

ROBERT LUFF FOUNDATION LIMITED

**(Limited by Guarantee and not
having a Share Capital)**

Company Number: 891749

Charity Number: 273810

**Directors' and Trustees' Report
and Accounts**

Year ended 31st August 2003



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ROBERT LUFF FOUNDATION LIMITED

(Limited by Guarantee and Not Having a Share Capital)

COMPANY INFORMATION

Directors and Trustees	Sir Robert Johnson Lady Johnson R P J Price Ms G Favot Mrs J Tomlinson
Secretary	Ms R Jessop
Company Number	891749
Charity Number	273810
Registered Office	294 Earls Court Road Kensington London SW5 9BB
Bankers	Natwest Bank Plc 195 Earls Court Road London SW5 9AP
Investment Advisors	Schroder Personal Investment Management Limited 33 Gutter Lane London EC2V 8AS Fidelity Investment Services Limited Oakhill House 130 Tonbridge Road Hildenborough Kent TN11 9DZ Merrill Lynch Investment Managers 67 Lombard Street London EC3P 3DL
Solicitors	RadcliffesLeBrasseur 5 Great College Street Westminster London SW1P 3SJ
Auditors	Parker Cavendish 28 Church Road Stanmore Middlesex HA7 4XR

ROBERT LUFF FOUNDATION LIMITED

(Limited by Guarantee and Not Having a Share Capital)

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FOR THE YEAR ENDED 31ST AUGUST 2003

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ROBERT LUFF FOUNDATION LIMITED

(Limited by Guarantee and Not Having a Share Capital)

DIRECTORS' AND TRUSTEES' REPORT

FOR THE YEAR ENDED 31ST AUGUST 2003

The directors and trustees present their report together with the audited financial statements for the year ended 31st August 2003. The trustees have adopted the provisions of the Statement of Recommended Practice (SORP), "Accounting and Report by Charities" issued in October 2000 in preparing the annual report and financial statements of the charity.

Objective and Principal Activity

The charity is constituted as a company limited by guarantee, and is therefore governed by a Memorandum and Articles of Association.

The company's objective and principal activity is the distribution of funds to other charitable institutions with particular reference to medical research. This objective and activity has remained unchanged from previous years.

Organisation

The charity is organised so that the trustees consult each other regularly to help manage the company's affairs. The trustees are assisted by part-time employees and other professional advisors.

Development, Activities and Achievements this Year

The trustees consider that the performance of the charity this year has been satisfactory. Donations to charitable organisations in the year amounted to £322,000 (2002 - £374,000).

Future Developments

It continues to be the Board's intention to preserve the company's resources to ensure that donations can be maintained at acceptable levels in future years. The trustees believe that this policy will ensure that the company will have sufficient funds in the future to fulfil any obligation to which it is committed.

Transactions and Financial Position

The Statement of Financial Activities shows a net surplus for the year of £33,251 and reserves of £17,740,045 at the balance sheet date.

In accordance with policies for investment laid down in earlier years, the company has continued to monitor the amount of cash held on deposit and to invest in acceptable quoted investments when suitable opportunities arise during the year. The value of the company's holdings, after adjusting for disposals and re-investment, has been effected by current market conditions but it is the Board's opinion that the investment portfolio will recover in the medium term.

The amounts donated in the year decreased by £52,000 in comparison with the previous year. The company has continued to support similar beneficiaries as in earlier periods.

Fixed Asset Investments

Details of movements in fixed asset investments are set out in note 7 to the accounts.

ROBERT LUFF FOUNDATION LIMITED

(Limited by Guarantee and Not Having a Share Capital)

DIRECTORS' AND TRUSTEES' REPORT

FOR THE YEAR ENDED 31ST AUGUST 2003 (continued)

Directors and Trustees

All directors of the company are also trustees of the charity, and there are no other trustees. All of the trustees named on the company information sheet served throughout the year. The board has the power to appoint additional trustees as it considers fit to do so.

Risk Management

The trustees actively review the major risks which the charity faces on a regular basis and believe that maintaining reserves at current levels, combined with an annual review of the controls over key financial systems, will provide sufficient resources in the event of adverse conditions. The trustees have also examined other operational and business risks faced by the charity and confirm that they have established systems to mitigate the significant risks.

Statement of Trustees' Responsibilities

The trustees are required by law to prepare financial statements for each financial year which give a true and fair view of the financial activities of the charity and of its financial position at the end of that year. In preparing those financial statements the trustees are required to:-

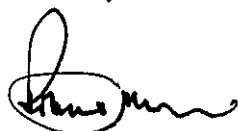
- a) select suitable accounting policies and apply them consistently;
- b) make judgements and estimates that are reasonable and prudent;
- c) state whether the policies adopted are in accordance with the Companies Act 1985 and with applicable accounting standards and statements of recommended practice, subject to any material departures disclosed and explained in the financial statements;
- d) prepare the financial statements on a going concern basis unless it is inappropriate to assume that the charity will continue in operation.

