

THE LOVINGTON FOUNDATION
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

Registered Charity No. 1151072

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

THE LOVINGTON FOUNDATION

CONTENTS

	Page
Reference and administrative information	2
Report of the Trustees	3 - 4
Report of the Independent Examiner	5
Statement of Financial Activities	6 - 7
Balance Sheet	8
Notes to the Financial Statements	9 - 13

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

Brown Shipley
2 Moorgate
London
EC2R 6AG

THE LOVINGTON FOUNDATION

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2024

The Trustees present their report along with the financial statements of the charity for the year ended 31 March 2024. 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 £165,000 (2023 : £436,500).

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

Income during the year was £292,786 (2023 : £235,752). Expenditure for the year totalled £180,531 (2023 : £452,388) which included grant payments of £165,000 (2023 : £436,500). At the year end, the Trust had net assets and funds of £2,443,696 (2023 : £2,315,521).

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 2024, the unrestricted funds totalled £2,443,696 (2023: £2,315,521).

THE LOVINGTON FOUNDATION

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2024

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 9 September 2024 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 2024, which are set out on pages 6 to 13.

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: 23 September 2024

THE LOVINGTON FOUNDATION

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 MARCH 2024

	Notes	Total 2024 £	Total 2023 £
Income from:			
Donations		210,000	-
Tax recoverable on gift aid		54,442	210,000
Investment income		28,344	25,352
Other income		-	400
Total		292,786	235,752
Expenditure on:			
Raising funds		10,551	12,447
Charitable activities		169,980	439,941
Total	2	180,531	452,388
Net income / (expenditure) before gains/(losses on investments)		112,255	(216,636)
Net gains/(losses) on investments	6	15,920	(130,462)
Net movement in funds		128,175	(347,098)
Total funds at 1 April 2023		2,315,521	2,662,619
Total funds at 31 March 2024		2,443,696	2,315,521

All funds are unrestricted and relate to continuing activities.

All activities in 2024 relate to unrestricted funds.

THE LOVINGTON FOUNDATION

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 MARCH 2024

Comparative Statement of financial Activities for the year ended 31 March 2023

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

All funds are unrestricted and relate to continuing activities.

THE LOVINGTON FOUNDATION

BALANCE SHEET AS AT 31 MARCH 2024

	Note	2024		2023	
		£	£	£	£
FIXED ASSETS					
Investments	6		2,342,591		2,403,489
CURRENT ASSETS					
Debtors – Other debtors		52,500		-	
Cash at bank and in hand		56,725		50,144	
		109,225		50,144	
CREDITORS: amounts falling due within one year -					
Accruals	7	(8,120)		(138,112)	
NET CURRENT (LIABILITIES) / ASSETS			101,105		(87,968)
TOTAL NET ASSETS			2,443,696		2,315,521
FUNDS					
Restricted Funds	8		-		-
Unrestricted Funds			2,443,696		2,315,521
			2,443,696		2,315,521

Approved by the Board of Trustees on 9 September 2024 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 2024

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 2024

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

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 Value 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 2024

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 2024 £	Total 2023 £
Raising funds	10,551	-	-	10,551	12,447
Charitable activities:					
Arts and Culture	-	80,000	1,660	81,660	351,147
Education	-	30,000	1,660	31,660	47,647
Other charitable activities	-	55,000	1,660	56,660	41,147
	<u>10,551</u>	<u>165,000</u>	<u>4,980</u>	<u>180,531</u>	<u>452,388</u>

3. GRANTS PAYABLE

	Registered Charity No	Total 2024 £	Total 2023 £
Art History Link-Up	1172792	20,000	10,000
Artis Foundation	1174635	10,000	6,500
Contemporary Art Society		-	170,000
Creative Opps		-	5,000
Dulwich Picture Gallery		50,000	-
Escape2Make	1183572	-	15,000
Free to be Kids	1165678	15,000	15,000
Imperial War Museum		-	10,000
Jacari	1177211	10,000	10,000
Just Finance Foundation	1172050	10,000	-
The Linacre Institute	1156821	10,000	10,000
Lincoln College – VacProj		10,000	-
Lighthouse		10,000	-
Museum of Modern Art Ltd		-	170,000
Sister System	1177669	10,000	-
Triangle Adventure Playground	303145	10,000	-
Wipers Youth		-	5,000
Yehudi Menuhin School	312010	-	10,000
		<u>165,000</u>	<u>436,500</u>

THE LOVINGTON FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

4. SUPPORT COSTS

	2024 £	2023 £
Independent Examiner Fees	4,980	3,420
- Prior year under provision	-	21
	<u>4,980</u>	<u>3,441</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 (2023 - £Nil). There were no expenses reimbursed to Trustees.

6. INVESTMENTS

	2024 £	2023 £
Market value at 1 April 2023	2,271,654	2,510,160
Additions at cost	1,166,606	837,369
Disposals at market value	(1,377,929)	(945,413)
Net unrealised gain / (loss) in year	15,920	(130,462)
Market value at 31 March 2024	<u>2,076,251</u>	<u>2,271,654</u>
Cash held within the investment portfolio	<u>266,340</u>	<u>131,835</u>
Total value of portfolio at 31 March 2024	<u>2,342,591</u>	<u>2,403,489</u>
Investments at market value comprised:		
Equity	931,443	898,567
Bonds / Fixed Interest	547,691	935,754
Alternatives	597,117	437,333
Cash	266,340	131,835
	<u>2,342,591</u>	<u>2,403,489</u>
Historical cost at 31 March 2023	<u>2,176,500</u>	<u>2,331,920</u>
The following each represent more than 5% of the total market value of investments		
	2024 £	2023 £
Janus Henderson Sustainable Equity	<u>-</u>	<u>125,086</u>

THE LOVINGTON FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

7. CREDITORS

	2024 £	2023 £
Other creditor	-	126,942
Grants payable	-	5,000
Accruals	8,120	6,170
	<u>8,120</u>	<u>138,112</u>

8. RESTRICTED FUNDS

Current year
None

Prior year	Balance at 1.4.22 £	Expenditure £	Balance at 31.3.23 £
Arts Grant Fund	340,000	(340,000)	-

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. 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 £nil (2023 - £170,000);
- Museum of Modern Art Ltd - Grant paid £nil (2023 - £170,000).

Total donations of £210,000 without conditions were received from related parties during the year.