

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 2012

THURSDAY



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13/12/2012  
COMPANIES HOUSE

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# Calabar Foundation (UK) Limited

## LEGAL AND ADMINISTRATIVE INFORMATION

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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

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# Calabar Foundation (UK) Limited

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# Calabar Foundation (UK) Limited

## TRUSTEES' REPORT

For the year ended 30 June 2012

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The Trustees present their report and accounts for the year to 30 June 2012

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, and its affiliated company Sifunda Kunye, a South African charity also owned 100% by Calabar Foundation Inc, which manages the projects that the Company supports.

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.

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.

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# Calabar Foundation (UK) Limited

## TRUSTEES' REPORT (CONTINUED)

For the year ended 30 June 2012

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During the year the Charity continued to support Sifunda Kunye who operate computer labs in five Eastern Cape of South Africa High Schools, St Matthew's High School, Richard Varha High School, ZK Matthew's High School, Toise High School and Xolani High School. 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 project is now managed by a South African national, Jason Bezuidenhout, who manages the relationships with the school faculty and managing the facilitators. Directors of the Charity make regular visits to ensure all work is done within the parameters of the project. During the year the Charity donated £140,000 to Sifunda Kunye, to cover the salaries of the manager and facilitators, and to complete the installation of the computer labs. It is projected that the Charity will donate £80,000 each year to cover the manager and facilitator costs, as well as IT support costs for 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. With the decline in equity markets, and the last significant expenditure of infrastructure in the five high schools, funds fell to just above £540,000. The Trustees anticipate contributions to the Charity over the next few years that will cover most of the annual donations and costs, and so after liquidating some of the equity holding, as described below, intend to let the remaining equity investment grow back up towards the intended balance over a number of years.

Interest income was negligible as a result of lower interest rates and lower cash balances. With the decline in global equity markets, the equity investment decreased by 7.5%, with a dividend of £13,987 offsetting the loss of £60,341 on the capital. Consequently this return was lower than the 5% to 10% objective required to support the projected annual donations of £50,000 to £100,000, but a donation of £50,000 was received from the Charity Chairman which provided the necessary cash flow for the grant made. Because all of the remaining cash balances were spent, the charity will liquidate some of its equity next year to ensure the necessary funds to continue its support of Sifunda Kunye. Because grants were about £140,000 in excess of the net income, the Fund Balances decreased to £541,799.

The current investment policy has increased the amount of the Charity funds in equity investments to almost 100%, with only a small balance held in bank current accounts. However, as stated above, the Charity will liquidate about 20% of its equity investment to reduce the amount in equity investment to about 80%.

### PLANS FOR THE FUTURE

The plan for the immediate future is to continue 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. A conference is due to be held in October 2012 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 9 DECEMBER 2012

# Calabar Foundation (UK) Limited

## INDEPENDENT EXAMINERS' REPORT TO THE MEMBERS ON THE Unaudited Accounts Of Calabar Foundation (UK) Limited

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I report on the accounts of Calabar Foundation (UK) Limited for the year ended 30 June 2012, which are set out on pages 4 to 10

### RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND EXAMINER

The trustees (who are also directors of the company for the purposes of company law) are responsible for the preparation of the accounts. The trustees consider that an audit is not required for this year under section 144(2) of the Charities Act 2011 (the 2011 Act) and that an independent examination is needed.

Having satisfied myself that the charity is not subject to audit under company law and is eligible for independent examination, it is my responsibility to

- examine the accounts under section 145 of the 2011 Act,
- to follow the procedures laid down in the general Directions given by the Charity Commission under section 145 (5)(b) of the 2011 Act, and
- to state whether particular matters have come to my attention

### BASIS OF INDEPENDENT EXAMINER'S REPORT

My examination is carried out in accordance with the general Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently no opinion is given as to whether the accounts present a "true and fair view" and the report is limited to those matters set out in the statement below.

