

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 2014

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# Calabar Foundation (UK) Limited

## LEGAL AND ADMINISTRATIVE INFORMATION

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TRUSTEES	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 2014

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The Trustees present their report and accounts for the year to 30 June 2014.

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 dated 28 September 2006. 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

(Resigned 23 May 2014)

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.

Our main activities and who we are trying to help are described below. All our charitable activities focus on the improvement of education provided to children in less privileged communities and are undertaken to further our charitable purposes for the public benefit.

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.

# Calabar Foundation (UK) Limited

## TRUSTEES' REPORT (CONTINUED)

For the year ended 30 June 2014

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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.

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 £25,000 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. The substantial donation to cover the costs of the Sifunda Kunye project was made by the Charity parent, Calabar Foundation Inc.

As Sifunda Kunye is the main beneficiary of donations from the Charity, and is also 100% owned by the Charity parent Calabar Foundation Inc., the Trustees made the decision to close the Charity and transfer the remaining funds to the parent on condition that they use these funds exclusively to support the Sifunda Kunye project. On 1 May 2014 the Trustees executed a Declaration of Trust to effect this agreement and arranged for the equity investment in the Calleva Trust to be redeemed directly to the parent Calabar Foundation Inc. A donation of £574,643 was made to Calabar Foundation Inc. in the year.

### FINANCIAL REVIEW

During the year the investment in the equity fund Calleva Trust gained £42,503, which represented a gain of about 10%. This more than covered the donation made to Sifunda Kunye of £25,000. The Trustees then arranged for the investment to be redeemed on 30 April 2014, with the proceeds of £574,643 paid to Calabar Foundation Inc. in order to close the Charity. At the year end the fund balance was £nil.

### PLANS FOR THE FUTURE

As mentioned above the Trustees decided at a Board Meeting on 21 April 2014 to close the Charity and transfer all of the remaining funds of £574,643 to the parent Calabar Foundation Inc. to be used exclusively to support the Sifunda Kunye project in 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: 24 MARCH 2015

# Calabar Foundation (UK) Limited

## ACCOUNTANT'S REPORT TO THE BOARD OF TRUSTEES OF CALABAR FOUNDATION (UK) LIMITED ON THE UNAUDITED ACCOUNTS FOR THE YEAR ENDED 30 JUNE 2014

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 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](http://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 net outgoing resource 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: 25/11/15

**Calabar Foundation (UK) Limited**  
**UNAUDITED STATEMENT OF FINANCIAL ACTIVITIES**  
**For the year ended 30 June 2014**

	Notes	2014 £	2013 £
<b><u>INCOMING RESOURCES FROM GENERATED FUNDS</u></b>			
Donations and legacies	2	<b>1,600</b>	-
Investment income	3	<b>9,807</b>	9,418
<b>TOTAL INCOMING RESOURCES</b>		<b>11,407</b>	9,418
<b><u>RESOURCES EXPENDED</u></b>			
<b>COSTS OF GENERATING FUNDS</b>			
Costs of generating donations and legacies	4	<b>39</b>	70
<b>NET INCOMING RESOURCES AVAILABLE FOR CHARITABLE APPLICATION</b>		<b>11,368</b>	9,348
<b>CHARITABLE ACTIVITIES</b>			
Grantmaking	4,5	<b>599,643</b>	120,000
Governance costs	4	<b>3,520</b>	2,796
<b>TOTAL RESOURCES EXPENDED</b>		<b>603,202</b>	122,866
<b>NET OUTGOING RESOURCES</b>		<b>(591,795)</b>	(113,448)
<b>OTHER RECOGNISED GAINS AND LOSSES</b>			
Gains on investment assets		<b>42,603</b>	120,841
<b>NET MOVEMENT IN FUNDS</b>		<b>(549,192)</b>	7,393
Fund balances at 1 July 2013		<b>549,192</b>	541,799
<b>FUND BALANCES AT 30 JUNE 2014</b>		<b>-</b>	<b>549,192</b>

# Calabar Foundation (UK) Limited

## UNAUDITED SUMMARY INCOME AND EXPENDITURE ACCOUNT

For the year ended 30 June 2014

	2014 £	2013 £
Gross income	11,407	9,418
Gain on disposal of investment assets held by income funds	42,603	4,435
Total income	54,010	13,853
Total expenditure from income funds	603,202	122,866
NET EXPENDITURE FOR THE YEAR	(549,192)	(109,013)

The charity has now discontinued all operations.

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	(549,192)	(109,013)
Unrealised gains on investment assets held by income funds	-	116,406
	(549,192)	7,393



## Calabar Foundation (UK) Limited

## UNAUDITED BALANCE SHEET

As at 30 June 2014

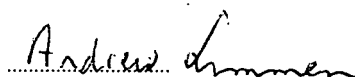
	Notes	2014 £	£	2013 £	£
<b>FIXED ASSETS</b>					
Investments	8		-		532,040
<b>CURRENT ASSETS</b>					
Debtors	9	145		142	
Cash at bank and in hand		1,638		19,381	
		<u>1,783</u>		<u>19,523</u>	
<b>CREDITORS: AMOUNTS DUE LESS THAN ONE YEAR</b>	10	<u>(1,783)</u>		<u>(2,371)</u>	
<b>NET CURRENT ASSETS</b>			-		17,152
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			-		<u>549,192</u>
<b>INCOME FUNDS</b>					
Unrestricted funds					
Share capital	11	1		1	
Unrestricted income funds		(1)		335,537	
Revaluation reserve	12	<u>-</u>		<u>213,654</u>	
			-		549,192
			-		<u>549,192</u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and with the Financial Reporting Standard for Smaller Entities (effective April 2008).

