

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 2013

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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 2013

The Trustees present their report and accounts for the year to 30 June 2013

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.

Calabar Foundation (UK) Limited

TRUSTEES' REPORT (CONTINUED)

For the year ended 30 June 2013

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 managed by a South African national, Jason Bezuidenhout, who manages the facilitators and the relationships with the school faculty. 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 £120,000 to Sifunda Kunye, to principally cover the salaries of the manager and facilitators, and also to maintain the computers and computer labs in good working order. It is projected that the Charity will donate £100,000 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. As a result of strong equity markets, the investment return not only covered the donation of £120,000, but also allowed for a small increase in net assets to £550,000. During the year the Trustees realised £130,000 of gains from the equity investment. The Trustees anticipate contributions to the Charity over the next few years that will cover most of the annual donations and costs, and so intend to let the remaining equity investment grow back up towards the intended balance.

Interest income was negligible as a result of lower interest rates and lower cash balances. With the increase in global equity markets, the equity investment increased by almost 25%, more than offsetting the decline in value last year. Since investing in the equity fund in mid 2007, the fund has increased in net value by almost 40%, an annualised rate of return in excess of 5%, which is within the investment objectives.

The current investment policy has increased the amount of the Charity funds in equity investments to 97%, with only a small balance held in bank current accounts. The charity may have to liquidate some of the equity investment in the coming year to fund the Sifunda Kunye programs.

PLANS FOR THE FUTURE

The plan for the immediate future is to continue to stabilise 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 was 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, and the overwhelming conclusion from the respective school headmasters and senior faculty was that it was of great benefit to their students. The board of Sifunda Kunye are considering an expansion of their project to another five schools, and, if they do this, will look to fund raise principally in South Africa and the United States, but may seek additional support from the Charity and its parent, Calabar Foundation Inc.

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 29/08/2013

Calabar Foundation (UK) Limited

ACCOUNTANTS' REPORT TO THE TRUSTEES OF CALABAR FOUNDATION (UK) LIMITED FOR THE YEAR ENDED 30 JUNE 2013

In order to assist you to fulfil your duties under the Companies Act 2006 and the Charities Act 2011 ("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 4 to 10 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 Board of Trustees of Calabar Foundation (UK) Limited as a body, in accordance with the terms of our engagement letter dated 27 October 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. This report should not therefore be regarded as suitable to be used or relied on by any other party wishing to acquire any rights against Baker Tilly Tax and Accounting Limited for any purpose or in any context. Any party other than the Trustees which obtains access to this report or a copy and chooses to rely on this report (or any part of it) will do so at its own risk. To the fullest extent permitted by law, Baker Tilly Tax and Accounting Limited will accept no responsibility or liability in respect of this report to any other part and shall not be liable for any loss, damage or expense of whatsoever nature which is caused by any person's reliance on representations in 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 loss of Calabar Foundation (UK) Limited under the Companies Act 2006 and the Charities Act 2011 ("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

BAKER TILLY TAX AND ACCOUNTING LIMITED

Chartered Accountants
First Floor
Quay 2
139 Fountainbridge
EDINBURGH
EH3 9QG

Dated 3/9/13

Calabar Foundation (UK) Limited

STATEMENT OF FINANCIAL ACTIVITIES

For the year ended 30 June 2013

	Notes	2013 £	2012 £
<u>INCOMING RESOURCES FROM GENERATED FUNDS</u>			
Donations and legacies	2	-	50,000
Investment income	3	9,418	14,008
TOTAL INCOMING RESOURCES		9,418	64,008
<u>RESOURCES EXPENDED</u>			
<u>COSTS OF GENERATING FUNDS</u>			
Costs of generating donations and legacies	4	70	120
NET INCOMING RESOURCES AVAILABLE FOR CHARITABLE APPLICATION		9,348	63,888
<u>CHARITABLE ACTIVITIES</u>			
Grantmaking	4,5	120,000	140,000
Governance costs	4	2,796	4,156
TOTAL RESOURCES EXPENDED		122,866	144,276
NET OUTGOING RESOURCES		(113,448)	(80,268)
<u>OTHER RECOGNISED GAINS AND LOSSES</u>			
Gains/(losses) on investment assets		120,841	(60,341)
NET MOVEMENT IN FUNDS		7,393	(140,609)
Fund balances at 1 July 2012		541,799	682,408
FUND BALANCES AT 30 JUNE 2013		549,192	541,799

