Reporting by Charities" (Charities SORP (FRS 102)) and comply with the Charities (Accounts and Reports) Regulations 2008 issued under the Charities Act 2011.

The financial statements have been prepared to give a "true and fair view" and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a "true and fair view". This departure has involved following the 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 (FRS102) issued on 1 January 2019 rather than the Statement of Recommended Practice: Accounting and Reporting by Charities which was effective from 1 April 2005 but which has since been withdrawn.

#### (b) Going Concern

The Trustees have considered the impact of events in Ukraine, and more recently of political instability and the cost of living crisis. While the investment portfolio is down in line with markets, the trustees have concluded that, with a cash balance of £349,743.73 (2021 - £156,085), the Charity has access to sufficient resources to allow it to continue to trade for a period of at least twelve months. The trustees therefore believe that while there is some uncertainty the going concern basis is an appropriate basis for these financial statements.

#### (c) Donations, legacies and similar income

Donations, legacies and similar income are shown in the accounts when receivable and the value of the incoming resources can be measured with sufficient reliability.

#### (d) Investment income

Investment income is accounted for in the period in which the charity is entitled to receipt.

#### (e) Resources expended

Liabilities are recognised as resources expended as soon as there is a legal or constructive obligation committing the charity to the expenditure. All expenditure is accounted for on an accruals basis.

#### (f) Charitable activities

Costs of charitable activities include grants made and an apportionment of overhead and support costs where applicable.

Grants payable are payments made to third parties in the furtherance of the charitable objectives of the Trust. Single or multi-year grants are accounted for when either the recipient has a reasonable expectation that they will receive a grant and the trustees have agreed to pay the grant without condition, or the recipient has a reasonable expectation that they will receive a grant and any condition attaching to the grant is outside of the control of the Trust.

# The Lovington Foundation

## Notes to the financial statements for the year ended 31 March 2022

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### 2 Principal Accounting Policies (continued)

#### (g) Governance costs

Governance costs comprise costs relating to the general running of the charity as opposed to those associated with generating funds or charitable activity.

#### (h) Fixed asset investments

Investments are stated at closing market value at the balance sheet date. Any gains or losses on revaluation and disposal are shown in the Statement of Financial Activities.

#### (i) Realised gains and losses

Gains and losses are taken to the Statement of Financial Activities as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and purchase cost. Unrealised gains and losses are calculated as the difference between the market value at year end and opening market value (or purchase date if later).

#### (j) Taxation

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

#### (k) Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in sterling, which is the company's functional presentation currency.

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling the balance sheet date. Transactions in foreign currency are translated at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

#### (l) Financial

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

#### (m) Funds

Unrestricted general funds are funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Charity.

Restricted funds are funds to be used in accordance with specific restrictions imposed by donors or which

# The Lovington Foundation

## Notes to the financial statements for the year ended 31 March 2022

have been raised by the charity for particular purposes.

### 3 Judgements

Preparation of financial statements requires management to exercise judgement in applying the charity's accounting policies. Estimates and assumptions used in the preparation of the financial statements are continually reviewed and revised as necessary.

In preparing these financial statements, the Trustees have not made any significant judgements that materially affect the carrying value of assets and liabilities at the reporting date.

4	Donations	2022 £	2021 £		
	Donations received	<u>340,000</u>	<u>-</u>		
5	Investment income	2022 £	2021 £		
	Dividend income	<u>13,229</u>	<u>29,952</u>		
6	Raising Funds	2022 £	2021 £		
	Investment managers fees	<u>11,200</u>	<u>10,148</u>		
7	Charitable Activities	Activities Undertaken Directly (see note 8) £	Support Costs (see note 9) £	Total 2022 £	Total 2021 £
	Arts & Culture	11,500	906	12,406	20,738
	Education	15,000	906	15,906	20,738
	Other Charitable Purposes	<u>50,000</u>	<u>906</u>	<u>50,906</u>	<u>217,755</u>
		76,500	2,717	79,217	259,231