The trustees are 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.

Auditors

A resolution to re-appoint Messrs. Parker Cavendish as auditors of the charity will be proposed at the Annual General Meeting.

This report was approved by the board of directors and trustees on 26 May 2004 and signed on its behalf by:



Sir Robert Johnson
Director and Trustee

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF ROBERT LUFF FOUNDATION LIMITED

(Limited by Guarantee and Not Having a Share Capital)

We have audited the financial statements on pages 4 to 10, which have been prepared under the historical cost conventions modified by the revaluation of certain fixed assets, and the accounting policies set out on page 6.

Respective Responsibilities of Trustees and Auditors

As described on page 2, the charity's trustees, who are also the directors of Robert Luff Foundation Limited for the purposes of company law, are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

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 if, in our opinion, the report of the trustees is not consistent with the financial statements, if 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 trustees' remuneration and transactions with the company is not disclosed.

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

Basis of Opinion

We conducted our audit in accordance with Auditing Standards 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 charity'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.

Opinion

In our opinion the financial statements give a true and fair view of the state of the charity's affairs at 31st August 2003 and of its incoming resources and application of resources, including its income and expenditure, in the year then ended and have been properly prepared in accordance with the Companies Act 1985.

28 Church Road
Stanmore
Middlesex
HA7 4XR

26 May 2004



PARKER CAVENDISH
Chartered Accountants
& Registered Auditors

ROBERT LUFF FOUNDATION LIMITED

(Limited by Guarantee and Not Having a Share Capital)

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31ST AUGUST 2003

SUMMARY INCOME AND EXPENDITURE ACCOUNT

		Unrestricted funds	
		2003	2002
	Notes	£	£
INCOMING RESOURCES			
Investment income and interest	2	432,228	459,898
Rental income		13,000	2,000
Total income		445,228	461,898
RESOURCES EXPENDED			
Direct Charitable Expenditure			
Donations	3	322,000	374,000
Other Expenditure			
Administration costs	4	87,594	98,147
Exceptional bad debt	5	2,383	344,180
Total Expenditure		411,977	816,327
NET SURPLUS/(DEFICIT) FOR THE YEAR		33,251	(354,429)
STATEMENT OF OTHER RECOGNISED GAINS AND LOSSES			
Gains/(losses) on fixed asset investments:-			
Realised		(105,705)	(311,513)
Unrealised	7	1,244,597	(2,320,658)
		1,138,892	(2,632,171)
Net movement in funds for the year		1,172,143	(2,986,600)
Fund balance brought forward		16,567,902	19,554,502
Fund balance carried forward		17,740,045	16,567,902

The notes on pages 6 to 10 form part of these financial statements.

ROBERT LUFF FOUNDATION LIMITED**(Limited by Guarantee and Not Having a Share Capital)****BALANCE SHEET AS AT 31ST AUGUST 2003**

	Notes	£	2003 £	2002 £	£
FIXED ASSETS					
Tangible fixed assets	6		361,949		376,164
Listed investments	7		15,958,212		15,024,723
			16,320,161		15,400,887
CURRENT ASSETS					
Debtors	8	113,426		125,095	
Cash at bank and in hand		1,371,041		1,119,721	
		1,484,467		1,244,816	
CREDITORS: amounts falling due within one year	9	(64,583)		(77,801)	
NET CURRENT ASSETS			1,419,884		1,167,015
NET ASSETS			17,740,045		16,567,902
CAPITAL					
Restricted funds	11		361,949		376,164
Unrestricted funds	11		17,378,096		16,191,738
			17,740,045		16,567,902

Approved by the board of directors and trustees on 26 May 2004 and signed on its behalf by:

Sir Robert Johnson
Director and Trustee

The notes on pages 6 to 10 form part of these financial statements.

