

Charity Registration No. 1116601

Company Registration No. 5950348 (England and Wales)

Calabar Foundation (UK) Limited

TRUSTEES' REPORT AND UNAUDITED ACCOUNTS

For The Year Ended 30 June 2011

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Calabar Foundation (UK) Limited

LEGAL AND ADMINISTRATIVE INFORMATION

TRUSTEES

David Brown
Anthony Crombie
Andrew Summers

SECRETARY

Andrew Summers

CHARITY NUMBER

1116601

COMPANY NUMBER

5950348

PRINCIPAL ADDRESS

10 St Albans Mansions
Kensington Court Place
London
W8 5QH

REGISTERED OFFICE

16 Old Bailey
London
EC4M 7EG

ACCOUNTANTS

Baker Tilly Tax and Accounting Limited
First Floor
Quay 2
139 Fountainbridge
EDINBURGH
EH3 9QG

BANKERS

HSBC
100 Old Broad Street
LONDON
EC2N 1BG

SOLICITORS

Withers
16 Old Bailey
London
EC4M 7EG

Calabar Foundation (UK) Limited

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Calabar Foundation (UK) Limited

TRUSTEES' REPORT

For the year ended 30 June 2011

The Trustees present their report and accounts for the year to 30 June 2011

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the Charity's memorandum and articles of association, the Companies Act 2006 and the Statement of Recommended Practice, "Accounting and Reporting by Charities", (SORP 2005)

STRUCTURE, GOVERNANCE AND MANAGEMENT

The charity is a company limited by shares and is governed by the charity memorandum and articles of association
Charity registration No 1116601, Company Registration No 5950348 (England and Wales)

The registered office is 16 Old Bailey, London, EC4M 7EG

The Trustees, who are also the directors for the purpose of company law, who served during the year were

David Brown
Anthony Crombie
Andrew Summers

No Trustees have any beneficial interests in the shares of the company

The Board makes an annual assessment of the experience and skills needed of the Trustees. In the event that a new Trustee is required, the Board draws up a list of alternatives and interviews the preferred candidates. The Board then decides on the most appropriate appointment.

The induction process for a newly appointed Trustee comprises a meeting with the Chairman, who provides a brief history of the Charity as well as copies of the last few years' annual reports and accounts, corporate documents, board minutes and the Charity Commission's guidance "The Essential Trustee: What You Need to Know".

All decisions are made by the Board, based on formal written proposals. Andrew Summers is Chairman of the meetings.

The Company is 100% owned by Calabar Foundation Inc, a US charity with the same objectives. The only formal relationship that the Company has is with its parent, Calabar Foundation Inc.

The Company may not engage in activities which its parent Calabar Foundation Inc cannot engage in, including (i) not operating for pecuniary profit or financial gain, (ii) not being involved in carrying on propaganda or attempting to influence US legislation, (iii) not engaging in activities not permitted under US federal income tax under Section 501(c)(3) or the IRS code, (iv) not engaging in any self-dealing, retaining any part of its income, retaining any excess business holdings or making ineligible investments.

The Company may invest in quoted equity or fixed income securities.

The Trustees have assessed the major risks to which the Charity is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks, the most significant of which is the risk of investment in equities.

All potential donations are reviewed by legal counsel to ensure that they comply with UK and US regulations.

OBJECTIVES AND ACTIVITIES

The objective of the charity is to support initiatives which provide opportunities to disadvantaged children in the US, UK and Africa, through donations to other qualified charitable / not-for-profit organisations or by direct payments to consultants working on specified projects, in order to carry out the charity's aims for the public benefit.

Calabar Foundation (UK) Limited

TRUSTEES' REPORT (CONTINUED)

For the year ended 30 June 2011

The long term goal of the Charity is to assist in the development and implementation of multi-media technology into less privileged communities, which will make the education of their children more efficient and cost effective. It is expected that this will lead to the breakdown in barriers which presently prevent these children from realising their full potential. Such an approach would also contribute to the expansion of the educated base of the whole society with resulting hard and soft benefits for all.

