



**Children of
the Mekong**

Children of the Mekong

(formerly known as "The Minerva Treehouse")

(A company limited by guarantee)

Report and Financial Statements

Period ended 30th June 2011

Charity number 1116375

Company number 05860929

THURSDAY



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REFERENCE AND ADMINISTRATIVE DETAILS

Children of the Mekong (formerly known as "The Minerva Treehouse")

Charity number 1116375

Company number 05860929

Principal Office Children of the Mekong, TMT, PO Box 63678, London SW11 9BD

Bankers HSBC, 8 Canada Square, London, E14 5HQ

Website www.childrenofthemekong.org

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 30th June, 2011

Jean-Marc Debricon (Chairman) – appointed on 28th June 2006

Andreas Povlsen – appointed on 28th June 2006

Tala Mikdashi – appointed on 28th August 2006, resigned on 28th February 2012

Julia Goh – appointed on 04th October 2011

Alexis Kemlin – appointed on 12th October 2011

Dr Christine Lortholary – appointed on 04th November 2011

Secretary Eugénie Prouvost, also Operations Manager, works on a pro bono basis, appointed 04th June 2011



REPORT OF DIRECTORS PERIOD ENDING 30th JUNE 2011

The Directors are pleased to present their report together with the financial statements of the Charity for the period ending 30th June 2011

Structure, Governance and Management

Governing Document

The Minerva Treehouse ("TMT") is a company limited by guarantee, incorporated on 28th 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.

On Monday 6th June 2011, the Trustees passed a special board resolution agreeing the following:

- Change the name of The Minerva Treehouse to "Children of the Mekong",
- Change the countries of operations to Burma, Cambodia, China (Yunnan), Laos, the Philippines, Thailand and Vietnam,
- Invite new trustees to join the board,
- Abandon the zero-overhead policy but maintain a low-overhead policy,
- Appoint JM Debricon as Chairman

The change of name was registered and certified by the Companies House on 10th June 2011.

On 21st July 2011, Children of the Mekong ("COTM") and "Enfants du Mekong" ("EDM"), a French NGO founded in 1958 and active in favour of the youth throughout Southeast Asia, signed a memorandum of understanding acknowledging. The memorandum was signed by the President of EDM and the Chairman of COTM and formulated, amongst others, the following points:

Change of name and object

- Following a unanimous board of trustees vote on 6th June 2011, TMT has changed its name to COTM, the name chosen for the UK branch of EDM.
- The change of name has been acknowledged by the Companies House, the UK Charity Commission and HSBC Bank plc (where COTM holds its current accounts).
- COTM keeps its current registered charity number and its bank accounts.
- The sole object of COTM will be to represent exclusively EDM in the UK, in its capacity of UK branch of EDM and to support EDM actions in Asia through the



channeling of fundraising from individuals, corporates, foundations, semi-public or public bodies and from events

Governance

- COTM is a charity and therefore governed by its board of trustees chaired by the Chairman. The appointed Chairman until resignation/replacement is Jean-Marc Debricon
- To avoid any drifts in COTM's mission or deviation from its role as UK branch for EDM, half of the COTM's proposed trustees will be subject to EDM's agreement
- The next Chairman will be elected by the Trustees as a whole and the election of the Chairman will be confirmed by the Chairman of EDM

COTM's adherence to the fundamental principles of EDM

EDM's Vision EDM has been working for over 50 years to address the suffering of children and families living in extreme poverty in South-East Asia in order to meet their needs and recognise their dignity

EDM's Mission Educate, train and support children and young people in order to help them improve their physical living conditions and develop intellectually, emotionally and morally

EDM's Values

- Respect for human beings, whatever their status, culture or religion
- Trust
- Reaching out to others, sharing ideas and fostering links between people
- Tangible, simple actions
- Loyalty

Following the special board resolution dated 6th June 2011 and the memorandum of understanding signed on 21st July 2011, COTM updated its fundamental principles as follows