### INDEPENDENT EXAMINER'S STATEMENT

In connection with my examination, no matter has come to my attention

- (a) which gives me reasonable cause to believe that in any material respect the requirements
  - (i) to keep accounting records in accordance with section 386 of the Companies Act 2006, and
  - (ii) to prepare accounts which accord with the accounting records, comply with the accounting requirements of section 396 of the Companies Act 2006 and with the methods and principles of the Statement of Recommended Practice Accounting and Reporting by Charitieshave not been met, or
- (b) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached

*Baker Tilly Tax and Accounting Limited.*

Kelly Adams, CA

ON BEHALF OF BAKER TILLY TAX AND ACCOUNTING LIMITED

Chartered Accountants

First Floor

Quay 2

139 Fountainbridge

EDINBURGH

EH3 9QG

Dated

*13/12/12*

# Calabar Foundation (UK) Limited

## STATEMENT OF FINANCIAL ACTIVITIES

For the year ended 30 June 2012

	Notes	2012 £	2011 £
<b>INCOMING RESOURCES FROM GENERATED FUNDS</b>			
Donations and legacies	2	50,000	-
Investment income	3	14,008	53
<b>TOTAL INCOMING RESOURCES</b>		<b>64,008</b>	<b>53</b>
<b>RESOURCES EXPENDED</b>			
<b>COSTS OF GENERATING FUNDS</b>			
Costs of generating donations and legacies	4	120	50
<b>NET INCOMING RESOURCES AVAILABLE FOR CHARITABLE APPLICATION</b>		<b>63,888</b>	<b>3</b>
<b>CHARITABLE ACTIVITIES</b>			
Grantmaking	4,5	140,000	160,000
Governance costs	4	4,156	6,184
<b>TOTAL RESOURCES EXPENDED</b>		<b>144,276</b>	<b>166,234</b>
<b>NET OUTGOING RESOURCES</b>		<b>(80,268)</b>	<b>(166,181)</b>
<b>OTHER RECOGNISED GAINS AND LOSSES</b>			
(Losses)/gains on investment assets		(60,341)	105,846
<b>NET MOVEMENT IN FUNDS</b>		<b>(140,609)</b>	<b>(60,335)</b>
Fund balances at 1 July 2011		682,408	742,743
<b>FUND BALANCES AT 30 JUNE 2012</b>		<b>541,799</b>	<b>682,408</b>

These unaudited financial statements have been subjected to an independent examination. See report on page 3

**Calabar Foundation (UK) Limited**  
**SUMMARY INCOME AND EXPENDITURE ACCOUNT**  
**For the year ended 30 June 2012**

	2012 £	2011 £
Gross income	64,008	53
(Loss)/gain on disposal of investment assets held by income funds	-	16,379
Total income	64,008	16,432
Total expenditure from income funds	144,276	166,234
NET EXPENDITURE FOR THE YEAR	(80,268)	(149,802)

The summary income and expenditure account is derived from the statement of financial activities on page 4 which, together with the notes on pages 7 to 10, provides full information on the movements during the year on all funds of the charity

**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES**

NET EXPENDITURE FOR THE YEAR	(80,268)	(149,802)
Unrealised gains on investment assets held by income funds	(60,341)	89,467
	(140,609)	(60,335)



## Calabar Foundation (UK) Limited

## BALANCE SHEET

As at 30 June 2012

	Notes	2012 £	£	2011 £	£
<b>FIXED ASSETS</b>					
Investments	8		541,199		601,540
<b>CURRENT ASSETS</b>					
Debtors	9	142		142	
Cash at bank and in hand		4,140		83,048	
		4,282		83,190	
CREDITORS AMOUNTS DUE LESS THAN ONE YEAR	10	(3,682)		(2,322)	
NET CURRENT ASSETS			600		80,868
TOTAL ASSETS LESS CURRENT LIABILITIES			541,799		682,408
<b>INCOME FUNDS</b>					
Unrestricted funds					
Share capital	11	1		1	
Unrestricted income funds		415,171		495,439	
Revaluation reserve	12	126,627		186,968	
			541,799		682,408
			541,799		682,408

