

**THE BENJAMIN ARBIB  
CHARITABLE FOUNDATION LIMITED**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**For The Year Ended 5 April 2004**

**Company Number: 3775136**  
**Charity Number: 1077094**



**THE BENJAMIN ARBIB CHARITABLE FOUNDATION LIMITED**  
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**THE BENJAMIN ARBIB CHARITABLE FOUNDATION LIMITED**  
**DIRECTORS AND OFFICERS**

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**DIRECTORS**

Mr B Arbib  
Lady Arbib

**SECRETARY**

Boodle Hatfield Secretarial Limited  
61 Brook Street  
London W1Y 2BL

**REGISTERED OFFICE**

61 Brook Street  
London W1Y 2BL

**AUDITORS**

Cook Sutton  
Billings House  
Singer Lane  
Henley-on-Thames  
Oxon RG9 1HB

**PRINCIPAL BANKERS**

Barclays Private Bank Limited  
59 Grosvenor Street  
London W1X 9DA

**LEGAL ADVISERS**

Boodle Hatfield  
61 Brook Street  
London W1Y 2BL

**COMPANY NUMBER**

3775136

**REGISTERED CHARITY NUMBER**

1077094

## **THE BENJAMIN ARBIB CHARITABLE FOUNDATION LIMITED**

### **DIRECTORS' REPORT**

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The directors, who are the trustees, submit their report and the financial statements of The Benjamin Arbib Charitable Foundation Limited for the year ended 5 April 2004.

#### **LEGAL AND ADMINISTRATIVE INFORMATION**

The Benjamin Arbib Charitable Foundation Limited is a company limited by guarantee and a registered charity.

The objects of the charity are to promote any charitable purpose or support any charity selected by the directors. It is expressly contemplated that The Arbib Foundation (Charity number 296358) may be the beneficiary of the application of some or all funds or other benefits by the charity.

#### **PRINCIPAL ACTIVITY**

The charity's principal activity during the year was the support of charities through the payments of donations.

#### **REVIEW OF THE ACTIVITIES, DEVELOPMENT AND ACHIEVEMENTS**

During the year the unrestricted funds had income of £390,909, mainly interest from investments, and expenditure of £416,190, of which more than 99% was direct charitable expenditure. This resulted in an excess of expenditure over income of £25,281, which decreased the balance on the income account to £18,143 at the end of the year. The majority of the charity's assets are held in fixed income investments and corporate bonds. There was an unrealised loss on investments of £36,088.

During the year part of the Treasury Stock was sold to purchase a holding of Invesco Perpetual Corporate Bond Income Units in order to diversify the asset base. Investment sales gave rise to a gain of £93,385.

#### **RESERVES POLICY**

The motivation behind the charity was to set up an investment to fund charitable donations by the family of Benjamin Arbib for many years to come. It is not envisaged that there will be any fundraising activities in the future so it has been decided to retain an amount roughly equal to the original donation as an expendable endowment. The endowment will be invested with the intent to, as far as possible, retain its capital value and produce an annual income.

It is planned that the income generated by the endowment will be spent each year but if any charitable request requiring a larger donation than would be possible from income is approved by the trustees, then funds from the endowment will be available to support this.

**THE BENJAMIN ARBIB CHARITABLE FOUNDATION LIMITED**  
**DIRECTORS' REPORT**

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**RISK ASSESSMENT**

The directors feel that the major risk to which the charity is exposed is the loss of value of the charity's income producing assets and regular reviews of the investment policy, which emphasises caution, guard against this.

**DIRECTORS**

The following directors have held office since 6 April 2003:

Mr B Arbib  
Lady Arbib

Trustees may co-opt any person duly qualified to be appointed as Trustees to fill a vacancy in their number or as an additional Trustee. Co-opted Trustees hold office only until the next Annual General Meeting.

**AUDITORS**

A resolution to reappoint Cook Sutton as auditors will be put to the members at the Annual General Meeting.

