



# 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 2012

Charity number 1116375

Company number 05860929

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COMPANIES HOUSE

*Children of the Mekong*

*Report and Financial Statements - Period ended 30th June 2012*

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## **REFERENCE AND ADMINISTRATIVE DETAILS**

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### **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](http://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 30<sup>th</sup> June, 2012

Jean-Marc Debricon (Chairman) – appointed on 28<sup>th</sup> June 2006

Andreas Povlsen – appointed on 28<sup>th</sup> June 2006

Julia Goh – appointed on 04<sup>th</sup> October 2011

Alexis Kemlin – appointed on 12<sup>th</sup> October 2011

Dr Christine Lortholary – appointed on 04<sup>th</sup> November 2011

Secretary Eugenie Prouvost, also Operations Manager, works on a pro bono basis, appointed 04<sup>th</sup> June 2011



## **REPORT OF DIRECTORS**

### **PERIOD ENDING 30<sup>th</sup> JUNE 2012**

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The Directors are pleased to present their report together with the financial statements of the Charity for the period ending 30th June 2012

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

##### Governing Document

Children of the Mekong ('COTM') is a company limited by guarantee, incorporated on 28<sup>th</sup> June 2006 (formerly known as "The Minerva Tree House"), 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 Debncon as Chairman

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

On 21<sup>st</sup> 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.

It acknowledges COTM as the UK-branch of EDM, with shared 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.



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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 EDM and has defined this relationship and the rights and obligations of each party in a memorandum of understanding dated 21<sup>st</sup> July 2011



EDM was founded in 1958 by a French dentist in Vientiane, Laos. The charity runs education programmes in 7 countries: Burma, Cambodia, China (Yunnan), Laos, The Philippines, Thailand and Vietnam.

In a nutshell, EDM has

54 years of existence  
21,764 sponsored children  
60,000 supported children  
1,000 volunteers in Europe and Asia  
35 employees  
90 development programmes every year  
66 foster houses  
6 education centers  
84% charitable expenditure rate  
97% private funds in resources  
£9 million budget in 2011  
47 Overseas Solidarity Volunteers

#### 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 – Overseas Volunteers – Permanent Representatives in Asia)

COTM's objectives are to



## *Children of the Mekong*

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1 As a priority identify funding sources to support education programmes in South East Asia

- Organisation of events, sales, galas, etc
- Identify partners (businesses and foundations) for financial or other forms of sponsorship
- Channel the funds raised towards financing foster houses and education centers in the Philippines and Cambodia (with a priority for Samrong education centre) and other specific development projects

2 Run the existing network of UK sponsors

3 Develop children sponsorships in two specific countries Burma and Cambodia

4 Develop a Monitoring and Evaluation and Impact Assessment policies for COTM and EDM's programmes in South East Asia

For the avoidance of doubt, COTM has sole authority for defining its fundraising strategy

### Support from EDM

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

## **Achievements and Performance**

### Fundraising projects and events in the UK

COTM has been running a number of projects and events during the year to fund the programmes and to find new sponsors

#### **Christmas E-cards**

COTM contacted corporates and offered the use of Christmas e-cards, with the possibility for the company to personalize the card with its own logo and message

We would like to thank the three corporates that made donations and used COTM's e-cards to send their wishes to their clients and partners

Date December 2011

Outcome £3,000 raised



*Festive greetings from  
the Rabobank Global  
Financial Markets  
London team!*

 Rabobank

### **Art Auction**

COTM organized an Art Auction with paintings generously offered by Marcus Fedder. The silent auction was held in London, in a Saville Row gallery following a month of online bidding. The auction was a success as more than 100 people turned up and 15 paintings were sold. A presentation of COTM with a screening of the film raised awareness among guests, and 4 children were sponsored on the spot and many donations were made.

Date 23 March 2012

Outcome £12,095 raised

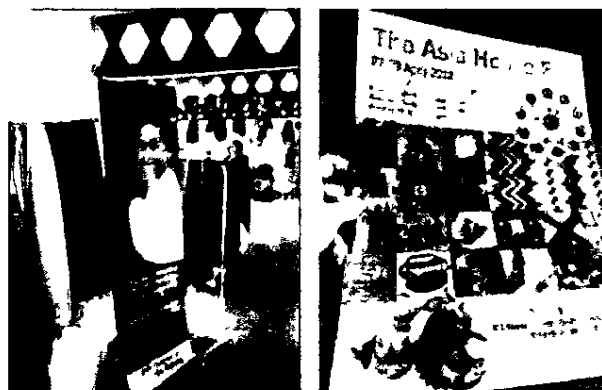


### **Sale at Asia House Fair**

COTM had a stall at the Asia House Fair, to sell "Soieries du Mékong" ("SDM") hand-woven scarves. SDM is an ethical brand, committed to fair trade business practices. The collection is designed by an artist in France and hand-woven in North West Cambodia.