COTM's Vision

For the children and families living in harsh and impoverished conditions in Southeast Asia to come out of poverty and live with dignity

COTM's Mission

To educate, train and support the children and youth in Southeast Asia, to enable them to improve their material living conditions and to develop intellectually, emotionally and morally

COTM's Values

- Respect every human being regardless of origin, culture or religion
- Build Trust
- Demonstrate Loyalty

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 Charity attending the annual general meeting ("AGM") 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 advise that all new Trustees should take a course before joining to ensure that they are up to date with the latest regulations and requirements for trustees

Organization

The board of Trustees (the "Board"), currently made up of 5 Trustees but which can have up to 15 members, administers the Charity. The Board meets twice a year. Trustees are expected to take active participation in the running of the Charity and the management of its projects, including networking, fundraising and event organising. On top of chairing the meetings of the Board, the Chairman is also responsible for the finances and administration of the Charity. The Secretary, under the supervision of the Chairman, manages the day-to-day operations of the Charity.

Related parties

The Charity is the UK branch and representative of "Enfants du Mekong". And has defined this relationship and the rights and obligations of each party in a memorandum of understanding dated 21st July 2011 (see above).

Risk management

The Trustees have a risk management strategy that comprises

- Assessing the feasibility of each project and establish the funding capabilities of COTM
- 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

Role of COTM

The activities of COTM must comply with the guiding principles of EDM, namely

- The initiative must come from the field, i.e. Asia (particularly in terms of education and new projects)
- Proposals put forward by COTM may be accepted if they meet needs expressed in the field and approved by EDM
- Requests from the field are analysed by the EDM teams (Programme Managers – "Bambou" International Solidarity Volunteers – Permanent Representatives in Asia)



COTM's objectives are to

- 1 As a priority identify funding sources to support the activities in Asia of EDM
 - Organisation of events, sales, galas, etc
 - Identify partners (businesses and foundations) for financial or other forms of sponsorship
 - Channel the funds raised towards financing our foster houses and education centers in the Philippines and Cambodia and then to funding specific development projects
- 2 Run the existing network of UK sponsors
- 3 Develop children sponsorships in our seven countries of operation Burma, Cambodia, China (Yunnan), Laos, the Philippines, Thailand and Vietnam For the avoidance of doubt, COTM will have sole authority for defining its fundraising strategy

Support from EDM

EDM undertakes to give the branch access to all the tools available to help it fulfill its role, in both English and French

Achievements and Performance

NEW PROJECTS (undertaken or sponsored by the charity under the name of COTM):

Under the name of COTM, the main projects for the Charity since 10th June 2011 fall in three categories

Child Sponsorship

What is it? Child sponsorship is an appropriate response to the lack of education in COTM/EDM's countries of operation. Indeed, many children in rural areas or slums do not have access to education because of their impoverished background. COTM/EDM supports children where no other charity operates and bases its child selection criteria on the level of poverty of the family and the capacity and motivation of the child to go to school.

Child sponsorship enables children to be educated, fed, dressed and, if they are homeless or orphaned, provides them with housing.

How is it managed? Locally, the programme manager or an overseas volunteer distributes the sponsorship every month. It can be cash or direct help to pay off school, tuitions fees and school related costs, hygienic products and food.

Sponsors are individuals, families or students from Europe essentially. The sponsorship costs £24 a month for a child and £39 for a University student. Over time, a special relationship between the child and the sponsor grows through correspondence, and the sponsor can go and visit the sponsored child.

A sponsorship manager specialized in a particular country coordinate the sponsorship in the head office in France. She does the link between the local programme manager and the sponsor.



What do we need to adjust for COTM? COTM sponsorship programmes have to be in English language. Therefore, it will be focused on Burma, Cambodia and the Philippines where English is already used in the sponsorship programmes.

