

Charity number: 801959
Company number: 2401452

**LOVAINE TRUST COMPANY LIMITED
(A COMPANY LIMITED BY GUARANTEE)
GOVERNORS' REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31ST MARCH 2008**

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LOVAINE TRUST COMPANY LIMITED

LEGAL AND ADMINISTRATIVE INFORMATION

Governors	The Duke of Northumberland The Duchess of Northumberland Lord Howick of Glendale J A Cuthbert Esq R A E Herbert Prof Sir P Crane (resigned 3/8/07) Prof Stephen Hopper (appointed 28/11/07)
Managing agent	M Baxter
Company number	2401452
Charity number	801959
Registered office	Syon Park Brentford Middlesex TW8 8JF
Auditors	Begbies Chettle Agar Chartered Accountants and Registered Auditors Epworth House 25 City Road London EC1Y 1AR
Solicitors	May, May & Merrimans 12 South Square Gray's Inn London WC1R 5HH
Bankers	Barclays Bank plc Northumberland Group 38 Bridge Street Morpeth Northumberland NE61 1NL

LOVAINE TRUST COMPANY LIMITED
GOVERNORS' ANNUAL REPORT
FOR THE YEAR ENDED 31ST MARCH 2008

The governors present their report and the audited accounts for the company for the year ended 31st March 2008

Objectives, activities and plans for future periods

Lovaine Trust Company is a company limited by guarantee established for the acquisition, preservation and improvement for the benefit of the public, of places of historical or archaeological interest, or of natural or cultivated beauty and the provision of ready access to them by the public

The principal activity is the maintenance and opening to the public of the historic gardens and Great Conservatory at Syon Park. The objective is to continue to maintain and enhance the gardens for the benefit of the visiting public including a ten year programme of planned restoration and maintenance work to the Grade I listed Great Conservatory

Structure, governance and management

The charitable company is governed by the Memorandum and Articles of Association. The charity was incorporated on 6th July 1989 and registered as a charity on 24th August 1989. The Memorandum of Association was subsequently altered by special resolution on 25th June 1997.

The governors of the charity are also directors for purposes of company law. Governors are appointed in accordance with the Articles of Association. The present governors have considerable knowledge and expertise of horticultural matters.

The governors have developed a series of policies on risk management which are reviewed annually. These include controls on purchases, periodic reviews of financial information and comparisons to budgets, reviews of changes to legislation, comprehensive insurance of the gardens and safety measures in place to protect both the public and employees.

Day to day responsibility for management is delegated by the governors to the agent and head gardener who operate the charitable company in line with the annual budget and policies approved by the governors.

Achievements, performance and financial review

The charitable company's principal sources of funding arise from the operation of the gardens at Syon Park, including both opening to the general public and the hire of the Great Conservatory for functions, and donations from the Duke of Northumberland's Charity.

The performance of the charity for the year was in accordance with its budget and the expectations of the governors.

Charitable expenditure for the year includes £76,015 (2007 £80,825) in respect of repairs and maintenance to the gardens and premises. This includes restoration works to the Great Conservatory of £38,615 (2007 £49,722).

The main activities and achievements are recorded in the annual report prepared by the Head Gardener and presented at the Annual General Meeting of the governors.

The reserves policy of the charitable company is to develop the gardens within the resources available from year to year. The governors have reviewed the funding arrangements of the company and are confident in obtaining sufficient resources in order to continue to support its activities.

LOVAINE TRUST COMPANY LIMITED

GOVERNORS' ANNUAL REPORT

FOR THE YEAR ENDED 31ST MARCH 2008

Statement of governors' responsibilities

Company and charity law requires the governors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the surplus or deficit of the charitable company for that period. In preparing those financial statements, the governors 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 business

The governors have overall responsibility for ensuring that the charitable company has appropriate system of controls, financial and otherwise. They are also responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The governors must, in determining how amounts are presented within items in the statement of financial activities and balance sheet, have regard to the substance of the reported transaction or arrangement, in accordance with generally accepted accounting principles and practice.

Statement of disclosure of information to auditors

The Governors of the charitable company who held office at the date of approval of this Annual Report as set out above each confirm that

- so far as they are aware, there is no relevant audit information (information needed by the charitable company's auditors in connection with preparing their report) of which the charitable company's auditors are unaware, and
- they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information

Auditors

A resolution proposing that Begbies Chettle Agar be reappointed as auditors of the charitable company will be put to the Annual General Meeting.

