

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 2011



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 Mrs J Tomlinson Rev M Tomlinson B Nicholson M Condon
Secretary	M D Lock
Company Number	00891749 (England and Wales)
Charity Number	273810
Registered Office	The Garth Wood Lane Stanmore Middx HA7 4JZ
Bankers	Natwest Bank Plc 195 Earls Court Road London SW5 9AP
Investment Advisors	Schroder & Co Limited 100 Wood Street London EC2V 7ER Fidelity Investment Services Limited Oakhill House 130 Tonbridge Road Hildenborough Kent TN11 9DZ Black Rock Investment Management (UK) Limited 33 King William Street London EC4R 9AS
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 2011

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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 2011

The trustees, who are also directors of the charity for the purposes of The Companies Act, present their report together with the audited financial statements for the year ended 31st August 2011. The trustees have adopted the provisions of the Statement of Recommended Practice (SORP), "Accounting and Report by Charities" issued in March 2005 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 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 £800,000 (2010: £886,000).

Public Benefit

We have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing our aims and objectives and in planning our future activities. In particular, the trustees consider how planned activities will contribute to the aims and objectives they have set.

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 deficit for the year of £541,389 (2010: £591,696) and reserves of £23,991,502 (2010: £23,826,953) 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. Subsequent to the year end, the value of the company's holdings, after adjusting for disposals and re-investments, has been affected by current market conditions. It is the Board's opinion that the investment portfolio will recover to previous levels in the medium term.

The amounts donated in the year decreased by £86,000 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 6 to the financial statements.

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.

ROBERT LUFF FOUNDATION LIMITED
(Limited by Guarantee and Not Having a Share Capital)
DIRECTORS' AND TRUSTEES' REPORT
FOR THE YEAR ENDED 31ST AUGUST 2011 (continued)

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 responsible for preparing the financial statements in accordance with applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year. Under that law, the trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these 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) prepare the financial statements on a going concern basis unless it is inappropriate to presume that the company will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 2006. 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.

Statement as to disclosure of information to auditors

So far as the trustees are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each trustee has taken all the steps that he ought to have taken as a trustee in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Auditors

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

This report has been prepared in accordance with the statement of Recommended Practice Accounting and Reporting by Charities (issued in March 2005) and in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small entities.

This report was approved by the board of directors and trustees on 8 May 2012 and signed on its behalf by


R P J Price
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 of Robert Luff Foundation Limited for the year ended 31 August 2011 on pages 5 to 11. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in a Report of the Auditors and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the 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 Auditors

As explained more fully in the Statement of Trustees' Responsibilities set out on page 2, the trustees (who are also directors of Robert Luff Foundation Limited for the purposes of company law) are responsible for the preparation of the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and for being satisfied that the financial statements give a true and fair view.

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 United Kingdom Generally Accepted Accounting Practice and are prepared in accordance with the Companies Act 2006. 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 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 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.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
ROBERT LUFF FOUNDATION LIMITED (continued)
(Limited by Guarantee and Not Having a Share Capital)**

Opinion on Financial Statements

In our opinion

the financial statements give a true and fair view, of the state of the charitable company's affairs as at 31 August 2011 and of its incoming resources and application of resources, including its income and expenditure for the year then ended,

the financial statements have been prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities,

the financial statements have been properly prepared in accordance with the Companies Act 2006, and

the information given in the Report of the Trustees is consistent with the financial statements

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

Adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us, or

the financial statements are not in agreement with the accounting records and returns, or

certain disclosures of trustees' remuneration specified by law are not made, or

we have not received all the information and explanations we require for our audit, or

the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the Report of the Trustees

Raymond Rubenstein (Senior Statutory Auditor)
for and on behalf of Parker Cavendish
Chartered Accountants
& Statutory Auditors

28 Church Road
Stanmore
Middlesex HA7 4XR

8 May 2012

ROBERT LUFF FOUNDATION LIMITED

(Limited by Guarantee and Not Having a Share Capital)