During the year the Charity continued to broaden its operations in South Africa, working through its affiliated company Sifunda Kunye, also 100% owned by Calabar Foundation Inc. During the year, in addition to continuing support for St Matthew's High School, Sifunda Kunye installed computer labs in Richard Varha High School, ZK Matthew's High School, Toise High School and Xolani High School, all in the Eastern Cape of South Africa, and providing education to 4,000 students in aggregate. In total Sifunda Kunye has installed over 200 computers in these computer labs, as well as providing licenses to CAMI Maths and English, online software developed in South Africa tailored to their curriculum. Sifunda Kunye employs a facilitator for each school, who manage the computer labs, give introductory lessons in computers to the students and provide assistance to the teaching staff of their respective schools, particularly with the CAMI online software. The whole project, managing the relationships with the school faculty and managing the facilitators, is managed by two Calabar Foundation Inc consultants, Emily and Jarvis Jelen, with regular visits made by the Charity Directors to ensure all work is done within the parameters of the project. During the year the Charity donated £160,000 to Sifunda Kunye, largely to support the installation of the new computer labs. It is projected that the Charity will donate £60,000 each year to support these computer labs. No new schools will be added in the foreseeable future.

FINANCIAL REVIEW

The principal funding for projects or initiatives sponsored by the Charity are expected to come from investment returns. Therefore the Trustees have agreed that the funds of the Charity should be maintained at close to £1,000,000 by prudent investment and through raising funds.

Interest income was negligible as a result of lower interest rates and lower cash balances. However, the equity investment increased by over 15%, generating an unrealized gain of over £100,000. Although this return was in excess of the 5% to 10% objective required to support the projected annual donations of £50,000 to £100,000, because of the one-off cost of installing the computer labs, £120,000 of the unrealized gain of the equity investment was realized, reducing the amount of the investment to just over £600,000. Because donations were about £60,000 in excess of the unrealized gains, the Fund Balances decreased to £682,408.

The current investment policy has increased the amount of the Charity funds in equity investments to almost 90%, with the balance held in bank current accounts.

PLANS FOR THE FUTURE

The plan for the immediate future is to stabilize the new computer labs, and integrate them into the teaching plans of the faculty of the five schools that the Charity is supporting. During the year ahead a study will be made to quantify the benefits to the student's learning as a result of access to this technology, both the computers and the online CAMI Maths and English software.

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

On behalf of the board of Trustees



ANDREW SUMMERS

Trustee

Dated 27/10/2011

Calabar Foundation (UK) Limited

STATEMENT OF FINANCIAL ACTIVITIES

For the year ended 30 June 2011

	Notes	2011 £	2010 £
<u>INCOMING RESOURCES FROM GENERATED FUNDS</u>			
Investment income	2	53	220
<u>RESOURCES EXPENDED</u>	3		
<u>COSTS OF GENERATING FUNDS</u>			
Costs of generating donations and legacies		50	170
NET INCOMING RESOURCES AVAILABLE FOR CHARITABLE APPLICATION		3	50
<u>CHARITABLE ACTIVITIES</u>			
Grantmaking		160,000	90,000
Governance costs		6,184	5,963
TOTAL RESOURCES EXPENDED		166,234	96,133
NET OUTGOING RESOURCES		(166,181)	(95,913)
<u>OTHER RECOGNISED GAINS AND LOSSES</u>			
Gains on investment assets		105,846	119,612
NET MOVEMENT IN FUNDS		(60,335)	23,699
Fund balances at 1 July 2010		742,743	719,044
FUND BALANCES AT 30 JUNE 2011		682,408	742,743

Calabar Foundation (UK) Limited
SUMMARY INCOME AND EXPENDITURE ACCOUNT
For the year ended 30 June 2011

	2011 £	2010 £
Gross income	53	220
Gain on disposal of investment assets held by income funds	16,379	-
Total income	16,432	220
Total expenditure from income funds	166,234	96,133
NET EXPENDITURE FOR THE YEAR	(149,802)	(95,913)

The summary income and expenditure account is derived from the statement of financial activities on page 3 which, together with the notes on pages 6 to 9, provides full information on the movements during the year on all funds of the charity

Statement of recognised gains and losses

NET EXPENDITURE FOR THE YEAR	(149,802)	(95,913)
Unrealised gains on investment assets held by income funds	89,467	119,612
	(60,335)	23,699

Calabar Foundation (UK) Limited

BALANCE SHEET

As at 30 June 2011

	Notes	2011 £	£	2010 £	£
FIXED ASSETS					
Investments	7		601,540		615,694
CURRENT ASSETS					
Debtors	8	142		142	
Cash at bank and in hand		83,048		129,229	
		83,190		129,371	
CREDITORS: AMOUNTS DUE LESS THAN ONE YEAR	9	(2,322)		(2,322)	
NET CURRENT ASSETS			80,868		127,049
TOTAL ASSETS LESS CURRENT LIABILITIES			682,408		742,743
INCOME FUNDS					
Unrestricted funds					
Share capital		1		1	
Unrestricted income funds		682,407		742,742	
			682,408		742,743
			682,408		742,743

