

The Minerva Treehouse  
(A company limited by guarantee)

Report and Financial Statements

Period ended 30<sup>th</sup> June 2007

Charity number 1116375

Company number 05860929



## **The Minerva Treehouse**

### **Report of the Directors for the period ending 30<sup>th</sup> June 2007**

The Directors are pleased to present their report together with the financial statements of the charity for the period ending 30<sup>th</sup> June 2007

#### **Reference and administrative details**

<u>Charity number</u>	1116375
<u>Company number</u>	05860929
<u>Principal Office</u>	17 Fordham Court, 9-13 de Vere Gardens, London W8 5AP
Bankers	HSBC, 8 Canada Square, London, E14 5HQ
Website	<a href="http://www.minervatreehouse.com">www.minervatreehouse.com</a>

#### Directors and trustees

The directors of the charitable company (the charity) are its trustees for the purpose of charity law and throughout this report are collectively referred to as the trustees

The trustees serving for the period and since 30<sup>th</sup> June, 2007 were as follows

Andreas Povlsen  
Jean-Marc Debricon (also Secretary)  
Tala Mikdashi

#### **Structure, Governance and Management**

##### Governing Document

The Minerva Treehouse is a company limited by guarantee, incorporated on 28<sup>th</sup> June 2006, and governed by its Memorandum and Articles of Association as amended by special resolution dated 23 August 2006. It is registered as a charity with the Charity Commission. Anyone over the age of 18 can become a member of the Company subject to application to and approval by the Trustees. In the event of the company being dissolved, members are required to contribute an amount not exceeding £10.

##### Appointment of trustees

As set out in the Articles of Association a new Trustee may be appointed by ordinary resolution of the Company. Trustees are elected annually by the members of the charitable company attending the Annual General Meeting and serve for a period of two years.

All members are circulated with invitations to nominate trustees prior to the AGM advising them of the retiring trustees and requesting nominations for the AGM.

#### Trustee induction and training

The existing trustees were made aware of their legal obligations under charity and company law, the content of the Memorandum and Articles of Association, the committee and decision making processes, the business plan and recent financial performance of the charity upon incorporation of the company

The existing trustees decided that all new trustees should take a course before joining and all existing trustees should take one in 2008 to ensure that they remain up to date with the latest regulations and requirements for trustees

#### Organization

The board of trustees, currently made up of three trustees but which can have up to 15 members, administers the charity. The board meets quarterly. Each of the Trustees is responsible for a project of the charity, from inception to its completion. Each Trustee can only undertake one project at a time. The Secretary is also responsible for the finances and administration of the charity, as well as the day to day operations of the charity.

#### Related parties

The charity has a close relationship with Association Les Enfants du Mekong in Cambodia, which supervised its first project. This is a French based charity which focuses on education in South East Asia.

The charity is also working closely with Child of Lebanon for its second initiative. This organization cooperates with professionals and human resources in contact with children, in order to develop skills and expand knowledge.

#### Risk management

The trustees have a risk management strategy which comprises

- assessing the feasibility of each project and establish a working partnership with one or several existing local charities in order to leverage on their knowledge, contacts and network
- assessing all potential projects in order to avoid safety risk for the charity, the trustees or any other parties involved
- an ongoing review of the any major risks to the charity and a subsequent establishment of systems and procedures to mitigate those risks identified

#### **Objectives and activities**

The company's objects and principal activities are

- to engage in projects and initiatives not exceeding USD100,000 (approximately £50,000) for the benefit of children in economically under-developed and socially unstable countries and regions of the world for the relief of poverty, sickness and distress, and the advancement of education

This is done by giving grants or donations to other charities and non-profit making organizations in order to undertake projects with educational purpose (such as the building of schools or public libraries), social purpose (building of orphanages), and medical purpose (building of hospitals or mobile medical facilities)

The charity makes extensive use of volunteers in all aspects of the organization in order to keep to its policy of minimum overheads. There is no fundraising activity, as all fundraising is through direct approaches by the trustees or by word of mouth of existing / past donors. All funds raised go to specific projects and none to administrative expenses or overheads.

The main countries targeted when considering potential projects are Cambodia, Lebanon, India, Laos, Tanzania, and Peru.

#### Grant making policy

Disbursements will be made if they satisfy the following criteria

- 1 funds to be used in an economically under-developed and social unstable country and region of the world
- 2 funds to be used a partner NGO / Charity
- 3 the project to have an educational, social or medical purpose aimed at improving the conditions of life of children, women, older populations or the poor
- 4 the project to have no discrimination towards race, religion or gender
- 5 no funds to be used for overheads or administrative expenses
- 6 the project to have full accountability and transparency

#### **Achievements and performance**

The main projects for the charity since its incorporation have been a partially completed initiative in Cambodia and one planned initiative in Lebanon.