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31ST AUGUST 2011

SUMMARY INCOME AND EXPENDITURE ACCOUNT

		Unrestricted funds	
	Notes	2011	2010
		£	£
INCOMING RESOURCES			
Investment income and interest	2	388,932	408,447
Total income		388,932	408,447
RESOURCES EXPENDED			
Direct Charitable Expenditure			
Donations	3	800,000	886,000
Other Expenditure			
Governance and administration	4	130,321	114,143
Total Expenditure		930,321	1,000,143
NET DEFICIT FOR THE YEAR		(541,389)	(591,696)
STATEMENT OF OTHER RECOGNISED GAINS AND LOSSES			
Gains on fixed asset investments -			
Realised		96,818	18,081
Unrealised	6	609,120	912,687
		705,938	930,768
Net movement in funds for the year		164,549	339,072
Fund balance brought forward		23,826,953	23,487,881
Fund balance carried forward		23,991,502	23,826,953

The notes 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 2011**

	Notes	2011		2010	
		£	£	£	£
FIXED ASSETS					
Listed investments	6		23,830,722		23,532,548
			<u>23,830,722</u>		<u>23,532,548</u>
CURRENT ASSETS					
Debtors	7	58,374		45,683	
Cash at bank and in hand		166,137		297,381	
		<u>224,511</u>		<u>343,064</u>	
CREDITORS: amounts falling due within one year	8	63,731		(48,659)	
		<u>63,731</u>		<u>(48,659)</u>	
NET CURRENT ASSETS			160,780		294,405
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>23,991,502</u>		<u>23,826,953</u>
CAPITAL					
Unrestricted funds	10		23,991,502		23,826,953
			<u>23,991,502</u>		<u>23,826,953</u>

These accounts have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small charitable companies and with the Financial Reporting Standard for Smaller Entities (effective April 2008)

Approved by the board of directors and trustees on 8 May 2012 and signed on its behalf by



Sir Robert Johnson
Director and Trustee

The notes form part of these financial statements

ROBERT LUFF FOUNDATION LIMITED

(Limited by Guarantee and Not Having a Share Capital)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST AUGUST 2011

1 ACCOUNTING POLICIES

1.1 Basis of Preparation of Accounts

The financial statements are prepared under the historical cost convention, with the exception of investments which are included at market value. The financial statements have been prepared in accordance with United Kingdom Generally Accepted Accounting Practice, Financial Reporting Standard for Smaller Entities (effective April 2008) and the Statement of Recommended Practice, Accounting and Reporting by Charities issued in March 2005, and the Companies Act 2006.

1.2 Incoming resources

Incoming resources consist of dividends receivable from listed investments, interest on British Government and other listed stocks and scrip dividends. All such income is accounted for on a receipts basis.

1.3 Resources expended

Resources expended are included in the statement of financial activities on an accruals basis. Direct charitable expenses consist of donations which are distributed to other charitable institutions with particular reference to medical research.

1.4 Investments

Investments are stated at market value at the balance sheet date. Realised and unrealised gains and losses on investments are dealt with in the Statement of Financial Activities.

In accordance with Accounting Standards, no depreciation is provided on investment properties. All properties are revalued annually and the aggregate surplus or deficit is transferred to a revaluation reserve.

The application of this standard is a departure from the requirements of the Companies Act concerning depreciation of fixed assets. However, the directors and trustees consider that the accounting policy adopted is necessary for the accounts to give a true and fair view.

1.5 Governance and administration

Governance and administration costs include all expenditure not directly related to the charitable activity. This includes costs of renting and operating office premises, staff salaries for administrative staff, audit, investment management and other professional fees. The Trustees and other members of the Board do not receive any remuneration or expenses for their services.

1.6 Foreign currencies

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

ROBERT LUFF FOUNDATION LIMITED**(Limited by Guarantee and Not Having a Share Capital)****NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31ST AUGUST 2011**

2. INVESTMENT INCOME AND INTEREST	2011 £	2010 £
Income from listed investments	265,127	309,102
Interest receivable on cash deposits	302	872
Commissions receivable	123,503	98,473
	388,932	408,447

All of the investment income is from investment assets held within UK

Commissions receivable represent rebated management fees. The investment managers fees charged totalling £90,028 are disclosed separately in Note 4 to the Financial Statements