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

For the financial period ended 30 June 2011 the company was entitled to exemption from audit under section 477 of the Companies Act 2006, and no notice has been deposited under section 476 (members requesting an audit)

The directors acknowledge their responsibilities for ensuring that the company keeps accounting records which comply with section 386 of the Act and for preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial period, and of its net movement in funds for the financial period, in accordance with the requirements of sections 394 and 395, and which otherwise comply with the requirements of the Companies Act 2006 relating to accounts, so far as applicable to the company

Approved by the Board for issue on 27 October 2011



Andrew Summers
TRUSTEE

Calabar Foundation (UK) Limited

NOTES TO THE ACCOUNTS

For The Year Ended 30 June 2011

1 ACCOUNTING POLICIES

1.1 BASIS OF PREPARATION

The accounts have been prepared under the historical cost convention modified to include the revaluation of certain fixed assets

No material uncertainties that may cast significant doubt about the ability of the charity to continue as a going concern have been identified by the directors

The accounts have been prepared in accordance with applicable accounting standards, the Statement of Recommended Practice, "Accounting and Reporting by Charities", (SORP 2005), the Companies Act 2006 and the Financial Reporting Standard for Smaller Entities (effective April 2008)

1.2 INCOMING RESOURCES

Donations, legacies and other forms of voluntary income are recognised as incoming resources when receivable, except insofar as they are incapable of financial measurement

1.3 INVESTMENTS

Fixed asset investments are stated in the balance sheet at market value

Profits/losses on investments which have been realised on disposal, together with interest and dividends are reflected in the surplus/deficit for the year on the income and expenditure account. Unrealised profits/losses are retained in the investment revaluation reserve on the balance sheet until such time as they are realised.

1.4 FOREIGN CURRENCY TRANSLATION

Monetary assets and liabilities in foreign currencies are translated into sterling at the rates of exchange prevailing at the accounting date. Transactions in foreign currencies are recorded at the date of transaction. All differences are taken to the Statement of Financial Activities

1.5 ACCUMULATED FUNDS

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the Charity. Unrestricted funds include an investment revaluation reserve representing the reinstatement of these assets to their market values

1.6 GRANTS

Grants payable are charged in the year in which the offer is conveyed and a valid expectation created with the recipient that the grant will be paid.

1.7 RESOURCES EXPENDED

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs relating to that activity

- Charitable activities include expenditure on donations which are in line with the charitable objectives of the Foundation
- Governance Costs are costs associated with constitutional and statutory requirements

Expenditure has been allocated on a direct basis

Calabar Foundation (UK) Limited

NOTES TO THE ACCOUNTS (CONTINUED)

For The Year Ended 30 June 2011

2 INVESTMENT INCOME

	2011 £	2010 £
Interest receivable	53	220

3 TOTAL RESOURCES EXPENDED

	Other costs £	Grant funding £	Total 2011 £	Total 2010 £
COSTS OF GENERATING FUNDS				
Costs of generating donations and legacies	50	-	50	170
CHARITABLE ACTIVITIES				
GRANTMAKING				
Grant funding of activities	-	160,000	160,000	90,000
GOVERNANCE COSTS	6,184	-	6,184	5,963
	6,234	160,000	166,234	96,133

Governance costs includes payments to the auditors of £Nil (2010 £Nil) for audit fees and £2,322 (2010 £2,322) (VAT inclusive) for other services

4 GRANTS PAYABLE

	Total 2011 £	Total 2010 £
Grants to institutions (1 grant)		
St Mathews High School	-	20,000
Ilitha Lemfundo	-	20,000
Sifunde Kunya	160,000	50,000
	160,000	90,000

5 TRUSTEES

None of the Trustees (or any persons connected with them) received any remuneration during the year, or were reimbursed travelling expenses

6 EMPLOYEES

There were no employees during the year

Calabar Foundation (UK) Limited

NOTES TO THE ACCOUNTS (CONTINUED)

For The Year Ended 30 June 2011

7 FIXED ASSET INVESTMENTS

£

Market value at 1 July 2010	615,694
Disposals at opening book value	(103,621)
Change in value in the year	89,467