Funds were disbursed for the Cambodian project after the period end (May 2007)

#### Cambodia

One project was undertaken in Kompong Svay, in the North West Province of Banteay Meanchey in Cambodia. Imagine Software Inc., a New York based derivatives risk systems company, donated the funds for the project: the building of a college, which will include a main building with 6 classes and an annex with 4 toilets for 300 students. It was built in the village of Kompong Svay (in the suburbs of the town of Sisophon) and will service another 4 nearby villages. The construction began in March 2007 and was completed in October 2007 (after the period under current review), after a slight delay mainly due to difficulties of clearing the communal land where the college was to be originally built. As a result, the building site was relocated to floodable ground lower than anticipated, causing the college building to be built on stilts. The entire project was budgeted at approximately USD40,000 (approximately £20,000), of which USD16,000 were paid on 30<sup>th</sup> May 2007 and the rest was paid out after the period end.

The Trustee responsible for the Kompong Svay project visited the college in January 2008 at the inauguration. A big delegation of Cambodian representatives attended, including the Secretary of State for Education, Dr Wann. Pictures of the construction are available on [www.minervatreehouse.com](http://www.minervatreehouse.com)

## Lebanon

Funds have also been raised for a second project in Lebanon. Given the difficult circumstances of the recent developments, the definition of the project is taking longer than initially planned. Security is still not guaranteed and operations within the various regions require co-opting at local level. Nevertheless, the charity remains committed to the project and the children of Lebanon but the timeline has changed and the charity is considering other options in the meantime.

## **Financial Review**

At the end of the inaugural period for the charity, one project was begun (completed after the current reporting period end). The funds for these were raised successfully and the Trustees were able to keep all expenses to a minimum, including at the construction stage. Unfortunately, the second project has not been planned fully due to security issues, although funds have been raised.

### Principal Funding Sources

The principal funding sources were as follows:

- Private donations (mostly overseas)
- Company donations

Each private and company donation is designated by the trustees for a special project.

### Investment Policy

The funds received are held in currency current accounts at an interest rate negotiated by the Trustees with the Bank. This has proved suitable where the funds have been disbursed towards the projects within a short time of receipt. However funds earmarked for the Lebanon project have not been disbursed and will be invested in a higher interest bearing account.

Any funds surplus to a designated project will be used for the continued maintenance or further improvement of the project, or allocated to another project at the discretion of the trustees.

### Reserves Policy

No reserve policy is required due to the grant-making nature of the charity.

All funds received are designated by the trustees in order to assess whether a planned initiative will have sufficient funds or not. Where a budgeted amount has been collected, a project will be commenced.

## **Plans for future periods**

The charity plans continuing the activities outlined above in the forthcoming years subject to satisfactory funding arrangements.

The main focus in the next year will be the completion of the Lebanon project, assessing new projects in India and Pakistan and the implementation of a new project in Cambodia.

In addition, as more funds are received, the Trustees will look to undertake more reviews of potential projects in the target countries

### **Trustees' responsibilities in relation to the financial statements**

Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the charitable company as at the balance sheet date and of its incoming resources and application of resources, including income and expenditure, for the financial year. In preparing those financial statements, the management committee should follow best practice and

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent, and
- prepare the financial statements on the going concern basis unless it is inappropriate to assume that the company will continue on that basis

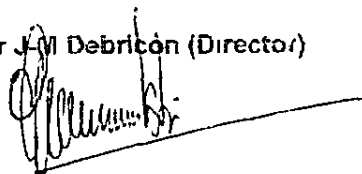
The Trustees are responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 1985. The Trustees are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

For the year ended 30<sup>th</sup> June 2007, the company was entitled to exemption under section 249a(1) of the Companies Act 1985. No members have required the company to obtain an audit of its accounts for the year in question in accordance with section 249b(2). The directors acknowledge their responsibility for: i) Ensuring the company keeps accounting records which comply with section 221; and ii) Preparing accounts which give a true and fair view of the state of affairs of the company as at the end of its profit and loss for the financial year in accordance with section 226, and which otherwise comply with the requirements of the Companies Act relating to accounts so far as applicable to the company.

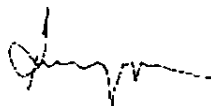
This report has been prepared in accordance with the Statement of Recommended Practice Accounting and Reporting by Charities (issued in March 2005) and in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small entities.

Approved by the Directors on 30th June 2007 and signed by

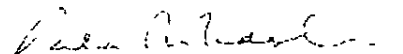
Mr J. M. Debricon (Director)



Mr A Povlsen (Director)



Ms T Mikdashy (Director)



**The Minerva Treehouse**  
**Statement of Financial Activities (including income and expenditure account)**  
**period ended 30th June 2007**

	Notes	Unrestricted Funds 2006/7 £	Restricted Funds 2006/7 £	Total Funds 2006/7 £
<b>Incoming resources</b>				
<i>Incoming resources from generated funds.</i>				
Voluntary income donations	2	22,263	-	22,263
Other Incoming Resources	3	1	-	1
<b>Total incoming resources</b>		<u>22,264</u>	<u>-</u>	<u>22,264</u>
<b>Resources expended</b>				
Governance costs	4	114	-	114
<b>Total resources expended</b>		<u>114</u>	<u>-</u>	<u>114</u>
<b>Net incoming (outgoing) resources before transfers</b>		<u>22,150</u>	<u>-</u>	<u>22,150</u>
<b>Total funds carried forward</b>	6	<u>22,150</u>	<u>-</u>	<u>22,150</u>