COTM and EDM agreed on a process for the sponsorship management to determine who is in charge of what. It includes:

- New sponsor's welcome
- Sponsors' management
- Financial control and quarterly funds appeal

In October 2011, EDM has entrusted to COTM 2 sponsorship programmes in Burma with a total of 35 children.

How can we make the best of it? COTM's board of Trustees, staff and volunteers are all involved in finding new sponsors in their personal and professional networks. New sponsors are also potential donors or introducers to corporates and trusts & foundations.

EDM sponsors nearly 22,000 children and supports another 60,000 children¹

In Sept 2011, COTM had 25 sponsors in the UK for 39 children. By end of December 2011, COTM managed to find sponsors for a grand total of 70 sponsored children.

Development Projects

What is it? Development projects are a means to improve the environment for children, their families and the entire communities of the area where COTM/EDM works. They include projects such as school building, road construction, water wells, toilets construction, vaccination plans, bicycles, cattle purchase etc. They have a huge impact on the communities, on the daily life and for the long term.

How is it managed? The golden rule is that they should be justified by a local need. That need will be addressed by an overseas volunteer who visits regularly COTM/EDM area of operations. A project description and budget will be put together so that COTM/EDM will be able to find financing from companies or fundraising events. Once the fundraising is completed, the money is sent to the local partner and the project can start. The volunteer will provide an "intermediate description file" with data and photos, and after its completion, a "completed project file" for donors.

What do we need to adjust for COTM? Every file sent by EDM should be professionally translated and its layout adapted to Anglo-Saxons expectations. The latter have higher expectations in terms of monitoring & evaluation and impact assessment than French donors and COTM needs to address this specifically.

How can we make the best of it? COTM can benefit from EDM's large pipeline of projects. COTM in accordance with EDM should prioritize its fundraising on projects with higher impact.

¹ For every sponsored child, approximately 3 other children are supported in different manners: e.g. siblings benefit from the hygienic products or food supply, or in some programmes there is enough money in the solidarity fund to pay off school fees to non-sponsored children.



and good monitoring in adequation with donors' expectations COTM can propose the donors to go and visit the project once it is completed at the occasion of the inauguration ceremony for example

EDM carries out about 100 development projects every year (for a total 2010 budget of approx £880,000)

EDM will entrust several projects every year to be financed fully or partly by COTM This year being its first year of operation, COTM will only undertake one project in the Philippines (estimated budget of £20,000)

Education Centers and Foster Houses

What is it?

Education centers

In many countries, children must take tuition classes to complete their academic knowledge Without tuition, students in Cambodia and the Philippines cannot pass the next level Poor families cannot afford to pay tuitions to their children, therefore, most students drop out of school before the end of primary school To prevent this phenomenon, COTM/EDM is running education centers where this need is being answered By providing tuitions and a daily follow-up for every student, the aim of education centers is to keep the children in the education system

Foster houses

Students from remote areas do not have the possibility to pursue their studies, there is no secondary, high school or university in their village and their parents cannot afford to send them in town to study COTM prevents this phenomenon by welcoming students in foster houses, to offer shelter and a favourable studying environment for young people coming from isolated villages There are located in cities, in the Philippines and Cambodia

How is it managed? Education centers are managed by overseas volunteers with the support of local social workers and teachers Some foster houses are auto-managed by students, and some others require the management of an overseas volunteer Every year, overseas volunteer send updated description files for the fundraising

What do we need to adjust for COTM? As mentioned in the previous section, every file sent by EDM should be professionally translated and its layout adapted to Anglo-Saxons expectations The latter have higher expectations in term of monitoring & evaluation and impact assessment than French donors and COTM needs to address this specifically

How can we make the best of it? COTM can benefit from EDM's large pipeline of projects COTM in accordance with EDM should prioritize its fundraising on projects with higher impact and good monitoring in adequation with donors' expectations COTM can propose the donors to go and visit the project once it is completed at the occasion of the inauguration ceremony for example