Date 26-29 April 2012

Outcome €1,158 sales, gain for COTM £236



### **Sponsor's dinner**

COTM gathered some of its sponsors in a Thai Restaurant in London. It was a great opportunity for COTM volunteers and trustees to meet the sponsors and to give them more information about the charity and the child sponsorship process.

Date 16 May 2012

Outcome £800 donation

## **Social activities in South East Asia**

The main projects for COTM fall in four categories child sponsorship, support to overseas volunteers, development programmes and education centres and foster houses

### **Child Sponsorship**

#### **What is it?**

Child sponsorship is an appropriate response to the lack of education in Burma and Cambodia. Indeed, many children in rural areas or slums do not have access to education because of their impoverished background. COTM 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 UK essentially. The sponsorship costs £24 a month for a child and £39 for a university student<sup>1</sup>. Over time, a special relationship between the child and the sponsor grows through correspondence, and the sponsor can go and visit the sponsored child.

#### **July 2011 to June 2012 Results**

EDM has entrusted to COTM two sponsorship programmes in Burma in October 2011, and one in Cambodia in March 2012. Those 3 programmes are entirely managed in English, and represent a total of 45 children.

<sup>1</sup> 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.



### **SPONSORSHIP PROGRAMME 1**

#### **Orphanage in Taunggy, Burma (Ref: 98-36)**

Located in the Southwestern part of Shan state, this centre welcomes about 200 people, disabled and orphans. Among them **15 children** are sponsored by COTM. The children's sponsorship funds are pooled and managed collectively and they help cover part of the operating costs of the centre, including schooling and tuition costs.



### **SPONSORSHIP PROGRAMME 2**

#### **Orphanage in Kyauk Tan, Burma (Ref: 98-37):**

Located in the fertile Rangoon River Delta region, this centre welcomes about 150 orphans from all around the country. **7 girls and 13 boys** are sponsored by COTM. The sponsorships will be used primarily to cover the cost of food, school fees and tuition. It will also allow improvement of the children's lives (hygiene products, clothing and electricity).



