

**Charity Registration No. 1116601**

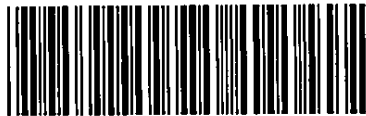
**Company Registration No. 5950348 (England and Wales)**

# **Calabar Foundation (UK) Limited**

**TRUSTEES' REPORT AND UNAUDITED ACCOUNTS**

**For The Year Ended 30 June 2010**

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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 2010

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The Trustees present their report and accounts for the year to 30 June 2010

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.

# Calabar Foundation (UK) Limited

## TRUSTEES' REPORT (CONTINUED)

For the year ended 30 June 2010

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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.

The Charity continued to focus on St Matthews High School in the Eastern Cape of South Africa, with the Calabar Foundation Inc local representative Mr Ben Pauluhn managing the projects funded by last year's donation of R3,000,000 (GBP206,629). During the year, to complete the designated projects, an additional R220,000 (GBP20,000) was donated to St Matthews High School.

The funds were spent on the following projects:

**Basic Needs** purchased a school bus, and bought 150 bunk beds, to create more space in the dormitories,

**Initiative Projects** expanded the reading clubs in the neighboring rural villages, lead by the St Matthew's students, invigorated the library, by recruiting a librarian and adding contemporary books, and introduced a President's Award program for St Matthew's students,

**Technology** purchased forty new pc's for the media centre, to add to the 25 pc's purchased last year, which provided opportunities for over three hundred students to get a training in basic computing,

**Teacher Housing** completed the renovation of nine of the dilapidated teacher houses, which enabled a number of teachers to move back to live on the campus, and get involved in various ex curriculum activities.

The Charity parent Calabar Foundation Inc organized and funded four trips to South Africa during this financial year by Mr Andrew Summers and Mr Mark Nixon, who have worked on this project since inception, as well as a visit by the Charity Directors Mr David Brown and Mr Tony Crombie. During these trips the consultants and directors met with senior members of the relevant education authorities and school, to ensure their ongoing support, and also review the projects being undertaken by Mr Pauluhn. Calabar Foundation Inc also held an annual strategic meeting in the US in January 2010, where the three consultants and Mr Pauluhn refined goals for the year ahead.

Having completed the basic need projects and renovation of teacher houses, the plan for the year ahead is to focus on implementing technology which will enhance the education opportunity for students. Unfortunately, the quality and cost of internet in the Eastern Cape is prohibitive to the plans to introduce video conferencing. Instead the decision was taken to invest funds and time in an online software product CAMI, with Math and English modules. The Calabar Foundation Inc local representative will continue to supervise initiative based projects.

Although no support was envisaged, a further R220,000 (GBP20,000) was donated to The Ilitha Lemfundo Educational Enhancement Centre in Uitenhage, South Africa. The directors made a due diligence visit and were impressed by the 100% "matric" pass rate of the students.

The Charity continues to receive many applications for grants from a range of charities, but has chosen to focus on schools in the Eastern Cape, principally St Matthews High School, and soon to be Richard Varha and ZK Matthew's High Schools. To this end, the Calabar Foundation Inc has established an 100% owned South African subsidiary company Sifunda Kunye Educational Project CC, to provide funds and staff. The Charity donated R550,000 (GBP50,000) to Sifunda Kunye, which will be spent on computers for these additional schools, and facilitators to supervise the use of these computers, and the CAMI Math and English online software modules. The Charity expects to make annual additional contributions to Sifunda Kunye.

# Calabar Foundation (UK) Limited

## TRUSTEES' REPORT (CONTINUED)

For the year ended 30 June 2010

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### 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 GBP1,000,000 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 20%, generating an unrealized gain of almost GBP120,000. The overall performance of investments was up 13%, a few percent in excess of the 5% to 10% objective required to support the projected annual donations of GBP50,000 to GBP100,000. As donations were lower than the unrealized gain, the Fund Balances increased to GBP742,743.

The current investment policy continues to allocate 70% to 80% of the Charity funds in equity investments, with the balance held in bank current accounts.

### PLANS FOR THE FUTURE

As previously described, the plan for the immediate future is to implement technology to enhance the educational opportunities for students of St Matthews High School, Richard Varha High School and ZK Matthew's High School in the Eastern Cape of South Africa.

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 30/11/2010

# Calabar Foundation (UK) Limited

## STATEMENT OF FINANCIAL ACTIVITIES

For the year ended 30 June 2010

	Notes	2010 £	2009 £
<b><u>INCOMING RESOURCES FROM GENERATED FUNDS</u></b>			
Investment income	2	220	10,578
<b><u>RESOURCES EXPENDED</u></b>			
<b><u>COSTS OF GENERATING FUNDS</u></b>			
Costs of generating donations and legacies	3	170	174
NET INCOMING RESOURCES AVAILABLE FOR CHARITABLE APPLICATION		50	10,404
<b><u>CHARITABLE ACTIVITIES</u></b>			
Grantmaking		90,000	206,281
Governance costs		5,963	2,595
TOTAL RESOURCES EXPENDED		96,133	209,050
NET OUTGOING RESOURCES		(95,913)	(198,472)
<b><u>OTHER RECOGNISED GAINS AND LOSSES</u></b>			
Gains on investment assets		119,612	30,308
NET MOVEMENT IN FUNDS		23,699	(168,164)
Fund balances at 1 July 2009		719,044	887,208
FUND BALANCES AT 30 JUNE 2010		742,743	719,044