MARKET VALUE AT 30 JUNE 2011	<u>601,540</u>
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Historical cost	
At 30 June 2011	<u>414,572</u>

At 30 June 2010	<u>498,463</u>
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100% of fixed asset investments are overseas equities held at market value

8 DEBTORS

	2011	2010
	£	£

Prepayments and accrued income	<u>142</u>	<u>142</u>
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9 CREDITORS AMOUNTS FALLING DUE WITHIN ONE YEAR

	2011	2010
	£	£

Accruals	<u>2,322</u>	<u>2,322</u>
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10 SHARE CAPITAL

	2011	2010
	£	£

Issued share capital	<u>1</u>	<u>1</u>
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The immediate and ultimate holding company is Calabar Foundation Inc which holds 100% of the issued ordinary share capital in the charity Calabar Foundation Inc is incorporated in the United States of America

Calabar Foundation (UK) Limited

NOTES TO THE ACCOUNTS (CONTINUED)

For The Year Ended 30 June 2011

11 REVALUATION RESERVE

The revaluation reserve fund is required by the Companies Act and represents the amount by which the market value of investments exceeds their cost

	Balance at	Movement in funds		Balance at
	1 July 2010	Incoming resources	Resources expended	30 June 2011
	£	£	£	£
Revaluation reserve	119,612	89,467	(22,111)	186,968
	<u>119,612</u>	<u>89,467</u>	<u>(22,111)</u>	<u>186,968</u>

12 RELATED PARTIES

Andrew Summers is a director of the parent company Calabar Foundation Inc and holds an 8% interest in Silchester International Investors Limited, who are the investment managers for Calabar Foundation (UK) Limited

13 ULTIMATE PARENT UNDERTAKING

The immediate and ultimate holding company is Calabar Foundation Inc which holds 100% of the issued ordinary share capital in the charity Calabar Foundation Inc is incorporated in the United States of America

Calabar Foundation (UK) Limited

ACCOUNTANTS' REPORT TO THE TRUSTEES ON THE Unaudited Accounts Of Calabar Foundation (UK) Limited

In order to assist you to fulfil your duties under the Companies Act 2006 and the Charities Act 1993 as amended by the Charities Act ("the Acts") and regulations thereunder, we have prepared for your approval the financial statements of Calabar Foundation (UK) Limited which comprise the Statement of Financial Activities, the Summary Income and Expenditure Account, the Statement of Total Recognised Gains and Losses and the Balance Sheet and the related notes as set out on pages 5 to 12 from the accounting records and from information and explanations you have given us

As a practising member firm of the Institute of Chartered Accountants in England and Wales (ICAEW), we are subject to its ethical and other professional requirements which are detailed at <http://www.icaew.com/en/members/regulations-standards-and-guidance>

This report is made solely to the Trustees of Calabar Foundation (UK) Limited as a body, in accordance with the terms of our engagement letter dated 05 August 2011. Our work has been undertaken solely to prepare for your approval the accounts of Calabar Foundation (UK) Limited and state those matters that we have agreed to state to them in accordance with AAF 2/10 as detailed at icaew.com/compilation. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Calabar Foundation (UK) Limited and its Trustees as a body for our work or for this report

It is your duty to ensure that Calabar Foundation (UK) Limited has kept adequate accounting records and to prepare statutory accounts that give a true and fair view of the assets, liabilities, financial position and profit/[loss] of Calabar Foundation (UK) Limited under the Companies Act 2006 and the Charities Act 1993 as amended by the Charities Act 2006 ("the Acts") and regulations thereunder. You consider that Calabar Foundation (UK) Limited is exempt from the statutory audit requirement for the year

We have not been instructed to carry out an audit or a review of the accounts of Calabar Foundation (UK) Limited. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the statutory accounts



BAKER TILLY TAX AND ACCOUNTING LIMITED

Accountants
First Floor
Quay 2
139 Fountainbridge
EDINBURGH
EH3 9QG

Dated 21 Dec 2011



Calabar Foundation (UK) Limited

TRUSTEES' CONFIRMATION

For the year ended 30 June 2011

On behalf of the board of trustees, I acknowledge that it is the responsibility of the trustees for ensuring the company maintains proper accounting records and preparing financial statements which give a true and fair view and have been prepared in accordance with the Companies Act 2006

I have accepted the unaudited financial statements set out on pages 4 to 9, and confirm that all information and explanations relevant to their compilation have been made available

Andrew Summers

Trustee

