



Child's Dream - *diversethics* Foundation Limited

Audited Financial Report 2010

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Introduction

Child's Dream – *diversethics* Foundation Limited was incorporated in Hong Kong SAR as a charitable organisation on 26th March 2008 and registered in the Companies Registry. On the 16th April 2008 the Inland Revenue Department granted us tax exemption under Section 88 of the Inland Revenue Ordinance.

Our foundation works in partnership with Child's Dream as well as *diversethics* Foundation. Child's Dream and *diversethics* Foundation are established charitable organisations and have completed more than 100 projects in the Mekong Sub-Region over the past seven years.

Our foundation's goal is to raise donations in Hong Kong in order to contribute to the activities of its partner organisations Child's Dream and *diversethics* Foundation, which work on the ground in the Mekong Sub-Region.

Despite the difficult economic environment which was negatively affecting philanthropic giving worldwide, we are very happy to still have been able to raise donations in the amount of close to HKD 2 million.

In 2010 our foundation supported a number of educational initiatives via Child's Dream. With KSEAG, a stationery programme inside Myanmar, again roughly 900 schools received educational material. Also Youth Connect received funding again from our foundation. The goal of Youth Connect is to support Thai and Burmese youth in the process of finding employment. We also continued our grants for the University Scholarship Programme under which three students from Myanmar are allowed to follow their academic paths in either Hong Kong or Bangkok. We received dedicated funding from donors to support the above mentioned three initiatives.

A further HKD 1,176,425 was donated to Child's Dream from our general donation pool in order to support three projects, also caring for beneficiaries from Myanmar. You find more information to these initiatives on page 7 of this report.

On behalf of all the children and concerned communities and from the bottom of our hearts, we thank you for your ongoing trust and support.



Marc Thomas Jenni
Founder & Director



Daniel Marco Siegfried
Founder & Director

Reference to our Partner Organisations

Child's Dream – *diverse*ethics Foundation Limited was setup in 2008 as a fundraising entity to support the work of the following charity organisations:

- Child's Dream Foundation (Thailand) supporting work in Thailand and Laos
- Child's Dream Association (Switzerland) supporting work in Myanmar & Cambodia
- *diverse*ethics Foundation (Switzerland) supporting work in the Mekong Sub-Region

All three legal entities operate out of Chiang Mai, Thailand.

For more details about the work of our partner organisations, kindly visit their websites at www.childsdream.org and www.diverseethics-foundation.org.

Our Mandate

The objectives for which our foundation was established are exclusively charitable and include:

- Reaching out and alleviating the disadvantaged, persecuted and oppressed children and communities in need in Asia, in particular in the Mekong Sub-Region which includes - but is not limited to - Thailand, Myanmar, Laos and Cambodia. We reach out to communities in need by providing financial and material assistance for basic physical needs such as food, clothing, medical supplies, education and other basic needs for survival and assistance with self-help;
- Fighting for social justice, combating exploitation and abuse of children;
- Undertaking, organising, supporting, sponsoring and promoting charitable activities and projects for the promotion of quality education, improved health and living standards for the benefit of children and communities in need.

Our Board

Marc Thomas JENNI	Director & Founder
Daniel Marco SIEGFRIED	Director & Founder
Thu Than PHAN	Secretary

2010 Financial Statements

Balance Sheet (in HKD)

	31.12.2010	31.12.2009
Assets		
Liquid assets	1,169,765	1,361,911
Intangible assets	-	-
Total Assets	1,169,765	1,361,911
Liabilities and capital		
Liabilities	-	-
Paid-in capital	-	-
Internally generated unrestricted operating funds	192,146	-
Unrestricted capital	977,619	1,361,911
Surplus for the year (after allocation)	-	-
Total liabilities and capital	1,169,765	1,361,911

Statement of Operations (in HKD)

		1.1.2010 - 31.12.2010		1.1.2009 - 31.12.2009
Income				
Donation private individuals	659,948		258,380	
Restricted	934,990	1,594,938	1,256,967	1,515,347
Donations corporate	331,097		369,547	
Restricted	-	331,097	46,387	415,934
Interest		5		78
Total Income		1,926,040		1,931,359
Expenditures				
Project expenditures				
<i>Thailand</i>				
Youth Connect	548,528		249,751	
<i>Myanmar</i>				
Karen State Education Assistance Group	335,038		568,877	
<i>Laos</i>				
Sukuma Primary School	-		236,580	
Nowneur Secondary School	-		116,175	
Baan Tonhan Secondary School	-		109,460	
<i>Mekong Sub-Region</i>				
University Scholarship Programme	51,424		395,296	
Donation Transfer to Child's Dream	1,176,435	2,111,425	-	1,676,139
Administration & fundraising expenditures		6,761		5,273
Total Expenditures		2,118,186		1,681,412
Profit / Loss for the year (prior to allocation)		-192,146		249,947
Total		1,926,040		1,931,359

Notes

1. Administration expenses except legal fees, audit fees and incidental expenses were covered by Child's Dream Foundation, Thailand.
2. Income and expenditure are recorded on a cash basis.
3. No statement of change in capital was compiled.
4. A funds flow statement has not been compiled.
5. There are currently no liabilities concerning projects; otherwise, this would be disclosed in the following 'breakdown on project expenses'.
6. The donation transfer to Child's Dream Association (Switzerland) originates from the general donation pool of the foundation. These funds are not dedicated funds (see page 7).