# The Lovington Foundation

Notes to the financial statements for the year ended 31 March 2022

8	Grants paid or payable	Registered Charity No.	2022	2021
			£	£
	Art History Link-Up	1172792		10,000
	Artis Foundation	1174635	6,500	-
	Jacari	1177211	5,000	-
	Escape2Make	1183572	5,000	-
	Free To Be Kids	1165678	5,000	-
	Motivez C.I.C	12864629 (CH)	5,000	-
	Football Beyond Borders	1158046	-	10,000
	Gasworks Dock Partnership	1141523	-	10,000
	Penygraig Community Project	516007	-	10,000
	The Bridge At Waterloo	1167768	-	10,000
	The Bulldog Trust	1123081	50,000	200,000
			<u>76,500</u>	<u>250,000</u>
9	Support costs		2022	2021
			£	£
	Independent Examiner Fees		2,625	2,332
	- prior year underprovision		92	146
	Bank charges		-	3
	Consultancy fees		-	6,750
			<u>2,717</u>	<u>9,231</u>
10	Investments		2022	2021
			£	£
	Market value at 1 April 2021		2,259,727	1,909,066
	Additions	928,580		1,218,935
	Disposals	<u>(726,273)</u>		<u>(1,334,648)</u>
			202,307	(115,713)
	Realised and unrealised gains/(losses) on investments	<u>48,126</u>		<u>466,374</u>
			48,126	466,374
	Market value at 31 March 2022		<u>2,510,160</u>	<u>2,259,727</u>
	Cash held within the investment portfolio		143,285	82,484
	Total value of portfolio at 31 March 2022		<u>2,653,445</u>	<u>2,342,211</u>

# The Lovington Foundation

## Notes to the financial statements for the year ended 31 March 2022

	2022 £	2022 £
Investments at market value comprised:		
UK Securities	167,513	131,369
Foreign Securities	1,258,806	1,312,550
Bonds	730,397	782,686
Hedge Funds	496,729	115,606
	<u>2,653,445</u>	<u>2,342,211</u>
Historical cost at 31 March 2022	<u>2,289,120</u>	<u>2,007,927</u>

<b>11 Cash at bank and in hand</b>	<b>2022 £</b>	<b>2021 £</b>
Natwest	<u>12,802</u>	<u>12,802</u>

<b>12 Creditors: Amounts falling due within one year</b>	<b>2022 £</b>	<b>2021 £</b>
Investment Management Fees	<u>1,000</u>	<u>1,000</u>

### 13 Analysis of net assets between funds

Fund balances at 31 March 2022 as represented by:

	Unrestricted	Restricted	Total
Fixed Assets	2,653,445	-	2,653,445
Current Assets	(327,200)	340,000	12,800
Current Liabilities	(3,625)	-	(3,625)
	<u>2,322,620</u>	<u>340,000</u>	<u>2,662,620</u>

Fund balances at 31 March 2012 as represented by:

	Unrestricted	Restricted	Total
Net current assets	2,342,211	-	2,342,211
Total net assets	12,802.00	-	12,802
Funds	(3,331)	-	(3,331)
	<u>2,351,682</u>	<u>-</u>	<u>2,351,682</u>

Restricted funds relate to a donation from Lord Lupton, as detailed in note 14. The funds are to be used for

# The Lovington Foundation

## Notes to the financial statements for the year ended 31 March 2022

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grants to art charities in the year to 31 March 2023.

### **14 Related parties**

During the year, Lord Lupton CBE (Trustee resigned 23 October 2019) donated £340,000 (2021 - £Nil) to the Trust without any conditions attached.

#### **Trustees' and other employees**

The Trust had no staff costs in the year (2021 - £Nil). On average there were zero people employed under contracts of service (2021 - Nil).

No Trustees received any remuneration or other benefits in the year (2021 - £Nil).

There were no expenses reimbursed to Trustees (2021 - £Nil).