Small company exemptions

This report is prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

This report was approved by the Governors on 18th June 2008 and signed on its behalf by



May, May and Merrimans & Mr J Brearley
Joint company secretaries

INDEPENDENT AUDITORS REPORT

TO THE TRUSTEES OF LOVAINE TRUST COMPANY LIMITED

We have audited the financial statements of Lovaine Trust Company Limited for the year ended 31st March 2008 which comprise the Statement of Financial Activities, the Balance Sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein and the requirements of the Financial Reporting Standard for Smaller Entities (effective January 2007).

This report is made solely to the charitable company's members, as a body, in accordance with Section 235 of the Companies Act 1985. 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 auditors' 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.

Respective responsibilities of trustees and the auditors

As described in the Statement of Governors' Responsibilities, the charitable company's governors are responsible for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the governors' report is consistent with the financial statements.

In addition we report to you if, in our opinion, the charitable company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding governors' remuneration and other transactions is not disclosed.

We read the Governors' Annual Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charitable company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

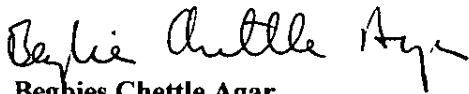
We have undertaken the audit in accordance with the requirements of APB Ethical Standards including APB Ethical Standard - Provisions for Smaller Entities. In common with many other entities of this size and nature we assist with the preparation of the financial statements.

INDEPENDENT AUDITORS REPORT
TO THE TRUSTEES OF LOVAINE TRUST COMPANY LIMITED

Opinion

In our opinion

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice applicable for Smaller Entities, of the state of the charitable company's affairs as at 31st March 2008 and of its surplus for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Governors' Report is consistent with the financial statements



Begbies Chettle Agar

Chartered Accountants and Registered Auditors

3-7-2008

Epworth House
25 City Road
London
EC1Y 1AR

LOVAINE TRUST COMPANY LIMITED
STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING THE INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31ST MARCH 2008

	Unrestricted Fund 2008 <small>see page 10</small> £	<i>Unrestricted Fund 2007</i> <i>£</i>
Incoming resources		
Incoming resources from charitable activities - operating income	308,244	<i>246,024</i>
Donations	75,000	<i>85,000</i>
Investment income	1,720	<i>17</i>
Total incoming resources	<u>384,964</u>	<i><u>331,041</u></i>
 Costs of charitable activities	 325,014	 <i>316,726</i>
Governance costs	10,150	<i>6,250</i>
Total resources expended	<u>335,164</u>	<i><u>322,976</u></i>
 Net movement in funds	 49,800	 <i>8,065</i>
 Total funds brought forward	 <u>(826)</u>	 <i><u>(8,891)</u></i>
Total funds carried forward	<u><u>48,974</u></u>	<i><u><u>(826)</u></u></i>

There were no recognised gains or losses for the years ended 31st March 2008 and 2007, other than those included in the statement of financial activities

LOVAINE TRUST COMPANY LIMITED

BALANCE SHEET

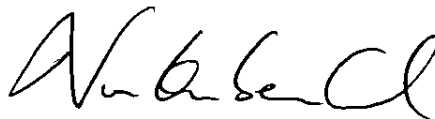
AS AT 31ST MARCH 2008

		2008		2007	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	3		36,401		18,890
Current assets					
Stocks		8,357		9,191	
Debtors	4	27,733		5,908	
Cash at bank and in hand		112,200		37,311	
		<u>148,290</u>		<u>52,410</u>	
Creditors: amounts falling due within one year	5	<u>(135,717)</u>		<u>(72,126)</u>	
Net current assets/(liabilities)			<u>12,573</u>		<u>(19,716)</u>
Total assets less current liabilities			<u><u>48,974</u></u>		<u><u>(826)</u></u>
Funds					
Unrestricted funds			<u><u>48,974</u></u>		<u><u>(826)</u></u>

The financial statements are prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2007)

The financial statements were approved by the Board on 18th June 2008 and signed on its behalf by

The Duke of Northumberland
Governor



LOVAINE TRUST COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2008

1. Accounting policies

1.1. Accounting convention

The financial statements are prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2007) and follow the recommendations in 'Accounting and Reporting by Charities Statement of Recommended Practice' issued in March 2005

1.2. Unrestricted Fund

The Unrestricted Fund is available for use at the discretion of the governors in furtherance of the general objectives of the charity

1.3. Incoming resources

Income from investments is included in the year in which it is receivable. Operating income comprises gate receipts and income from activities within the gardens, and is stated exclusive of Value Added Tax

1.4. Resources expended

Expenditure is accounted for on an accruals basis

Governance costs comprise those costs associated with meeting the constitutional and statutory requirements of the charity and include fees from the charitable company's solicitors, external auditors and VAT consultants. All other costs are directly attributable to charitable activities

1.5. Tangible fixed assets and depreciation

Depreciation is provided at rates calculated to write off the cost less residual value of each asset over its expected useful life, as follows