**Calabar Foundation (UK) Limited**  
**SUMMARY INCOME AND EXPENDITURE ACCOUNT**  
**For the year ended 30 June 2010**

	2010 £	2009 £
Total income	220	10,578
Total expenditure from income funds	96,133	209,050
<b>NET EXPENDITURE FOR THE YEAR</b>	<b>(95,913)</b>	<b>(198,472)</b>

The summary income and expenditure account is derived from the statement of financial activities on page 0 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 recognised gains and losses**

<b>NET EXPENDITURE FOR THE YEAR</b>	<b>(95,913)</b>	<b>(198,472)</b>
Unrealised gains on investment assets held by income funds	119,612	30,308
	<b>23,699</b>	<b>(168,164)</b>



**Calabar Foundation (UK) Limited****UNAUDITED BALANCE SHEET**

As at 30 June 2010

	Notes	2010 £	£	2009 £	£
<b>FIXED ASSETS</b>					
Investments	7		<b>615,694</b>		<b>496,082</b>
<b>CURRENT ASSETS</b>					
Debtors	8	<b>142</b>		-	
Cash at bank and in hand		<b>129,229</b>		<b>225,139</b>	
		<b>129,371</b>		<b>225,139</b>	
<b>CREDITORS AMOUNTS FALLING DUE WITHIN ONE YEAR</b>	9	<b>(2,322)</b>		<b>(2,177)</b>	
<b>NET CURRENT ASSETS</b>			<b>127,049</b>		<b>222,962</b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<b>742,743</b>		<b>719,044</b>
<b>INCOME FUNDS</b>					
Unrestricted funds					
Share capital		<b>1</b>		<b>1</b>	
Unrestricted income funds		<b>623,130</b>		<b>688,735</b>	
Revaluation reserve		<b>119,612</b>		<b>30,308</b>	
			<b>742,743</b>		<b>719,044</b>
			<b>742,743</b>		<b>719,044</b>

For the year ended 30 June 2010 the company was entitled to exemption from audit under Section 477 of the Companies Act 2006 relating to small companies and its members have not required the company to obtain an audit of its financial statements for the year in question in accordance with Section 476

The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime

The financial statements on pages 4 to 10 were approved by the board of directors and authorised for issue on 24 OCT 2010 and are signed on its behalf by



Andrew Summers  
TRUSTEE

# Calabar Foundation (UK) Limited

## NOTES TO THE ACCOUNTS

For The Year Ended 30 June 2010

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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)

#### 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 at market value

#### 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 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

#### 1.6 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

### 2 INVESTMENT INCOME

	2010 £	2009 £
Interest receivable	220	10,578

# Calabar Foundation (UK) Limited

## NOTES TO THE ACCOUNTS (CONTINUED)

For The Year Ended 30 June 2010

### 3 TOTAL RESOURCES EXPENDED

	Other costs £	Grant funding £	Total 2010 £	Total 2009 £
<b>COSTS OF GENERATING FUNDS</b>				
Costs of generating donations and legacies	170	-	170	174
<b>CHARITABLE ACTIVITIES</b>				
<b><u>GRANTMAKING</u></b>				
Grant funding of activities	-	90,000	90,000	206,281
<b>GOVERNANCE COSTS</b>	5,963	-	5,963	2,595
	<b>6,133</b>	<b>90,000</b>	<b>96,133</b>	<b>209,050</b>

Governance costs includes payments to the auditors of £Nil (2009 £Nil) for audit fees and £2,322 (2009 £2,177) (VAT inclusive) for other services

### 4 GRANTS PAYABLE

	Total 2010 £	Total 2009 £
St Mathews High School	20,000	206,629
Ilitha Lemfundo	20,000	
Sifunde Kunya	50,000	
Calabar Foundation	-	(348)
	<b>90,000</b>	<b>206,281</b>

### 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 2010

### 7 FIXED ASSET INVESTMENTS

£

Market value at 1 July 2009	496,082
Change in value in the year	119,612
<b>MARKET VALUE AT 30 JUNE 2010</b>	<b>615,694</b>

Historical cost	
At 30 June 2010	498,463
At 30 June 2009	498,463

### 8 DEBTORS

2010	2009
£	£

Prepayments and accrued income	142	-
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### 9 CREDITORS AMOUNTS FALLING DUE WITHIN ONE YEAR

2010	2009
£	£

Accruals	2,322	2,177
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### 12 SHARE CAPITAL

2010	2009
£	£

Authorised		
2 Ordinary shares of £1 each	2	2

Allotted, Called Up and Fully Paid		
1 Ordinary share of £1 each	1	1

### 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

## NOTES TO THE ACCOUNTS (CONTINUED)

For The Year Ended 30 June 2010

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### 14 STATEMENT OF MOVEMENTS ON RESERVES

	Unrestricted Income Funds	Revaluation Reserve
	£	£
Opening Balance at 1 July 2009	719,043	-
Deficit	(95,913)	-
Revaluation of Investments	119,612	-
	<hr/>	<hr/>
Balance at 30 June 2010	742,742	-
	<hr/>	<hr/>

### 12 RELATED PARTIES

At 30 June 2010 the charity was due funds of £Nil from Calabar Foundation Inc (2009 £348)

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

# Calabar Foundation (UK) Limited

## TRUSTEES' CONFIRMATION

For the year ended 30 June 2010

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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 draft unaudited financial statements set out on pages 4 to 10, and confirm that all information and explanations relevant to their compilation have been made available



Andrew Summers  
Trustee

30/11/2010