ROBERT LUFF FOUNDATION LIMITED**(Limited by Guarantee and Not Having a Share Capital)****NOTES TO THE ACCOUNTS****FOR THE YEAR ENDED 31ST AUGUST 2003**

3. DONATIONS	2003 £	2002 £
St Dunstan's	-	2,000
British Scoliosis Research Foundation	12,500	12,500
National Asthma Campaign	15,000	15,000
Sheffield Health Authority Trust Fund	16,250	16,250
Cystic Fibrosis Trust	130,000	60,000
St John's Ambulance	30,000	30,000
Harpur Trust	-	50,000
National Heart & Lung Institute	45,000	45,000
St. Briavels Centre	-	20,000
Admiral Nurses	-	20,000
Canine Partners for Independence	-	10,000
DEBRA	-	20,000
Early Bird Research Centre	-	20,000
The League for Remembrance	-	10,000
N W London Hospital Trust	23,250	23,250
St John Ambulance Youth Project	-	20,000
University of Sunderland Autism Unit	50,000	20,000
	322,000	374,000
4. ADMINISTRATION COSTS		
Office rent and services	5,500	5,500
Administration staff costs	24,417	23,418
Audit fees	10,000	12,000
Investment management fees	8,575	1,319
Other administrative costs	24,887	41,695
Depreciation - leasehold building	14,215	14,215
	87,594	98,147
5. EXCEPTIONAL BAD DEBT		
Amount owed by subsidiary undertaking written off	2,383	344,180

The exceptional bad debt relates to amounts owed by the company's trading subsidiary Futurist Limited which is deemed to be irrecoverable as the company was put into liquidation on 4th July 2002.

ROBERT LUFF FOUNDATION LIMITED

(Limited by Guarantee and Not Having a Share Capital)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST AUGUST 2003

6. TANGIBLE FIXED ASSETS

	Investment property £
Cost/valuation	
At 1st September 2002	390,379
Revaluation	(28,430)
At 31st August 2003	361,949
Depreciation	
At 1st September 2002	14,215
Charge for the year	14,215
Revaluation	(28,430)
At 31st August 2003	-
Net Book Value	
At 31st August 2003	361,949
At 31st August 2002	376,164

The trustees consider that the company's investment property is included in the financial statements at its open market value at the year end.

7. LISTED INVESTMENTS

	2003 £	2002 £
Market Value:		
At 1st September 2002	15,024,723	17,657,095
Additions	1,308,529	3,801,719
	16,333,252	21,458,814
Disposals	(1,619,637)	(4,113,433)
Unrealised gains/(losses)	1,244,597	(2,320,658)
At 31st August 2003	15,958,212	15,024,723
Cost at 31st August 2003	12,235,339	12,732,818

All of the above listed investments are held within UK.

Cash deposits of £622,078 (2002: £344,721) were held as part of the investment portfolio which is included within cash at bank and in hand.

ROBERT LUFF FOUNDATION LIMITED**(Limited by Guarantee and Not Having a Share Capital)****NOTES TO THE ACCOUNTS****FOR THE YEAR ENDED 31ST AUGUST 2003****8. DEBTORS**

	2003 £	2002 £
Due within one year		
Other debtors	12,683	24,959
Income tax recoverable	25,743	25,136
Amounts owed by group undertaking	75,000	75,000
	113,426	125,095

9. CREDITORS: Amounts falling due within one year

	2003 £	2002 £
Other creditors	52,779	43,221
Accruals and deferred income	11,804	34,580
	64,583	77,801

10. FUNDS OF THE CHARITY

The financial strategy of the charity has always been to transfer net income after donations, and administrative costs and net surplus on the sale of investments to a capital fund. This fund is not a permanent endowment as the trustees have the power to convert capital from this fund into income.

11. ANALYSIS OF FUND BALANCES BETWEEN THE NET ASSETS

	Restricted fund £	Unrestricted fund £	Total £
Tangible fixed assets	361,949	-	361,949
Investments	-	15,958,212	15,958,212
Net current assets	-	1,419,884	1,419,884
	361,949	17,378,096	17,740,045

ROBERT LUFF FOUNDATION LIMITED

(Limited by Guarantee and Not Having a Share Capital)

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31ST AUGUST 2003

12. CONTINGENCIES

The company is limited by guarantee and, in the event of a winding-up, the liability of its members is limited to an amount not exceeding £10 per member.

13. TRANSACTIONS WITH DIRECTORS AND RELATED PARTIES

Other creditors include £44,536 (2002: £34,978) due to Robert Luff Limited, a company in which R P J Price and Lady Johnson were directors during the year. This balance arose from the allocation of expenses incurred by Robert Luff Limited and recharged to the company. No profits or losses arose on these transactions.

Other debtors include £11,484 (2002: £5,975) due from The Beryl Evetts and Robert Luff Animal Welfare Trust Limited, a charitable company, which is Limited by Guarantee. All the directors of Robert Luff Foundation Limited were also directors of this company. This balance arose due to the recharge of expenses from this company. No profits or losses arose on these transactions.

The company bought services of £10,804 (2002: £22,342) from RadcliffesLeBrasseur Solicitors, a firm in which R P J Price is a partner. R P J Price is also a director of Robert Luff Foundation Limited. All transactions were carried out on an arms length basis.