Plant and equipment	-	12.5% straight line
Motor vehicles	-	25% straight line
Tractors	-	20% straight line

1.6. Stock

Stock is valued at the lower of cost and net realisable value

1.7. Pensions

The pension costs charged in the financial statements represent the contribution payable by the charity during the year to the Northumberland Estates Employee Pension Fund, a defined contribution scheme where members each have their own individual accounts

LOVAINE TRUST COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2008

2. Governors and employees

No governor received any remuneration during the year Travel expenses of £195 were reimbursed at cost to one governor

Staff costs in relation to continuing activities were as follows

	2008	2007
	£	£
Wages and salaries	142,666	133,488
Social security costs	11,517	11,112
Other pension costs	7,680	6,580
	<u>161,863</u>	<u>151,180</u>

3. Tangible fixed assets

	Plant and equipment £	Motor vehicles £	Tractors £	Total £
Cost				
At 1st April 2007	30,703	3,000	73,311	107,014
Additions	640	-	26,245	26,885
Disposals	(880)	-	(22,483)	(23,363)
At 31st March 2008	<u>30,463</u>	<u>3,000</u>	<u>77,073</u>	<u>110,536</u>
Depreciation				
At 1st April 2007	17,018	1,200	69,906	88,124
On disposals	(330)	-	(22,481)	(22,811)
Charge for the year	1,273	600	6,949	8,822
At 31st March 2008	<u>17,961</u>	<u>1,800</u>	<u>54,374</u>	<u>74,135</u>
Net book values				
At 31st March 2008	<u>12,502</u>	<u>1,200</u>	<u>22,699</u>	<u>36,401</u>
At 31st March 2007	<u>13,685</u>	<u>1,800</u>	<u>3,405</u>	<u>18,890</u>

Included above are assets held under finance leases or hire purchase contracts as follows

	2008		2007	
Asset description	Net book value	Depreciation charge	Net book value	Depreciation charge
	£	£	£	£
Tractors	<u>20,996</u>	<u>5,249</u>	<u>-</u>	<u>-</u>

LOVAINE TRUST COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2008

4. Debtors	2008	2007
	£	£
Trade debtors	18,610	2,500
Other debtors	9,123	3,408
	<u>27,733</u>	<u>5,908</u>
5. Creditors: amounts falling due within one year	2008	2007
	£	£
Net obligations under finance leases and hire purchase contracts	7,530	-
Trade creditors	66,236	19,321
Other creditors	15,051	15,051
Accruals and deferred income	46,900	37,754
	<u>135,717</u>	<u>72,126</u>

6. Contingent assets

The charitable company submitted a claim in February 2008 for £25,202 overpaid VAT relating to the supply of room hire for the period August 1990 to March 1995. This claim had not been approved by HM Revenue & Customs at the year-end but it is considered that the claim is likely to be successful. A claim for the same supply of room hire for the period April 1995 to March 1998 has been previously approved.

7. Related party transactions

During the year, the charitable company paid rental charges of £8,500 (2007 £8,500) to Syon Park Holdings Limited, in which the Duke of Northumberland has an interest.

The charitable company received a donation of £75,000 (2007 £85,000) from the Duke of Northumberland's Charity.

LOVAINE TRUST COMPANY LIMITED

NOTES TO THE STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31ST MARCH 2008

Syon Park	2008	2007
	£	£
Operating income		
Ticket sales	55,420	52,344
Guide books	1,645	1,825
Functions	241,081	184,490
Filming/photography	8,650	6,300
Miscellaneous	1,448	1,065
	<u>308,244</u>	<u>246,024</u>
Donations received		
Duke of Northumberland's Charity	<u>75,000</u>	<u>85,000</u>
Costs of charitable activities		
Wages and salaries	161,863	151,180
Advertising and publicity	10,483	10,000
Rent and rates	25,504	24,747
Light, heat and power	8,464	6,298
Insurance	10,408	11,380
Maintenance to gardens and premises	67,275	77,193
Equipment repairs and renewals	10,439	7,368
Guide books and postcards	1,209	1,453
Health and safety	1,431	2,435
Functions expenditure	13,294	11,744
Mapping software	2,869	-
Depreciation	8,822	3,784
Profit on disposal of fixed assets	(6,948)	-
Printing, postage and stationery	2,368	1,736
Legal and professional fees	268	265
Bank charges and interest	635	877
Subscriptions	122	183
Managing agent	3,000	3,000
General expenses	3,508	3,083
	<u>325,014</u>	<u>316,726</u>
Governance		
Auditor's remuneration	4,650	3,750
Legal fees	2,500	2,500
VAT consultancy fees	3,000	-
	<u>10,150</u>	<u>6,250</u>