### **SPONSORSHIP PROGRAMME 3**

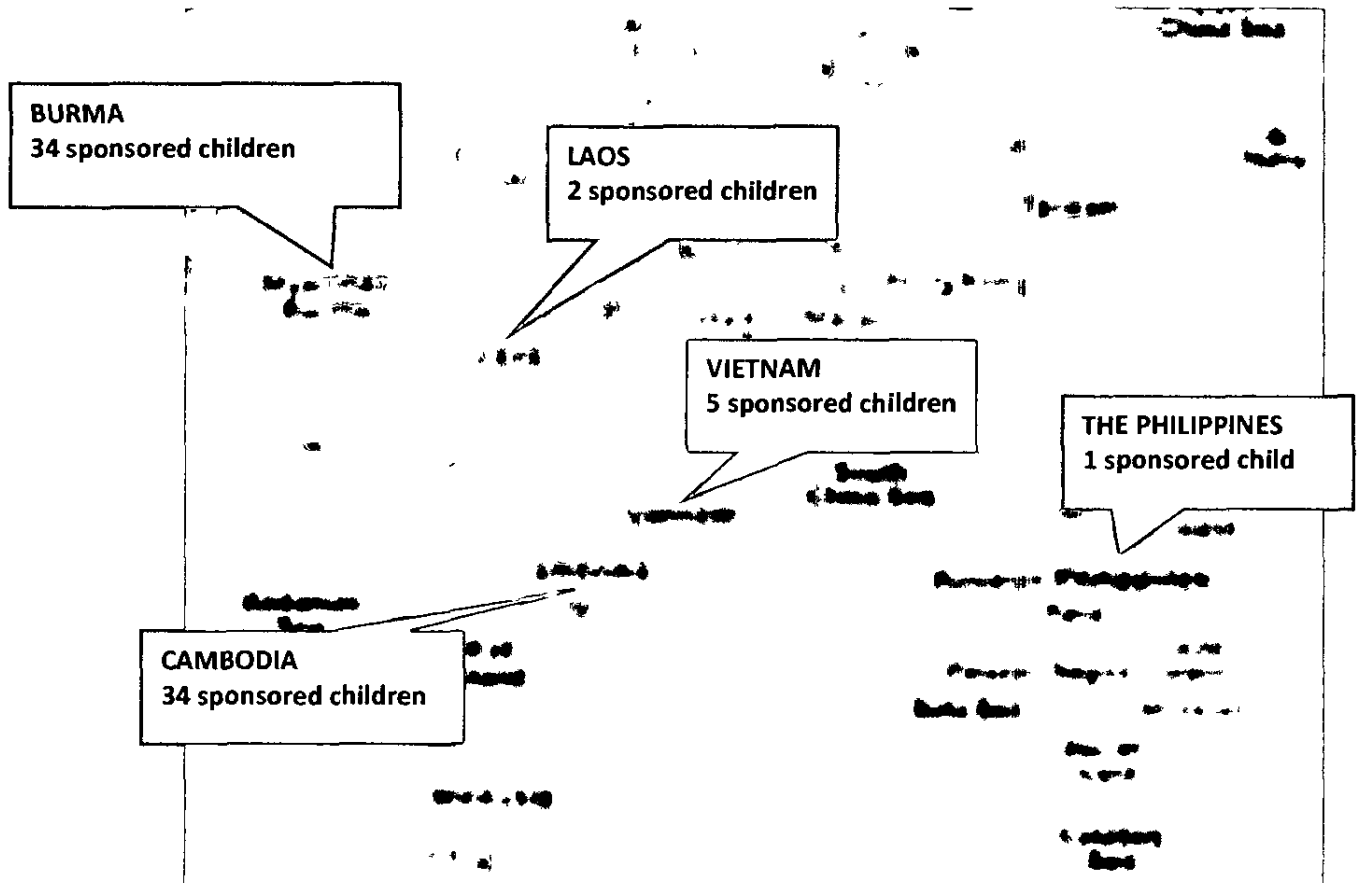
#### **Village of Koroka, Cambodia (Ref: 7-90):**

The village is located 7 km Southwest of Kampong-Cham, and its inhabitants follow a traditional lifestyle, based on rice production and market gardening. However, that work is not sufficient to secure the livelihood of a large family, and as a consequence many children drop out school to work with their parents. COTM sponsors **10 children**, and a large proportion of donations go towards the purchase of school manuals, stationeries, uniforms and rice.



In June 2012, there were 7 remaining children without sponsor in those programmes. COTM manages the existing network of sponsors to secure the loyalty of donors. The donations are received mainly on a monthly basis, and transferred to EDM on a quarterly basis.

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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. A Google Adwords campaign has been set up in 2012, and a call for sponsorship is systematically made in the quarterly Newsletter.

By June 2012, COTM placed 76 children with UK sponsors, with an aim to reach 90 sponsored children by the end of June 2013.

## Support to overseas volunteers

What is it? Overseas volunteers are sent to our country of operation every year for a one year mission to monitor the programmes

### July 2011 to June 2012 Results

COTM supported two volunteers in 2011-2012 by receiving individual donations through the online donation platform Bmycharity, or through COTM's website

- 1) **Beatrice Goddard**, a sponsorship programme coordinator in Vietnam, based in Hanoi
- 2) **Bruno Delorme**, a sponsorship programme coordinator in China (Yunnan)

### How can we make the best of it?

COTM provides the volunteers all the tools and support they need to raise funds for their missions, such as the online fundraising platform Bmycharity, flyers and fundraising tips



*COTM raised £1,533 for the two overseas volunteers during the year 2011-2012*

## Development Projects

### What is it?

Development projects are a means to improve the environment for the children, their families and the entire communities of the area where COTM works. They include projects such as school building, road construction, water wells, renovation work on existing buildings such as orphanages, 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's areas of operations. A project description and budget will be put together so that COTM 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.

### July 2011 to June 2012 Results

COTM funded completely or partially several projects during the year

#### **DEVELOPMENT PROJECT 1**

##### **Kampong Koh (Ref: 7-67)**

In the last quarter 2011, Thailand and Cambodia have been hit by unprecedented heavy floods. Most houses in the village of Kampong Koh (Cambodia) have been destroyed or strongly damaged, 30 families were homeless and most of the rice crop was lost. COTM supported Kampong Koh families by providing 20% of the reconstruction budget.