EDM manages 6 education centers, 66 foster houses for a total of 1,177 young beneficiaries in Cambodia and the Philippines

EDM entrusts one or two education centers or foster houses every year to be financed fully or partly to COTM. This year, COTM will finance Samrong Education Center in Cambodia (£24,912) and Butuan Foster House in the Philippines (£58,446)

PAST PROJECTS (undertaken or sponsored by the charity under the name of TMT):

Under the name of TMT, the main projects for the Charity since its incorporation have been 3 initiatives in Asia and 3 in Middle-East/Africa ("MEA")

ASIA: Project in Cambodia (also known as "Project 1")



This project was undertaken in Kompong Svay, in the North West Province of Banteay Meanchey in Cambodia. Our local implementation partner was EDM.

Imagine Software Inc., a New York based derivatives risk systems company, donated the funds for the project: the building of a college that includes 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 is servicing another 4 nearby villages. The construction began in

March 2007 and was completed in October 2007, 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. This is the first building of this kind in the area.

The entire project was budgeted at approximately USD 40,000 (approximately GBP 20,000), of which USD 16,000 was paid in May 2007 and the rest was paid in November 2007.

JM Debricon and Julia Goh, the Trustees 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.

The school has been operational since January 2008 and welcomes 300 students.

MEA: Project in Lebanon (also known as "Project 2")

This project was originally meant to be a rural medical facility in Lebanon. Given the difficult circumstances of the war between Lebanon and Israel, the definition of the project took longer than initially planned as security was not guaranteed and operations

within the various regions required co-opting at local level. TMT worked on a prospective project with a local NGO, the Children of Lebanon but it had to be abandoned when budget requirements exceeded TMT's capabilities. TMT then started to work on

another project with another NGO, the Amar Foundation but it suffered further delays. The Trustees decided to abandon the project and designate funds raised for this

project to another project in the Philippines. Whilst not used, funds were deposited on the Charity's savings account with HSBC.

ASIA: Project in Cambodia (also known as "Project 3")



TMT structured a new type of loan facility, the proceeds of which were on-lent by Angkor Mikroheranhvatho Kampuchea ("AMK") to individuals and small businesses in North-West Cambodia, in the very region where Project 1 was launched.

Our local implementation partner, AMK is a leading microfinance institution operating in Cambodia and is licensed by the Cambodian National Bank. AMK originated from the community development work of Concern Worldwide in Cambodia in 1993. To date, AMK has a loan portfolio of about USD 25 million, with approximately 300,000 active borrowers, mostly women in poor rural areas.

AMK's mission is "to help large numbers of poor people to improve their livelihood

options through the delivery of appropriate and viable microfinance services".

Microfinance consists in making loans of small denominations (typically equivalent to USD 25 to 500) to rural families and small businesses. For the purpose of our structure, the loans will be in the local currencies (Cambodian Riel ("KHR") and Thai Baht as the area is close to Thailand), will have a maturity of one year and could be rolled further, depending on the credit scoring under AMK regulations.

Loan distributions are taking place in the rural villages. Like in most microfinancing schemes around the world, the loans are made to the women as they are the pillars of their households and will use the proceeds for improving/leveraging the family business. The women of the village are grouped in small syndicates of three or four and whilst they are each receiving a defined amount of money, within the syndicate, they will guarantee each other's liability to AMK. When the money is received, a certificate is signed. AMK staff conducted regular visits to the village to check the status of the loans and collect, where applicable, accrued interests and principal repayments.



ASIA: Project in Burma (also known as "Project 4")



The objective was to ensure that the children of the Shwe Zedi Monastic School in Sittwe, Burma (Myanmar) have a better opportunity to study. The project included a building with new classrooms for 500 students, equipped with the necessary educational materials and funds to pay teachers and for the purchase of food. Works started in Q3-2010 and were fully completed in Q2-2011. The school now welcomes about 500 students.

