

The Minerva Treehouse
(A company limited by guarantee)

Report and Financial Statements

Period ended 30th June 2010

Charity number 1116375

Company number: 05860929



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The Minerva Treehouse

Report of the Directors for the period ending 30th June 2010

The Directors are pleased to present their report together with the financial statements of the charity for the period ending 30th June 2010

Reference and administrative details

<u>Charity number</u>	1116375
<u>Company number</u>	05860929
<u>Principal Office</u>	TMT, PO Box 63678, London SW11 9BD
<u>Bankers</u>	HSBC, 8 Canada Square, London, E14 5HQ
<u>Website</u>	www.minervatreehouse.com

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, 2010 were as follows
Jean-Marc Debricon (also Secretary)
Andreas Povlsen
Tala Mikdashi

Structure, Governance and Management

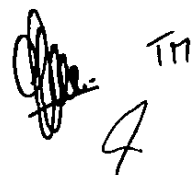
Governing Document

The Minerva Treehouse 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.

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.

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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 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 that focuses on education in South East Asia and has been present in the area for more than 50 years.

The Charity is potentially working with Amar Foundation for its initiative in Lebanon. 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, Burma, Lebanon, Kenya and India

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 3 initiatives in Asia and 2 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. 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 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 in May 2007 and the rest was paid in November 2007. Funds were fully disbursed for this project.

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

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

Angkor Mikroheranhvatho Kampuchea ("AMK") is a leading Microfinance Institution ("MFI") 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 217,000 active borrowers, mostly women in poor rural areas.

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

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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 will conduct regular visits to the village to check the status of the loans and collect, where applicable, accrued interests and principal repayments.

TMT has structured a new type of loan facility, the proceeds of which will be on-lent by AMK to individuals and small businesses in North-West Cambodia, in the very region where Project 1 was launched.

Terms

- The loan to AMK is for 5 years, starting 30th Nov 2009
- It is launched with an initial tranche of KHR 30 million (approx USD 7k)
- The money is on-lent by AMK to individuals and small businesses in the local currencies (Cambodian Riel or Thai Baht), which will protect these families from depreciations against USD (TMT is effectively taking that currency risk)
- TMT is charging 0% on the loan but AMK is absorbing all defaults and losses and will repay the full amount to TMT in 5 years time
- TMT has a right of regard on the interest rate charged by AMK and may recall the loan if the interest rate is deemed to be too high
- At redemption, TMT will either roll the structure or use the redeeming money for its charitable purpose (not for administrative expenses)

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

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

The objective is to ensure that the children of the Shwe Zedi Monastic School in Sittwe, Burma (Myanmar) have a better opportunity to study. The project includes a building with new classrooms, equipped with the necessary educational materials and funds to pay teachers and for the purchase of food.

- | | |
|------------------|---|
| - Project | building of a school for 500 students + funds for teachers/food |
| - Location | Sittwe, Burma (Myanmar) |
| - Implementation | by end Q3-10 |
| - Budget | USD 100k |
| - Timing | works started in Q3-10, expected completion Q2-11 |

- Status launched

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

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 started to work on another project with another NGO, the Amar Foundation but it suffered further delays. Funds raised for this project have been deposited on our savings account with HSBC.

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

TMT is funding 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. PEI's school has become a hub of self-sustaining community programs that educate and empower.

TMT's funding contribution amounted to GBP 1,000.

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

Financial Review

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

Principal Funding Sources

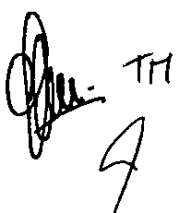
The principal funding sources were as follows:

- Private donations
- Company donations

Each private and company donation is designated by the trustees for a region of operation (Asia or MEA).

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. 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

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

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 ending 30th June 2010, the company was entitled to exemption from audit under section 477 of the Companies Act 2006.

The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476 of the Companies Act 2006.

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

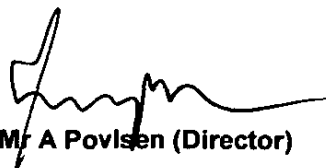
This report has been prepared in accordance with the Statement of Recommended Practice Accounting and Reporting by Charities (issued in March 2005) and in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small entities

Approved by the Directors on 30th June 2010 and signed by

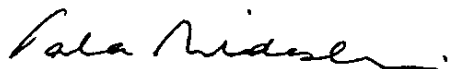
Approved by the Directors on 30th June 2010 and signed by

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Mr J-M Debricon (Director)

A handwritten signature in black ink, appearing to be 'A Povlsen', with a long horizontal line extending from the end of the signature.

Mr A Povlsen (Director)

A handwritten signature in black ink, appearing to be 'T Mikdashi', with a long horizontal line extending from the end of the signature.

Ms T Mikdashi (Director)

The Minerva Treehouse
Statement of Financial Activities (including income and expenditure account)
period ended 30th June 2010

	Notes	Unrestricted Funds 2009/10 £	Restricted Funds 2009/10 £	Total Funds 2009/10 £
Incoming resources				
<i>Incoming resources from generated funds:</i>				
<i>Voluntary income donations</i>	2	12,873	1,000	13,873
<i>Other Incoming Resources</i>	3	4	-	4
Total incoming resources		<u>12,877</u>	<u>1,000</u>	<u>13,877</u>
Resources expended				
<i>Projects payments</i>	4	4,758	1,000	5,758
<i>Governance costs</i>	5	661	-	661
Total resources expended		<u>5,418</u>	<u>1,000</u>	<u>6,418</u>
Net incoming (outgoing) resources before transfers		<u>7,458</u>	<u>-</u>	<u>7,458</u>
Total funds carried forward	7	<u>29,882</u>	<u>-</u>	<u>29,882</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

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The Minerva Treehouse
Balance Sheet for the period ended 30th June 2010

	Note	2009/10 £
Current assets		
Cash at bank and in hand		29,882
Net assets		<u>29,882</u>
The funds of the charity		
Unrestricted income funds		
Designated	7	29,882
Total charity funds		<u>29,920</u>

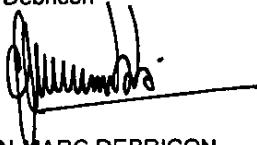
The notes at pages 11 to 13 form part of these accounts

For the year ending 30th June 2010, the company was entitled to exemption from audit under section 477 of the Companies Act 2006.

The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476 of the Companies Act 2006.

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

Signed JM Debricon



Name JEAN-MARC DEBRICON
Trustee and Secretary

Signed A Povlsen



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 2006.

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

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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" basis 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 30th June 2010

2 Donations

	Unrestricted	Restricted	Total
Donations from individuals	12,873	0	12,873
Donations from foundations	0	1,000	1,000
Total for 09/10	12,873	1,000	13,873

3 Other Incoming Resources

Other income arises from interest bearing current accounts and amounted to £4 in the period

4 Projects Payments

	Payments £	2009/10 Total £
Project 3	4,758	4,758
Project 5	1,000	1,000
Total projects payments	5,758	5,758

5 Resources Expended

	Governance Costs £	2009/10 Total £
Support costs allocated to activities		
Charges	96	96
FX Loss	565	565
Total resources expended	661	661

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

	Designated Funds £	Restricted Funds £	Total Funds £
Current Assets			
Asia fund	2,176	-	2,176
MEA fund	27,706		27,706
Net Assets at 30 June 2010	29,882	-	29,882


Purpose of Designated Funds

Asia Funds These funds have been designated by the Trustees for the undertaking of any project in Asia

MEA Funds These funds have been designated by the Trustees for the undertaking of any project in MEA

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, the Charity had no legacy income

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