For the year ending 30 June 2014 the company was entitled to exemption from audit under section 475 and 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 financial statements.

Approved by the Board of Trustees for issue on 24 MARCH 2015



Andrew Summers  
TRUSTEE

# Calabar Foundation (UK) Limited

## NOTES TO THE UNAUDITED ACCOUNTS

For The Year Ended 30 June 2014

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### 1 ACCOUNTING POLICIES

#### 1.1 BASIS OF PREPARATION

The accounts have been prepared under the historical cost convention.

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).

The Trustees have considered the position of the company and, despite the decision to close the charity and transfer the remaining funds to the parent company, believe it is still appropriate to prepare the accounts on the going concern basis as there would be no difference in the valuation of assets or liabilities if the break up basis were to be used.

#### 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 represented 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 UNAUDITED ACCOUNTS (CONTINUED)

For The Year Ended 30 June 2014

### 2 DONATIONS AND LEGACIES

	Unrestricted funds £	Total 2014 £	Total 2013 £
Donations and gifts	<b>1,600</b>	<b>1,600</b>	-

### 3 INVESTMENT INCOME

	2014 £	2013 £
Income from listed investments	<b>9,798</b>	9,397
Interest receivable	<b>9</b>	21
	<b>9,807</b>	9,418

### 4 TOTAL RESOURCES EXPENDED

	Other costs £	Grant funding £	Total 2014 £	Total 2013 £
<b>COSTS OF GENERATING FUNDS</b>				
Costs of generating donations and legacies	<b>39</b>	-	<b>39</b>	70
<b>CHARITABLE ACTIVITIES</b>				
<b><u>GRANTMAKING</u></b>				
Grant funding of activities	-	<b>599,643</b>	<b>599,643</b>	120,000
<b>GOVERNANCE COSTS</b>	<b>3,520</b>	-	<b>3,520</b>	2,796
	<b>3,559</b>	<b>599,643</b>	<b>603,202</b>	122,866

Governance costs consist of legal & professional fees of £2,029 (2013: £425), and accountancy fees of £1,491 (2013: £2,371).

# Calabar Foundation (UK) Limited

## NOTES TO THE UNAUDITED ACCOUNTS (CONTINUED)

For The Year Ended 30 June 2014

### 5 GRANTS PAYABLE

	Total 2014 £	Total 2013 £
Grants to institutions:		
Sifunda Kunye	25,000	120,000
Calabar Foundation Inc.	574,643	-
	<u>599,643</u>	<u>120,000</u>

Sifunda Kunye - operates computer labs in five Eastern Cape of South Africa High Schools as well as providing assistance to the teaching staff.

Calabar Foundation Inc. (the parent company) - this represents the amount realised following the redemption of the equity investment held. These funds are to be used exclusively to support the Sifunda Kunye project.

### 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 2013	532,040
Disposals	(532,040)
MARKET VALUE AT 30 JUNE 2014	<u>-</u>
Historical cost:	
At 30 June 2014	<u>-</u>
At 30 June 2013	<u>318,386</u>

At 30 June 2013 100% of fixed asset investments were overseas equities held at market value.

9 DEBTORS	2014 £	2013 £
Prepayments and accrued income	<u>145</u>	<u>142</u>

# Calabar Foundation (UK) Limited

## NOTES TO THE UNAUDITED ACCOUNTS (CONTINUED)

For The Year Ended 30 June 2014

10	CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	2014 £	2013 £
	Accruals	<u>1,783</u>	<u>2,371</u>

## 11 SHARE CAPITAL

	2014 £	2013 £
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 2013	Movement in funds			Balance at 30 June 2014
	£	Incoming resources £	Resources expended £	Transfers to unrestricted income fund £	£
Revaluation reserve	213,654	-	-	(213,654)	-
	<u>213,654</u>	<u>-</u>	<u>-</u>	<u>213,654</u>	<u>-</u>

## 13 RELATED PARTIES

Andrew Summers is a director of the parent company Calabar Foundation Inc. and holds a 5% interest in Silchester International Investors Limited, who are the investment managers for Calabar Foundation (UK) Limited.

During the year, Anthony Crombie, trustee, donated £1,600 to the charity (2013: £nil).

The parent company, Calabar Foundation Inc., holds 100% of the share capital of Sifunda Kunye. Charitable donations made during the year to Calabar Foundation Inc. and Sifunda Kunye amounted to £574,643 (2013: £nil) and £25,000 (2013: £120,000) respectively.

## 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.