Schools for Asia is a Belgian venture initiated by Mark Morbee. TMT provided project management, technical assistance and continuity solutions to make this new project a success.

For more info on Schools for Asia
<http://www.schoolsforasia.be/>

MEA: Project in Kenya (also known as "Project 5")

TMT funded an education program started by the Project Education Inc ("PEI"). PEI is a US-based non-profit, grass roots organization dedicated to increasing the availability of education to impoverished students through parent participation and community development in Kenya.

PEI focuses on education and sustainability of the school providing quality education to impoverished children who otherwise would not have an opportunity to attend secondary

school. The programs foster pride in cultural heritage while creating effective new ways to address drought, health and economic issues.

COTM's funding contribution amounted to GBP 1,000 in 2009/2010 and GBP 500 in 2010/2011.

For more info on PEI
<http://www.peikenya.org/>

MEA: Project in Ethiopia (also known as "Project 6")



COTM funded an education program started by Ethiopian Education Foundation ("EEF"). EEF is a UK-based and registered charity dedicated to increasing the availability of education to impoverished students through parent participation and community development in Ethiopia.

Each year EEF grants up to 20 scholarships (boys & girls) to talented yet severely underprivileged children selected from across all racial and religious communities. The scholarships include four years of fully

paid tuition, for the period Grade 9-12, at the School Of Tomorrow, one of Ethiopia's leading private schools, and an annual sum to cover uniform, books and registration fees

For approximately 50% of the students who are without any supporting relatives, EEF

also provides a safe room and food at one of our student hostels

COTM's funding contribution in 2010/2011 amounted to GBP 2,000

For more information on EEF
<http://www.ethio-ed.org/>

Financial Review

COTM is carrying excess funds brought forward due to the difficulties encountered by TMT with Project 2 in Lebanon and the delay in the disbursements of any monies towards that project

Principal Funding Sources

The principal funding sources were as follows

- Private donations
- Company donations

Each private and company donation is confirmed by the donor as unrestricted or restricted and then designated accordingly by the Operations Manager and the Chairman for a country of operation or a specific project (child sponsorship, education center or foster house, development 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 Project 2 in Lebanon have not been disbursed and were invested in a higher interest bearing account. For the avoidance of doubt, given the current volatile markets, the Trustees will not seek higher risk products and will restrict the cash management to term deposits with the Bankers (currently, HSBC Bank plc)

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 and its low overhead policy

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

Trustees' responsibilities in relation to the financial statements

Company law requires the Trustees to prepare financial statements for each financial year that 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

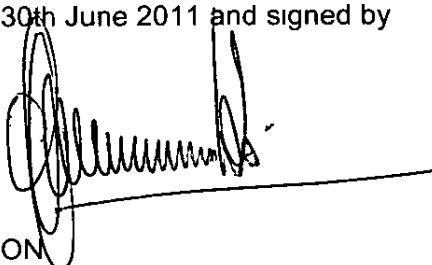
The Trustees are responsible for maintaining proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006 (the "Act"). The Trustees are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

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 year ended 30th June 2011 the company was entitled to exemption from audit under section 477 Companies Act 2006; and no notice has been deposited under section 476.

The Directors acknowledge their responsibilities for ensuring that the company keeps accounting records which comply with section 386 and for preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit or loss for the financial year in accordance with the requirements of sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

Approved by the Directors on 30th June 2011 and signed by



Name JEAN-MARC DEBRICON
Title Chairman

STATEMENT OF FINANCIAL ACTIVITIES
(including income and expenditure account)
PERIOD ENDING 30th JUNE 2011