By order of the Board



B Arbib

Director

15 DECEMBER 2004

**THE BENJAMIN ARBIB CHARITABLE FOUNDATION LIMITED**  
**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

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Company law requires the directors to prepare financial statements for each financial year which 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 those financial statements, the directors are required to:

- a. select suitable accounting policies and then apply them consistently;
- b. make judgements and estimates that are reasonable and prudent;
- c. state whether applicable accounting standards have been followed;  
subject to any material departures disclosed in the financial statements;
- d. prepare the financial statements on the going concern basis unless it  
is inappropriate to presume that the charity will continue in operation.

The directors 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 requirements of the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF  
THE BENJAMIN ARBIB CHARITABLE FOUNDATION LIMITED  
For the year ended 5 April 2004**

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We have audited the financial statements of The Benjamin Arbib Charitable Foundation Limited for the year ended 5 April 2004 which comprise the Statement of Financial Activities, Summary Income and Expenditure Account, the Balance Sheet, the Cash Flow Statement and the related notes. These financial statements have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets and the accounting policies set out therein.

This report is made solely to the 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 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 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 described in the Statement of Trustees' Responsibilities the trustees, who are also the directors of The Benjamin Arbib Charitable Foundation Limited for the purposes of company law, are responsible for the preparation of the Trustees' Annual Report and 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 Trustees' Annual Report is not consistent with the financial statements, if the charity 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 charity is not disclosed.

We read other information contained in the Trustees Annual Report, and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

**Basis of audit opinion**

We conducted our audit in accordance with United Kingdom 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 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 as at 5 April 2004, 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.



Cook Sutton Registered Auditors

Billings House, Singer Lane

Henley-on-Thames

Oxon RG9 1HB

15 DECEMBER 2004

**THE BENJAMIN ARBIB CHARITABLE FOUNDATION LIMITED**  
**STATEMENT OF FINANCIAL ACTIVITIES**  
For the year ended 5 April 2004

	Note	Income £	2004 Endowment £	Total £	2003 Total £
<b>Incoming Resources</b>					
Investment income	1	386,115	-	386,115	423,450
Interest on deposits	1	4,794	-	4,794	3,314
Total incoming resources		<u>390,909</u>	<u>-</u>	<u>390,909</u>	<u>426,764</u>
<b>Resources expended</b>					
Charitable expenditure					
Grants	2	415,000	-	415,000	410,563
Administration		1,190	-	1,190	1,505
Total resources expended		<u>416,190</u>	<u>-</u>	<u>416,190</u>	<u>412,068</u>
<b>Net outgoing/incoming resources</b>		<b>(25,281)</b>	<b>-</b>	<b>(25,281)</b>	<b>14,696</b>
Realised gain on investments	1	-	93,385	93,385	-
		<u>(25,281)</u>	<u>93,385</u>	<u>68,104</u>	<u>14,696</u>
Unrealised losses on investments	1	-	(36,088)	(36,088)	(504,732)
<b>Net movement in funds</b>		<b>(25,281)</b>	<b>57,297</b>	<b>32,016</b>	<b>(490,036)</b>
<b>Funds brought forward at 6 April 2003</b>		<b>43,424</b>	<b>8,825,976</b>	<b>8,869,400</b>	<b>9,359,436</b>
<b>Funds carried forward at 5 April 2004</b>		<b>18,143</b>	<b>8,883,273</b>	<b>8,901,416</b>	<b>8,869,400</b>

The notes on pages 11 & 12 form part of these accounts.