Amount £1,000

Participation 20% of the project

Date December 2011



#### **DEVELOPMENT PROJECT 2**

##### **Pyin Oo Lwin (Ref: 1379)**

58 children live in an orphanage runs by Catholic Sisters in Pyin Oo Lwin, Burma. The living conditions of the children are tough, especially during the winter because the orphanage is located in altitude and temperature can go really low. The project was to improve the children's living conditions by providing blankets, bedding and storage space.

Amount £1,221

Participation 100% of the project

Date May 2012



#### **DEVELOPMENT PROJECT 3**

##### **Cebu (Ref: 1101)**

This project consisted in funding the medical studies of a very bright student currently in residence at EDM's foster house in Cebu, the Philippines. Mark Andro is the second of 7 children and the only one to have pursued studies; he is committed to remain in the Philippines to help his family and community as a doctor.

Amount £772

Participation 50% of the project

Date May 2012



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How can we make the best of it?

COTM is working on a Monitoring and Evaluation as well as Impact Assessment policy to apply on every programmes, in adequation with donors' expectations COTM can propose the donors to go and visit the projects once completed or at the occasion of the inauguration ceremony for example

To raise funds, COTM applies for grants to trusts and foundations, approaches corporates to develop partnerships and organises events

*By the end of June 2012, 3 projects were partially or entirely funded by COTM in Burma, Cambodia and the Philippines, for a total amount of £2,993*

## 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 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 addresses the issue by welcoming students in foster houses, to offer shelter and a favourable studying environment for young people coming from isolated villages

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

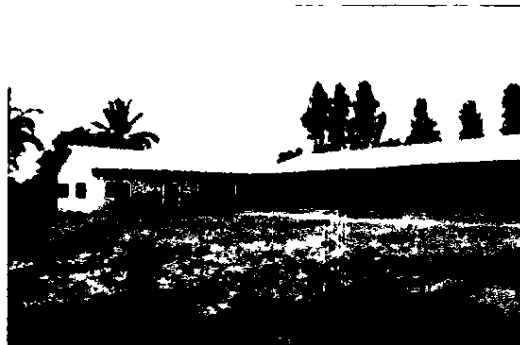
## July 2011 to June 2012 Results

COTM focused on finding funding for Samrong Education Center in Cambodia (Ref 1292), COTM organised an art auction in London, and all the proceeds were dedicated to Samrong programme

Amount £7,925

Participation 50% of the project

Date April 2012



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How can we make the best of it?

COTM is working on a Monitoring and Evaluation as well as Impact Assessment policy to apply on every programmes, 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.

To raise funds, COTM applies for grants to trusts and foundations, approaches corporates to develop partnerships and organises events.

*By the end of June 2012, 50% of the 2012 budget for Samrong education centre and foster houses was funded, for an amount of £7,925*

**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 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

### Principal Funding Sources

The principal funding sources were as follows

- Private donations
- Company donations
- Proceeds from events

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

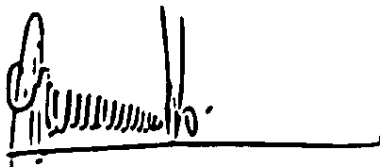
The Trustees are responsible for maintaining proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006 (the "Act"). The Trustees are also responsible 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 30<sup>th</sup> June 2012 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 2012 and signed by



Name JEAN-MARC DEBRICON  
Title Chairman



## **INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF CHILDREN OF THE MEKONG**

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I report on the accounts of the Charity for the period ended 30<sup>th</sup> June 2012, which are set out on page 20 to 25

### **Respective responsibilities of Trustees and examiner**

The Trustees, who are also the directors of CHILDREN OF THE MEKONG for the purposes of company law, are responsible for the preparation of the accounts. The Trustees consider that an audit is not required for this period under section 43(2) of the Charities Act 1993, the 1993 Act, and that an independent examination is needed.

Having satisfied myself that the charity is not subject to audit under company law and is eligible for independent examination, it is my responsibility to

- 1 Examine the accounts under section 43 of the 1993 Act,
- 2 Follow the procedures laid down in the general Directions given by the Charity Commission under section 43(7)(b) of the 1993 Act, and
- 3 State whether particular matters have come to my attention

### **Basis of independent examiner's report**

My examination was carried out in accordance with the general Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and consequently no opinion is given as to whether the accounts present a 'true and fair view' and the report is limited to those matters set out in the statement below.