	Notes	Unrestricted Funds 2010/11 £	Restricted Funds 2010/11 £	Total Funds 2010/11 £
Incoming resources				
<i>Incoming resources from generated funds:</i>				
Voluntary income donations	2	6,085	500	6,585
Other Incoming Resources	3	19	-	19
Total incoming resources		<u>6,104</u>	<u>500</u>	<u>6,604</u>
Resources expended				
Projects payments	4	-	2,500	2,500
Governance costs	5	109	-	109
Total resources expended		<u>109</u>	<u>2,500</u>	<u>2,609</u>
Net incoming (outgoing) resources before transfers		<u>5,996</u>	<u>(2,000)</u>	<u>3,996</u>
Total funds carried forward	7	<u>8,172</u>	<u>25,706</u>	<u>33,877</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



BALANCE SHEET

PERIOD ENDING 30th JUNE 2011

	Note	2010/11 £
Current assets		
Cash at bank and in hand		33,877
Net assets		<u>33,877</u>
The funds of the charity		
Unrestricted income funds		<u>8,172</u>
Restricted income funds	7	25,706
Total charity funds		<u>33,877</u>

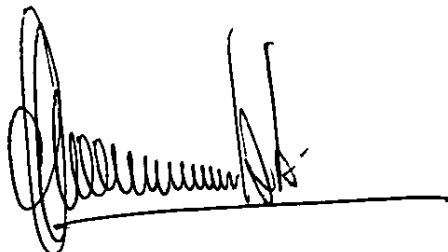
The notes at pages 17 to 19 form part of these accounts

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Signed JM Debricon



Name JEAN-MARC DEBRICON
Title Chairman

NOTE ON THE ACCOUNTS

PERIOD ENDING 30th JUNE 2011

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 historical cost convention, modified to include the revaluation of certain fixed assets, and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2008)

b) Investment properties:

In accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008) no depreciation is provided in respect of freehold properties held as investments. This is a departure from the requirements of the Companies Act 2006 that requires all properties to be depreciated. Such properties are held for investment and not for consumption and the directors consider that to depreciate them would not give a true and fair view. Depreciation is only one of the many elements reflected in the annual valuation of properties and accordingly the amount of depreciation that might otherwise have been charged cannot be separately identified or quantified. The directors consider that this policy results in the financial statements giving a true and fair view.

c) 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

d) 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 resales 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

e) Resources expended

Expenditure is recognized on an accrual basis as a liability is incurred. Expenditure includes any VAT that 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 "low overheads" basis and very little expenditure has been incurred for the period (about 1% of total resources for the year).

f) Foreign Currency Translation

Funds are held in one of three currency accounts, depending on origin of the donation: GBP, USD and EURO. USD and EURO funds are eventually converted in GBP before disbursements in GBP are made to EDM. For the purposes of the report and financial statements, USD and EURO funds were reported at the appropriate FX rates as at 30th June 2011.

2 Donations

	Unrestricted	Restricted	Total
Donations from individuals	1,180	0	1,180
Donations from foundations	4,905	500	5,405
Total for 2010/11	6,085	500	6,585

3 Other Incoming Resources

Other income arises from interest bearing current accounts and amounted to **£19** in the period.

4 Projects Payments

	Payments £	2010/11 Total £
Project 5	500	500
Project 6	2,000	2,000
Total projects payments	2,500	2,500

5 Resources Expended

	Governance Costs £	2010/11 Total £
Support costs allocated to activities		
Charges	109	109
FX Loss	-	-
Total resources expended	109	109

6 Trustee remuneration and Related Party transactions

None of the 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

None of the Trustees received any monies from the Charity as reimbursement of expenses incurred for the Charity

7 Analysis of net assets between funds

	Unrestricted Funds £	Restricted Funds £	Total Funds £
Current Assets			
Miscellaneous funds	8,172	5,706	13,877
Philippines designated fund	-	20,000	20,000
Net Assets at 30 June 2011	8,172	25,706	33,877

Purpose of Designated Funds

Miscellaneous Funds These funds have been designated by the Trustees for the undertaking of several projects in Southeast Asia, including children sponsorships

Philippines Funds These funds have been designated by the Trustees for the undertaking of a development project in the Philippines

8 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 30th June 2011, the Charity had no legacy income