**THE BENJAMIN ARBIB CHARITABLE FOUNDATION LIMITED**  
**SUMMARY INCOME AND EXPENDITURE ACCOUNT**  
For the year ended 5 April 2004

	Note	2004 £	2003 £
Gross income of continuing operations		390,909	426,764
Total expenditure of continuing operations		<u>416,190</u>	<u>412,068</u>
Net (expenditure)/income for the period	3	<u>(25,281)</u>	<u>14,696</u>

- \* Total income comprises £390,909. A detailed analysis of income by source is provided in the Statement of Financial Activities.
- \* There were no non-charitable trading activities.
- \* Detailed analyses of the expenditure are provided in the Statement of Financial Activities.
- \* Net income for the period, excluding unrealised losses on investments is £68,104 as shown in the Statement of Financial Activities
- \* The summary Income and Expenditure Account is derived from the Statement of Financial Activities on page 6 which, together with the notes to the accounts on pages 11 & 12, provide full information on the movements during the year on all the funds.
- \* The results of the year reflect continuing operations.

The notes on pages 11 & 12 form part of these accounts.

**THE BENJAMIN ARBIB CHARITABLE FOUNDATION LIMITED**  
**BALANCE SHEET**  
**At 5 April 2004**

	Note	2004 £	2003 £
<b>Fixed Assets</b>			
Investments	1	8,774,584	8,694,491
<b>Current Assets</b>			
Debtors	4	109,800	131,793
Cash at bank and in hand		21,183	45,759
		130,983	177,552
<b>Creditors:</b>			
Amounts falling due within one year	5	4,151	2,643
<b>Net Current Assets</b>		126,832	174,909
<b>Net Assets</b>		8,901,416	8,869,400
<b>Funds</b>			
Unrestricted Income Fund		18,143	43,424
Endowment Fund		8,883,273	8,825,976
		8,901,416	8,869,400

Approved by the Board of Directors on 15 DECEMBER 2004  
and signed on its behalf by



B Arbib - Director

The notes on pages 11 & 12 form part of these accounts.

**THE BENJAMIN ARBIB CHARITABLE FOUNDATION LIMITED**  
**CASH FLOW STATEMENT**  
For the year ended 5 April 2004

	2004 £	2003 £
<b>Reconciliation of operating result to net cash inflow/(outflow) from operating activities</b>		
Changes in resources before revaluations	(25,281)	14,696
Increase in creditors:Current liabilities	1,508	593
Decrease/(increase) in debtors	<u>21,993</u>	<u>(954)</u>
	(1,780)	14,335
<b>CASH FLOW STATEMENT</b>		
Net cash (outflow)/inflow from operating activities and increase in cash	<u>(1,780)</u>	<u>14,335</u>
<b>Capital expenditure and financial investment</b>		
Proceeds of sales	2,379,549	-
Purchase of investments	<u>(2,402,345)</u>	<u>-</u>
	(22,796)	
(Decrease)/increase in cash	<u>(24,576)</u>	<u>14,335</u>
<b>Reconciliation of net cash flow to movement in net debt</b>		
(Decrease)/Increase in cash in the period	(24,576)	14,335
Net Funds at 6 April 2003	<u>45,759</u>	<u>31,424</u>
Net Funds at 5 April 2004	<u>21,183</u>	<u>45,759</u>

The notes on pages 11 & 12 form part of these accounts

## **THE BENJAMIN ARBIB CHARITABLE FOUNDATION LIMITED**

### **ACCOUNTING POLICIES**

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#### **BASIS OF ACCOUNTING**

These financial statements have been prepared in accordance with the Statement of Recommended Practice 'Accounting and Reporting by Charities' issued October 2000 and under the historical cost convention as modified for the revaluation of certain assets and in accordance with applicable accounting standards and the Companies Act 1985.

The following accounting policies have been applied consistently in dealing with items which are considered material to the financial statements.

#### **INCOMING RESOURCES**

Donations of quoted shares are valued on the day donations are received. Other income is included at cash value received or receivable.

#### **RESOURCES EXPENDED**

Grants are recognised when incurred. All other expenditure is included on an accruals basis.

#### **INVESTMENTS**

These are recorded at market value. Any gain or loss on revaluation is taken to the Statement of Financial Activities.

#### **FUND ACCOUNTING**

Funds held by the charity are either:

Unrestricted funds - these are general funds which can be used in accordance with the charitable objects at the discretion of the trustees.