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 2012 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 9 DECEMBER 2012



Andrew Summers  
TRUSTEE

# Calabar Foundation (UK) Limited

## NOTES TO THE ACCOUNTS

For The Year Ended 30 June 2012

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### 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

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)

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

#### 1.2 INCOMING RESOURCES

Donations, legacies and other forms of voluntary income are recognised as incoming resources when receivable, which is when the Foundation becomes entitled to use the resources, except insofar as they are incapable of financial measurement

#### 1.3 INVESTMENTS

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

Gains/losses on investments which have been realised on disposal, together with interest and dividends are reflected in the surplus/deficit for the year in the income and expenditure account. Unrealised gains/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. The revaluation reserve represents the reinstatement of the investment 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 2012

### 2 DONATIONS AND LEGACIES

	2012 £	2011 £
Donations and gifts	<b>50,000</b>	-

### 3 INVESTMENT INCOME

	2012 £	2011 £
Income from listed investments	<b>13,987</b>	-
Interest receivable	<b>21</b>	53
	<b>14,008</b>	53

### 4 TOTAL RESOURCES EXPENDED

	Other costs £	Grant funding £	Total 2012 £	Total 2011 £
<b>COSTS OF GENERATING FUNDS</b>				
Costs of generating donations and legacies	<b>120</b>	-	<b>120</b>	50
<b>CHARITABLE ACTIVITIES</b>				
<b>GRANTMAKING</b>				
Grant funding of activities	-	<b>140,000</b>	<b>140,000</b>	<b>160,000</b>
<b>GOVERNANCE COSTS</b>	<b>4,156</b>	-	<b>4,156</b>	6,184
	<b>4,276</b>	<b>140,000</b>	<b>144,276</b>	<b>166,234</b>

Governance costs includes payments to the independent examiner of £1,310 (2011 £Nil) (VAT inclusive) for independent examination fees and £2,371 (2011 £2,322) (VAT inclusive) for other services

### 5 GRANTS PAYABLE

	Total 2012 £	Total 2011 £
Grants to institutions (1 grant)		
Sifunde Kunya	<b>140,000</b>	160,000
	<b>140,000</b>	160,000

# Calabar Foundation (UK) Limited

## NOTES TO THE ACCOUNTS (CONTINUED)

For The Year Ended 30 June 2012

### 6 TRUSTEES

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

### 7 EMPLOYEES

There were no employees during the year

### 8 FIXED ASSET INVESTMENTS

£

Market value at 1 July 2011	601,540
Change in value in the year	(60,341)

MARKET VALUE AT 30 JUNE 2012	<u>541,199</u>
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Historical cost	
At 30 June 2012	<u>414,572</u>

At 30 June 2011	<u>414,572</u>
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100% of fixed asset investments are overseas equities held at market value

### 9 DEBTORS

	2012	2011
	£	£

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

	2012	2011
	£	£

Accruals	<u>3,682</u>	<u>2,322</u>
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# Calabar Foundation (UK) Limited

## NOTES TO THE ACCOUNTS (CONTINUED)

For The Year Ended 30 June 2012

### 11 SHARE CAPITAL

	2012 £	2011 £
Issued share capital	<u>1</u>	<u>1</u>

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.

### 12 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 1 July 2011	Movement in funds		Balance at 30 June 2012
		Incoming resources	Resources expended	
	£	£	£	£
Revaluation reserve	186,968	-	(60,341)	<u>126,627</u>
	<u>186,968</u>	<u>-</u>	<u>(60,341)</u>	<u>126,627</u>

### 13 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

The parent company, Calabar Foundation Inc, holds 100% of the share capital of Sifunda Kunye Charitable donations made during the year to Sifunda Kunye amounted to £140,000 (2011 £160,000)

### 14 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.