Calabar Foundation (UK) Limited

SUMMARY INCOME AND EXPENDITURE ACCOUNT

For the year ended 30 June 2013

	2013 £	2012 £
Gross income	9,418	64,008
Gain on disposal of investment assets held by income funds	4,435	-
Total income	13,853	64,008
Total expenditure from income funds	122,866	144,276
NET EXPENDITURE FOR THE YEAR	(109,013)	(80,268)

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	(109,013)	(80,268)
Unrealised gains on investment assets held by income funds	116,406	(60,341)
	7,393	(140,609)

Calabar Foundation (UK) Limited

BALANCE SHEET

As at 30 June 2013

	Notes	2013 £	£	2012 £	£
FIXED ASSETS					
Investments	8		532,040		541,199
CURRENT ASSETS					
Debtors	9	142		142	
Cash at bank and in hand		19,381		4,140	
		<u>19,523</u>		<u>4,282</u>	
CREDITORS AMOUNTS DUE LESS THAN ONE YEAR	10	<u>(2,371)</u>		<u>(3,682)</u>	
NET CURRENT ASSETS			<u>17,152</u>		<u>600</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>549,192</u>		<u>541,799</u>
INCOME FUNDS					
Unrestricted funds					
Share capital	11	1		1	
Unrestricted income funds		335,537		415,171	
Revaluation reserve	12	<u>213,654</u>		<u>126,627</u>	
			<u>549,192</u>		<u>541,799</u>
			<u>549,192</u>		<u>541,799</u>

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 2013 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 of Trustees for issue on 29/08/2013



Andrew Summers
TRUSTEE

Calabar Foundation (UK) Limited

NOTES TO THE ACCOUNTS

For The Year Ended 30 June 2013

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 2013

2 DONATIONS AND LEGACIES

	Total 2013 £	Total 2012 £
Donations and gifts	-	50,000

3 INVESTMENT INCOME

	2013 £	2012 £
Income from listed investments	9,397	13,987
Interest receivable	21	21
	9,418	14,008

4 TOTAL RESOURCES EXPENDED

	Other costs £	Grant funding £	Total 2013 £	Total 2012 £
COSTS OF GENERATING FUNDS				
Costs of generating donations and legacies	70	-	70	120
CHARITABLE ACTIVITIES				
<u>GRANTMAKING</u>				
Grant funding of activities	-	120,000	120,000	140,000
GOVERNANCE COSTS	2,796	-	2,796	4,156
	2,866	120,000	122,866	144,276

Governance costs includes payments to the independent examiner of £nil (2012 £1,310) (VAT inclusive) for independent examination fees and £2,371 (2012 £2,371) (VAT inclusive) for other services

5 GRANTS PAYABLE

	Total 2013 £	Total 2012 £
Grants to institutions (1 grant)		
Sifunde Kunye	120,000	140,000
	120,000	140,000

Calabar Foundation (UK) Limited

NOTES TO THE ACCOUNTS (CONTINUED)

For The Year Ended 30 June 2013

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 2012	541,199
Disposals at opening market value	(125,565)
Change in value in the year	116,406

MARKET VALUE AT 30 JUNE 2013	<u>532,040</u>
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Historical cost	
At 30 June 2013	<u>318,386</u>
At 30 June 2012	<u>414,572</u>

100% of fixed asset investments are overseas equities held at market value

9 DEBTORS	2013 £	2012 £
Prepayments and accrued income	<u>142</u>	<u>142</u>

10 CREDITORS AMOUNTS FALLING DUE WITHIN ONE YEAR	2013 £	2012 £
Accruals	<u>2,371</u>	<u>3,682</u>

Calabar Foundation (UK) Limited

NOTES TO THE ACCOUNTS (CONTINUED)

For The Year Ended 30 June 2013

11 SHARE CAPITAL

	2013 £	2012 £
Issued share capital	1	1

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 2012	Movement in funds		Balance at 30 June 2013
	£	Incoming resources £	Resources expended £	£
Revaluation reserve	126,627	116,406	(29,379)	213,654
	126,627	116,406	(29,379)	213,654

13 RELATED PARTIES

Andrew Summers is a director of the parent company Calabar Foundation Inc and holds an 5% 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 £120,000 (2012 £140,000)

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