The statement of financial activities includes all gains and losses recognized in the year  
All incoming resources and resources expended derive from continuing activities

**The Minerva Treehouse**  
**Balance Sheet for the period ended 30th June 2007**

	Note	2005/7 £
<b>Current assets</b>		
Cash at bank and in hand		22,150
<b>Net assets</b>		<u>22,150</u>
<b>The funds of the charity</b>		
Unrestricted income funds		
Designated	6	22 150
<b>Total charity funds</b>		<u>22,150</u>

The notes at pages 9 to 11 form part of these accounts

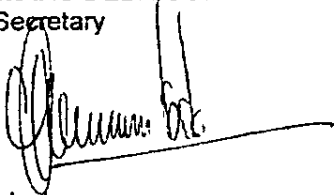
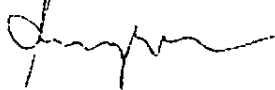
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Signed JM Debricon

Signed A Povlsen

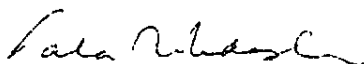
Name JEAN-MARC DEBRICON  
 Trustee and Secretary

Name Andreas Povlsen  
 Trustee

Signed T Mikdashi

Name Tala Mikdashi  
 Trustee





## **Notes on the accounts**

### **1 Accounting Policies**

The principal accounting policies adopted in the preparation of the financial statements are set out below

#### **a) Basis of preparation**

The financial statements have been prepared under the historic cost convention, with the exception of investments which are included at market value. The financial statements have been prepared in accordance with the Statement of Recommended Practice – Accounting and Reporting by Charities (SORP 2005) issued in March 2005, applicable UK Accounting Standards and the Companies Act 1985.

#### **b) Fund accounting**

- Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity
- Designated funds are unrestricted funds earmarked by the Trustees for particular purposes
- Restricted funds are subjected to restrictions on their expenditure imposed by the donor or through the terms of an appeal

#### **c) Incoming resources**

All incoming resources are included in the statement of financial activities when the charity is entitled to the income and the amount can be quantified with reasonable accuracy. The following specific policies are applied to particular categories of income:

- Voluntary income is received by way of grants, donations and gifts and is included in full in the Statement of Financial Activities when receivable. Income from charitable trading activities is recognized when earned (as the related goods and services are provided)
- Investment income is recognized on a receivable basis
- Donated services and facilities provided by volunteers are not included in these accounts
- Clothing and other items donated for resale through the charity's shop are included as incoming resources within activities for generating funds when they are sold
- Incoming resources from grants, where related to performance and specific deliverables, are accounted for as the charity earns the right to consideration by its performance

#### **d) Resources expended**

Expenditure is recognized on an accrual basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is reported as part of the expenditure to which it relates.

- Governance costs comprise those costs associated with meeting the constitutional and statutory requirements of the charity and include bank charges and other bank related expenses. Due to projects being abroad, in order to meet the objectives of the charity, funds are received and disbursed in foreign currency, thus incurring bank

- charges These have therefore been included under governance costs as it is an integral part of the running of the charity to receive and disburse funds
- The charity operates on a "no overheads" and no other expenditure has been incurred for the period

**e) Foreign Currency Translation**

Funds are held in one of three currency accounts, depending on origin of the donation GBP, USD and EURO Funds are disbursed in foreign currency as the current project is overseas Therefore, all funds held in EUROs and USD have been converted to GBP for the purposes of the report and financial statements using an appropriate rate as at 30<sup>th</sup> June 2007

**2 Donations**

	Unrestricted	Restricted	2006/7 Total
	£	£	£
Imagine Software Inc	9,001	-	9,001
Donations from Individuals	13,262	-	13,262
	<u>22,263</u>	<u>-</u>	<u>22,263</u>

**3 Other Incoming Resources**

Other income arises from interest bearing current accounts

**4 Total Resources Expended**

	Governance Costs	2006/7 Total
	£	£
Support costs allocated to activities		
Bank Charges	114	114
Total resources expended	<u>114</u>	<u>114</u>

**5 Trustee remuneration and Related Party transactions**

None of the three trustees of the charity received any emolument in the period, there are no other employees of the charity

No trustee or other person related to the charity had any personal interest in any contract or

transaction entered into by the charity during the year

## 6 Analysis of net assets between funds

	Designated Funds £	Restricted Funds £	Total Funds £
Current Assets		-	
<i>Cambodia fund</i>	8,989		8,989
<i>Lebanon fund</i>	13,162		13,162
<b>Net Assets at 30 June 2007</b>	<b>22,150</b>	<b>-</b>	<b>22,150</b>

### Purpose of Designated Funds

<i>Cambodia Fund</i>	These funds have been designated by the trustees for the construction of a college in Kompong Svay, Cambodia
<i>Lebanon Fund</i>	These funds have been designated by the trustees for a project in Lebanon

## 7 Material Legacies

Legacy income is only included in incoming resources where the legacy has been received or both the receipt and the amount are known with sufficient certainty. As at 30<sup>th</sup> June, the charity had no legacy income.