Project Performance Report 2010 in HKD

Project Name & Description

2010 Expenses

Thailand

Youth Connect – restricted funding

548,528

Ongoing initiative in Mae Sot, which connects both Thai youth and Myanmar migrant youth to better employment opportunities in Mae Sot after their formal education. The project accomplishes this through three approaches: specialised vocational skills classes, targeted internships with local businesses and organisations, and a career centre where students finishing school can search for jobs.

Myanmar

Karen State Education Assistance Group(KSEAG)- restricted funding

335,038

This working group aims to ensure that educational assistance reaches all Karen State schools equally and that stationery is distributed in a systematic manner. In 2010 KSEAG supported 897 schools, 3,134 teachers and 65,206 students (34,558 girls and 30,648 boys). Our support focuses on the organisation and actual provision of teaching and learning materials. Our foundation contributed HKD 335,038 to the total budget of approx. HKD 1,700,000.

Shwe Kyaung Gyi Primary School – general donation pool

438,235

We are in the process of building a new primary school in the Mandalay Division of Myanmar. The school will cater for approximately 300 children of which 50 are boarding students. We are building 12 rooms and 5 toilets. This school offers education for primary grades 1 – 6. Expected completion is in April 2011.

Loi Tai Laeng Primary School – general donation pool

215,420

We are in the process of building a new primary school in the village of Loi Tai Laeng. This school will ultimately cater for 790 primary school children. 35 teachers are taking care of the children. We are building 12 classrooms with a total size of 864m². The budget for this facility is HKD 877,000 of which our foundation covers HKD 215,420. Completion is targeted in February 2011.

Foundation for Local Development (FLD) – general donation pool

522,780

This course provides the framework for a series of modules designed to deliver the skills needed by youth in Myanmar to become social entrepreneurs. Funding covers the initial design of the modules and classes for the first year. After the first year, a local community based organisation (CBO) will continue the classes on their own, as part of their community learning centres.

Mekong Sub-Region

University Scholarship Programme – restricted funding

51,424

Ongoing scholarship programme that covers all education costs (tuition, living costs and essential school supplies) for 3 students studying at accredited universities in Hong Kong.

TOTAL

2,111,425

Report of the Auditor

The full audit report can be provided upon request



BAKER TILLY
HONG KONG LIMITED
CERTIFIED PUBLIC ACCOUNTANTS

天職香港會計師事務所有限公司

12th Floor, China Merchants Tower, Shun Tak Centre, 168-200 Connaught Road Central, Hong Kong
香港干諾道中168-200號信德中心招商局大廈12樓

Independent auditor's report to the members of Child's Dream – diversethics Foundation Limited

(Incorporated in Hong Kong and limited by guarantee)

We have audited the financial statements of Child's Dream – diversethics Foundation Limited (the "Foundation") set out on pages 5 to 13, which comprise the balance sheet as at 31 December 2010, and the statement of comprehensive income, the statement of changes in accumulated fund and the cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Executive Committee's responsibility for the financial statements

The Executive Committee of the Foundation is responsible for the preparation and the true and fair presentation of these financial statements in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants and the Hong Kong Companies Ordinance. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and the true and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. This report is made solely to you, as a body, in accordance with section 141 of the Hong Kong Companies Ordinance, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and true and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Executive Committee, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Independent auditor's report to the members of
Child's Dream – diversethics Foundation Limited (continued)**
(Incorporated in Hong Kong and limited by guarantee)

Opinion

In our opinion, the financial statements give a true and fair view of the state of the Foundation's affairs as at 31 December 2010 and of its deficit and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the Hong Kong Companies Ordinance.



Baker Tilly Hong Kong Limited
Certified Public Accountants
Hong Kong, 25 JAN 2011
Chan Kwan Ho, Edmond
Practising certificate number P02092

Information for Donors

Bank Transfers

Bank transfers can be made to the following accounts:

<i>Bank:</i>	UBS AG – Hong Kong Branch 2 International Finance Centre, 52/F 8 Finance Street, Central Hong Kong SAR	HSBC – Hong Kong Head Office 1 Queen's Road, Central Hong Kong SAR
<i>Account Holder:</i>	Child's Dream – <i>diversethics</i> Foundation Limited	Child's Dream – <i>diversethics</i> Foundation Limited
<i>Account Number:</i>	310212	400-549135-001 (HK\$) 400-549135-838 (Multicurrency)
<i>Bank Code:</i>	103	004
<i>Branch Code:</i>	492	400
<i>SWIFT:</i>	UBSWHKHH	HSBCHKHCHKH

By cheque

Please make cheques payable to 'Child's Dream - *diversethics* Foundation Limited' and send them to our address in Thailand as stated on the next page.

Residents of Hong Kong

Residents of Hong Kong will be able to receive a tax receipt for their donation. Please notify us if you wish to receive such a receipt.

If you would like further information on how to make a donation or a grant, please contact us directly in Thailand rather than at our registered domicile in Hong Kong.

Contact Information

Child's Dream - *diversethics* Foundation Limited
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Thailand

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Foundation Domicile

Child's Dream - *diversethics* Foundation Limited
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21/F, Hua Fu Commercial Building
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Sheung Wan, Hong Kong

Please always contact us in Thailand.