

**THE LOVINGTON FOUNDATION
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

Registered Charity No. 1151072

**AZETS AUDIT SERVICES
River House
1 Maidstone Road
Sidcup
Kent DA14 5RH**

THE LOVINGTON FOUNDATION

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THE LOVINGTON FOUNDATION

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees

Annabelle M O Lupton (Chair)
Lord J R C Lupton
Lady B M F Lupton
Camilla C Lupton
Victoria F Lupton
Sam A C Lupton

Charity Number 1151072

Principal Office

The Lovington Foundation
Lovington House
Ovington
Alresford
Hampshire
SO24 0RD

Key Management The Trustees

Independent Examiner

M A Wilkes (FCA)
Azets Audit Services
River House
1 Maidstone Road
Sidcup
Kent
DA146 5RH

Bankers

National Westminster Bank plc
Bishopsgate
15 Bishopsgate
London
WC2A 3LH

Solicitors

Farrer & Co LLP
66 Lincoln's Inn Fields
London
WC2A 3LH

Investment Managers

Tribe Impact Capital
52 Jermyn Street
London
SW1 6LX

LGT Wealth Management
14 Cornhill
London
EC3V 3NR

THE LOVINGTON FOUNDATION

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2023

The Trustees present their report along with the financial statements of the charity for the year ended 31 March 2023. The Trustees have adopted the provisions of the Statement of Recommended Practice (SORP) 'Accounting and Reporting by Charities' (FRS 102) in preparing the annual report and financial statements of the charity.

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 issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011 and UK Generally Accepted Accounting Practice.

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.

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 utilize the funds to make grants. Grants made during the year were £436,500 (2022 - £76,500).

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.

Financial Review

At the end of the reporting period, the Trust had net assets and funds of £2,315,521 (2022 - £2,662,619). There were no restricted funds at 31 March 2023 (2022: £340,000).

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 the only non-grant costs for the Trust are the Independent Examination and Investment Management fees, with grants being made based on investment performance and additional contributions. As such, the level of required reserves is low. The trustees therefore keep at least £40,000 in cash in a separate bank account to the Investment Portfolio, which is enough to cover more than a year's costs.

At 31 March 2023, the unrestricted funds stood in a surplus position of £2,315,521 (2022: £2,662,619).

THE LOVINGTON FOUNDATION

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2023

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.

Going Concern

The Trust's Investment Portfolio has coped well with the ongoing challenges presented by economic instability and the war in Ukraine. The trust maintains significant cash balances, with virtually no expenses, as well as receiving significant donations from Lord Lupton CBE. As a result, and following their discussions, the Trustees are satisfied that it is appropriate to prepare the financial statements on a going concern basis.

Governance and Management

The Lovington Foundation is an incorporated 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 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.

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 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 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 on 21 October 2023 and signed on their behalf by:

.....
Sam A C Lupton
Trustee

THE LOVINGTON FOUNDATION

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES

I report to the Trustees on my examination of the accounts of the Trust for the year ended 31 March 2023, which are set out on pages 6 to 14.

The 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 of report

As the charity's trustees 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 charity's accounts carried out under section 145 of the 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 that in any material respect:

1. accounting records were not kept in respect of the charity 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 applicable requirements concerning the form and content of 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.

M A Wilkes (FCA)

For and on behalf of Azets Audit Services

Azets River House
1 Maidstone Road
Sidcup
Kent
DA14 5RH

Date: 26 October 2023

THE LOVINGTON FOUNDATION

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 MARCH 2023

	Notes	Unrestricted	Restricted	Total	Total
		2023 £	2023 £	2023 £	2022 £
Income from:					
Donations		-	-	-	340,000
Tax recoverable on gift aid		210,000	-	210,000	-
Investment income		25,352	-	25,352	13,228
Other income		400	-	400	-
Total		235,752	-	235,752	353,228
Expenditure on:					
Raising funds		12,447	-	12,447	11,200
Charitable activities		99,941	340,000	439,941	79,217
Total	2	112,388	340,000	452,388	90,417
Net income / (expenditure) before gains/(losses) on investments		123,364	(340,000)	(216,636)	262,811
Net gains/(losses) on investments	6	(130,462)	-	(130,462)	48,126
Net movement in funds		(7,098)	(340,000)	(347,098)	310,937
Total funds at 1 April 2022		2,322,619	340,000	2,662,619	2,351,682
Total funds at 31 March 2023		2,315,521	-	2,315,521	2,662,619

All funds are unrestricted and relate to continuing activities.