Expendable endowment funds - these are donations required to be retained as capital in accordance with the donor's wishes.

**THE BENJAMIN ARBIB CHARITABLE FOUNDATION LIMITED**  
**NOTES TO THE ACCOUNTS**  
For the year ended 5 April 2004

<b>1</b>	<b>FIXED ASSET INVESTMENTS</b>		
	<u>Market value</u>	<b>2004</b> <b>£</b>	<b>2003</b> <b>£</b>
	United Kingdom Equities		
	Amvescap plc ordinary (2003: 103,766)	-	330,495
	United Kingdom Unit Trusts		
	2,681,180.79 Invesco Perpetual Corporate Bond Income	<b>2,057,538</b>	-
	United Kingdom Fixed Income Securities		
	5% Treasury Stock 2004	<b>6,300,746</b>	8,363,996
	Cash deposit	<b>416,300</b>	-
		<b>8,774,584</b>	8,694,491
	<u>Historical cost</u>		
	Equities	-	1,390,464
	Unit trusts	<b>1,986,045</b>	-
	Fixed income securities	<b>6,298,544</b>	8,207,161
	Cash deposit	<b>416,300</b>	-
		<b>8,700,889</b>	9,597,625
	<u>Movements during the year</u>		
	At 6 April 2003	<b>8,694,491</b>	9,199,223
	Additions at cost	<b>2,402,345</b>	-
	Proceeds of sales	<b>(2,379,549)</b>	-
	Realised gains on sales	<b>93,385</b>	-
	Unrealised loss	<b>(36,088)</b>	(504,732)
		<b>8,774,584</b>	8,694,491
	<b>Investment Income</b>		
	Investment management fee rebates	<b>8,427</b>	-
	Investments listed on a recognised stock exchange		
	Dividends - UK equities	<b>12,410</b>	12,887
	Interest - UK fixed interest securities	<b>331,961</b>	410,563
	Interest - UK unit trusts	<b>33,317</b>	-
		<b>386,115</b>	423,450
	<b>Interest Receivable</b>		
	Interest income from cash deposits	<b>4,794</b>	3,314

**THE BENJAMIN ARBIB CHARITABLE FOUNDATION LIMITED**  
**NOTES TO THE ACCOUNTS**  
For the year ended 5 April 2004

**2 DONATIONS AND RELATED PARTY TRANSACTIONS**

£ 415,000 (2003:£410,563) was donated to The Arbib Foundation, a charity (Number 296358) of which Sir Martyn Arbib, the father of Benjamin Arbib, is a trustee.

None of the trustees received any remuneration or reimbursement of any expenses during the period.

<b>3 NET INCOME FOR THE PERIOD</b>	<b>2004 £</b>	<b>2003 £</b>
Net income is stated after charging:		
Auditors' remuneration	<b>1,175</b>	<b>1,175</b>

There are no employees or staff costs.

<b>4 DEBTORS</b>	<b>2004 £</b>	<b>2003 £</b>
Accrued interest	<b>103,137</b>	<b>130,839</b>
Income tax repayment	<b>6,663</b>	<b>954</b>
	<b>109,800</b>	<b>131,793</b>

<b>5 CREDITORS:</b>	<b>2004 £</b>	<b>2003 £</b>
Amounts falling due within one year		
Accruals	<b>4,151</b>	<b>2,643</b>

**6 ANALYSIS OF NET ASSETS BETWEEN FUNDS**

	<b>Income Funds £</b>	<b>Endowment Funds £</b>	<b>Total £</b>
Fund balances at 5 April 2004 are represented by:			
Fixed assets	-	<b>8,774,584</b>	<b>8,774,584</b>
Current assets	<b>22,294</b>	<b>108,689</b>	<b>130,983</b>
Current liabilities	<b>(4,151)</b>	-	<b>(4,151)</b>
Total net assets	<b>18,143</b>	<b>8,883,273</b>	<b>8,901,416</b>