3. DONATIONS	2011 £	2010 £
National Asthma Campaign	25,000	50,000
Cystic Fibrosis Trust	175,000	175,000
British Scoliosis	25,000	-
Royal Brompton Hospital	110,000	110,000
N W London Hospital Trust	-	15,000
International Spinal Research Trust	40,000	45,000
British Lung Foundation	-	50,000
Compton Hospice	5,000	-
Well Child	-	10,000
Alzheimer's Society	50,000	50,000
Blonde McIndoe Research Foundation	40,000	50,000
Bowel Disease Research Foundation	80,000	80,000
ESPA Research	100,000	100,000
Leukaemia Lymphoma Research	15,000	-
Romney Marsh Historical Church Trust	5,000	-
Calvert Trust Kielder	5,000	10,000
Gordon Highlands	10,000	40,000
Sheffield Teaching Hospital	50,000	50,000
The Prostate Cancer Unity	10,000	10,000
Lowe Syndrome Trust	35,000	5,000
St Augustine's Church	-	5,000
Other – Under £5000 each	15,000	31,000
Brain Research Trust	5,000	-
	800,000	886,000

ROBERT LUFF FOUNDATION LIMITED

(Limited by Guarantee and Not Having a Share Capital)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST AUGUST 2011

4	GOVERNANCE AND ADMINISTRATION	2011 £	2010 £
	Audit fees	7,000	7,000
	Other fees for non-audit services	8,960	9,062
	Legal and professional fees	21,358	21,068
	Investment managers fees	90,028	74,570
	Other administrative costs	2,975	2,443
		<u>130,321</u>	<u>114,143</u>

5. TRUSTEES REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31st August 2011 nor for the year ended 31 August 2010

Trustees' expenses

There were no trustees' expenses for the year ended 31 August 2011 nor for the year ended 31st August 2010

6.	LISTED INVESTMENTS	2011 £	2010 £
	Market Value.		
	At 1st September 2010	23,532,548	22,666,181
	Additions	1,289,131	1,448,372
		<u>24,821,679</u>	<u>24,114,553</u>
	Disposals	(1,600,077)	(1,494,692)
	Unrealised gain	609,120	912,687
		<u>23,830,722</u>	<u>23,532,548</u>
	At 31st August 2011	23,830,722	23,532,548
	Cost at 31st August 2011	15,492,389	15,729,035

All of the above listed investments are held within the UK

Cash deposits of £ 86,313 (2010 £215,300) were held as part of the investment portfolio which is included within cash at bank and in hand. The portfolio comprised the following material holdings

Material holdings over 5% of the portfolio value	Market value	
	2011	2010
Fidelity Investments European Fund	24%	23%
Fidelity Investments Special Situations Fund	6%	6%
Fidelity Investments Global Special Situations	5%	5%
Blackrock Target Return Fund	38%	40%

ROBERT LUFF FOUNDATION LIMITED

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST AUGUST 2011

7	DEBTORS	2011 £	2010 £
	Other debtors and prepayments	58,374	45,683

8 CREDITORS: Amounts falling due within one year

Other creditors	27,919	27,919
Accruals and deferred income	35,812	20,740
	63,731	48,659

9. 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.

10. ANALYSIS OF FUND BALANCES BETWEEN THE NET ASSETS

	Unrestricted fund £	2010 £
Investments	23,830,722	23,532,548
Net current assets	160,780	294,405
	23,991,502	23,826,953

11. 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.

ROBERT LUFF FOUNDATION LIMITED

(Limited by Guarantee and Not Having a Share Capital)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST AUGUST 2011

12 TRANSACTIONS WITH DIRECTORS AND RELATED PARTIES

Other creditors include £27,917 (2010 £27,919) owed 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 £37,452 (2010 £37,452) 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 £4,483 (2010 £10,351) from Radcliffes LeBrasseur Solicitors, a firm by which R P J Price is employed as a consultant solicitor. R P J Price is also a director of Robert Luff Foundation Limited. All transactions were carried out on an arms length basis.

13 APB ETHICAL STANDARD – PROVISIONS AVAILABLE FOR SMALL ENTITIES

In common with many other companies of our size and nature, we use our auditors to assist with the preparation of the financial statements.