THE LOVINGTON FOUNDATION

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 MARCH 2023

Comparative Statement of financial Activities for the year ended 31 March 2022

	Notes	Unrestricted 2022 £	Restricted 2022 £	Total 2022 £
Income from:				
Donations		-	340,000	340,000
Investment income		13,228	-	13,228
Total		13,228	340,000	353,228
Expenditure on:				
Raising funds		11,200	-	11,200
Charitable activities		79,217	-	79,217
Total	2	90,417	-	90,417
Net income / (expenditure) before gains/(losses) on investments		(77,189)	340,000	262,811
Net gains/(losses) on investments	6	48,126	-	48,126
Net movement in funds		(29,063)	340,000	310,937
Total funds at 1 April 2021		2,351,682	-	2,351,682
Total funds at 31 March 2022		2,332,619	340,000	2,662,619

All funds are unrestricted and relate to continuing activities.

THE LOVINGTON FOUNDATION

BALANCE SHEET AS AT 31 MARCH 2023

	Note	2023		2022	
		£	£	£	£
FIXED ASSETS					
Investments	6		2,403,889		2,653,445
					<u>2,653,445</u>
CURRENT ASSETS					
Cash at bank and in hand		50,144		12,799	
		<u></u>		<u></u>	
CREDITORS: amounts falling due within one year - Accruals	7	(138,112)		(3,625)	
		<u></u>		<u></u>	
NET CURRENT (LIABILITIES) / ASSETS			(87,968)		9,174
			<u></u>		<u></u>
TOTAL NET ASSETS			2,315,521		2,662,619
			<u></u>		<u></u>
FUNDS					
Restricted Funds	8		-		340,000
Unrestricted Funds			2,315,521		2,322,619
			<u></u>		<u></u>
	9		2,315,521		2,662,619
			<u></u>		<u></u>

Approved by the Board of Trustees on 21 October 2023 and signed on its behalf by

.....
Annabelle M O Lupton
Trustee

.....
Sam A C Lupton
Trustee

THE LOVINGTON FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

1. ACCOUNTING POLICIES

a) Basis of preparation

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.

The charity constitutes a public benefit entity as defined by FRS 102. 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 issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011 and UK Generally Accepted Accounting Practice.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are prepared in sterling which is the functional currency of the charity.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

b) Going Concern

The financial statements have been prepared on a going concern basis as the trustees believe that no material uncertainties exist. The trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern.

c) 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.

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

d) Expenditure

Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. The irrecoverable element of VAT is included with the item of expense to which it relates. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably. It is categorised under the following headings:

- Costs of raising funds are those costs incurred in attracting voluntary income.
- Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities. It includes both costs allocated directly to such activities and those costs of an indirect nature necessary to support them.

THE LOVINGTON FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

1. ACCOUNTING POLICIES (Continued)

e) Support costs allocation

- Support costs are those that assist the work of the charity but do not directly represent charitable activities and include office costs, governance costs, and administrative payroll costs. They are incurred directly in support of expenditure on the objects of the charity and include project management carried out the Head Office. Where support costs cannot be directly attributed to particular headings they have been allocated to cost of raising funds and expenditure on charitable activities on a basis consistent with use of the resources.
- Fund-raising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities.
- The analysis of these costs is included in note 4.

f) 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.

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).

g) Debtors and creditors receivable / payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

h) Cash at bank and in hand

Cash at bank and in hand are short-term, highly liquid investments that are readily convertible to known amounts of cash that are subject to an insignificant risk of changes in value.

i) Taxation

T The charity is an exempt charity within the meaning of schedule 3 of the Charities Act 2011 and it is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. The Charity is unable to recover Valued Added Tax (VAT) incurred on. The amount of VAT that cannot be recovered is included within the underlying cost to which it relates.

j) Funds

Unrestricted general 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 have been raised by the charity for particular purposes.