### **Independent examiner's statement**

- (a) Which gives me reasonable cause to believe that in any material respect the requirements
- i) To keep accounting records in accordance with section 386 of the Companies Act 2006, and
  - ii) To prepare accounts which accord with the accounting records, comply with the accounting requirements of 396 of the Companies Act 2006 and with the methods and principles of the Statement of Recommended Practice Accounting and Reporting by Charities,
- (b) To which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached

**Charles William & Siddiqui**  
183-189 The Vale  
Acton  
London, W3 7RW

**Date: 3 October 2012**



## STATEMENT OF FINANCIAL ACTIVITIES

(including income and expenditure account)

PERIOD ENDING 30<sup>th</sup> JUNE 2012

	Notes	Unrestricted Funds 2011/12 £	Restricted Funds 2011/12 £	Total Funds 2011/12 £
<b>Incoming Resources</b>				
<i>Voluntary Income</i>	2	29,925	19,982	49,907
<i>Other Incoming Resources</i>	3	1,329	0	1,329
<b>Total incoming Resources</b>		<b>31,253</b>	<b>19,982</b>	<b>51,236</b>
<b>Resources Expended</b>				
<i>Charitable Expenditure</i>	4	8,893	21,693	30,586
<i>Cost of Charitable Activities</i>	5	5,840	0	5,840
<i>Fees Paid</i>		1,364	0	1,364
<i>Governance Costs</i>		53	0	53
<b>Total Resources Expended</b>		<b>16,150</b>	<b>21,693</b>	<b>37,843</b>
<b>Net Incoming (outgoing) Resources Before Transfers</b>		<b>15,103</b>	<b>(1,710)</b>	<b>13,393</b>
<b>Total Funds Carried Forward</b>	7	<b>23,275</b>	<b>23,995</b>	<b>47,270</b>

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 30<sup>th</sup> JUNE 2012

	Note	2011/12 £
<b>Current assets</b>		
Cash at bank and in hand		47,270
<b>Net assets</b>		<u>47,270</u>
<b>The funds of the charity</b>		
Unrestricted income funds	7	<u>23,275</u>
Restricted income funds	7	23,995
<b>Total charity funds</b>		<u>47,270</u>


The notes at pages 22 to 25 form part of these accounts

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).

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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.

Signed JM Debricon

  
Name JEAN-MARC DEBRICON  
Title Chairman

## **NOTE ON THE ACCOUNTS**

### **PERIOD ENDING 30<sup>th</sup> JUNE 2012**

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#### **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



## *Children of the Mekong*

### *Report and Financial Statements - Period ended 30th June 2012*

- Donated services and facilities provided are included in these accounts at their fair market value
- 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.

#### **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 30<sup>th</sup> June 2012.

## **2 Incoming Resources**

£	Unrestricted	Restricted	Total
Donations from individuals	24,907	19,982	44,889
Grants from foundations	5,000	0	5,000
Investment income	0	0	0
Bank interest	18	0	18
Fees received	0	0	0
<b>Total for 2011/12</b>	<b>29,925</b>	<b>19,982</b>	<b>49,907</b>

## **3 Other Incoming Resources**

Other income arises from the sales of "Soieries du Mekong" hand-woven scarves and amounted to £1,329 in the period.



#### 4 Charitable Expenditure

£	Unrestricted	Restricted	Total
Sponsorship	-	10,976	10,976
Special gift sponsorship	-	59	59
Overseas Volunteers	-	1,533	1,533
Kampong Koh (Ref 7-67)	-	1,000	1,000
Samrong	-	7,925	7,925
Other projects	-	200	200
Pro bono office	5,000	-	5,000
Impact assessment project	3,893	-	3,893
<b>Total for 2011/12</b>	<b>8,893</b>	<b>21,693</b>	<b>30,586</b>

Note that the projects Pyin Oo Lwin (Ref 1379) and Cebu (Ref 1101) were paid in July 2012

#### 5 Resources Expended

£	Costs
Event expenses	3,023
Travel expenses	1,878
Website	-
Salaries	-
IT & Communications	818
Misc	121
Fees Paid	1,364
Governance Costs	53
<b>Total for 2011/12</b>	<b>7,257</b>

#### 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	23,275	3,995	27,270
Philippines designated fund	-	20,000	20,000
<b>Net Assets at 30 June 2012</b>	<b>23,275</b>	<b>23,995</b>	<b>47,270</b>

### 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 30<sup>th</sup> June 2012, the Charity had no legacy income