THE LOVINGTON FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

1. ACCOUNTING POLICIES (CONTINUED)

k) Judgements

Accounting estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

There are no key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

2. ANALYSIS OF EXPENDITURE

	Direct Costs £	Grant funding of activities £	Support costs £	Total 2023 £	Total 2022 £
Raising funds	12,447	-	-	12,447	11,200
Charitable activities:					
Arts and Culture	-	350,000	1,147	351,147	12,406
Education	-	46,500	1,147	47,647	15,906
Other charitable activities	-	40,000	1,147	41,147	50,905
	<u>12,447</u>	<u>436,500</u>	<u>3,441</u>	<u>452,388</u>	<u>90,417</u>

3. GRANTS PAYABLE

	Registered Charity No	Total 2023 £	Total 2022 £
Art History Link-Up	1172792	10,000	-
Artis Foundation	1174635	6,500	6,500
The Bulldog Trust	1123081	-	50,000
Contemporary Art Society	208178	170,000	-
Creative Opps	1190916	5,000	-
Escape2Make	1183572	15,000	5,000
Free to be Kids	1165678	15,000	5,000
Imperial War Museum	Exempt charity	10,000	-
Jacari	1177211	10,000	5,000
The Linacre Institute	1156821	10,000	-
Museum of Modern Art Ltd	313035	170,000	-
Motivez C.I.C	12864629 (CH)	-	5,000
Wipers Youth	CIC	5,000	-
Yehudi Menuhin School	312010	10,000	-
		<u>436,500</u>	<u>76,500</u>

THE LOVINGTON FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

4. SUPPORT COSTS

	2023 £	2022 £
Independent Examiner Fees	3,420	2,625
- Prior year under provision	21	92
	<u>3,441</u>	<u>2,717</u>

5. TRUSTEES' AND OTHER EMPLOYEES

No staff were employed by the charity during the year.

No Trustees received any remuneration or other benefits in the year (2022 - £Nil).

There were no expenses reimbursed to Trustees

6. INVESTMENTS

	2023 £	2022 £
Market value at 1 April 2022	2,510,160	2,259,727
Additions at cost	837,369	928,580
Disposals at market value	(945,413)	(726,273)
Net unrealised gain / (loss) in year	(130,462)	48,126
Market value at 31 March 2023	<u>2,271,654</u>	<u>2,510,160</u>
Cash held within the investment portfolio	131,835	143,285
Total value of portfolio at 31 March 2023	<u>2,403,489</u>	<u>2,653,445</u>
Investments at market value comprised:		
Equity	898,567	964,834
Bonds / Fixed Interest	935,754	1,136,457
Bonds	437,333	408,869
Hedge Funds	131,835	143,285
	<u>2,403,889</u>	<u>2,653,445</u>
Historical cost at 31 March 2022	<u>2,331,920</u>	<u>2,399,123</u>

The following each represent more than 5% of the total market value of investments

	2023 £	2022 £
Janus Henderson Sustainable Equity	<u>125,086</u>	<u>121,087</u>

THE LOVINGTON FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

7. CREDITORS

	2023 £	2022 £
Other creditor	126,942	-
Grants payable	5,000	-
Accruals	6,170	3,525
	<u>138,112</u>	<u>3,525</u>

8. RESTRICTED FUNDS

Current year	Balance at 1.4.22 £	Expenditure £	Balance at 31.3.23 £
Arts Grant Fund	340,000	(340,000)	-
	<u>340,000</u>	<u>(340,000)</u>	<u>-</u>
Prior year	Balance at 1.4.21 £	Income £	Balance at 31.3.22 £
Arts Grant Fund	-	340,000	340,000
	<u>-</u>	<u>340,000</u>	<u>340,000</u>

The Arts Grant Fund related to a donation from Lord Lupton. The funds were used for grants to art charities in the year to 31 March 2023.

9. ANALYSIS OF NET ASSETS BETWEEN FUNDS

Fund balances at 31 March 2023 as represented by:	Unrestricted £	Restricted £	Total £
Fixed assets	2,403,489	-	2,403,489
Current assets	50,144	-	50,144
Current liabilities	(138,112)	-	(138,112)
	<u>2,315,521</u>	<u>-</u>	<u>2,315,521</u>

Fund balances at 31 March 2022 as represented by:	Unrestricted £	Restricted £	Total £
Fixed assets	2,313,443	340,000	2,653,443
Current assets	12,800	-	12,800
Current liabilities	(3,625)	-	(3,625)
	<u>2,322,619</u>	<u>340,000</u>	<u>2,662,619</u>

THE LOVINGTON FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

10. RELATED PARTIES

Lady Lupton, a trustee of the charity is also a trustee of the following organisations that received grants:

- Contemporary Art Society - Grant paid £170,000 (2022 - £nil);
- Museum of Modern Art Ltd - Grant paid £170,000 (2022 - £nil).