



# Child's Dream - *diversethics* Foundation Limited

## Audited Financial Report 2011

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## Introduction

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

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 *diverse*ethics Foundation, which work on the ground in the Mekong Sub-Region, where we have now completed more than 150 projects.

Despite the harsh economic environment in Europe and the United States, which has negatively affected philanthropic giving worldwide, we are extremely pleased to have been able to raise donations in the amount of over HKD 3 million this year. This is an increase of over 35% compared to 2010. This was possible thanks to the ongoing commitment of our Hong Kong based donors as well as the generous support of Credit Suisse AG Hong Kong towards educational facilities in Laos.

Our project expenses, however, remained stable at approximately HKD 2 million. The excess funding will allow us to continue our support even if the economic difficulties remain in 2012, as expected.

In 2011 our foundation supported a number of educational initiatives via Child's Dream. The KSEAG Stationery Programme inside Myanmar as well as the University Scholarship Programme for four students from Myanmar received further financial support. We furthermore supported the construction of two boarding houses in the North of Thailand as well as a secondary school building in Laos. An organic farming school in Chiang Mai was also supported for the first time via our foundation.

On behalf of all the children and youth as well as all the 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 charitable 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](http://www.childsdream.org) and [www.diverseethics-foundation.org](http://www.diverseethics-foundation.org).

## Our Mandate

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

- Reaching out to and alleviating the disadvantaged, persecuted and oppressed children and communities in Asia, in particular in the Mekong Sub-Region which includes - but is not limited to - Thailand, Myanmar, Laos and Cambodia. We support communities in need by providing financial and material assistance for basic requirements 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 quality education, improved health and better living standards for the benefit of children and communities in need.

## Our Board

Marc Thomas JENNI	Director & Founder
Daniel Marco SIEGFRIED	Director & Founder
Corpboard Limited, Hong Kong	Secretary

## 2011 Financial Statements

### Balance Sheet (in HKD)

	31.12.2011	31.12.2010
<b>Assets</b>		
Liquid assets	2,310,641	1,169,765
Intangible assets	-	-
<b>Total Assets</b>	<b>2,310,641</b>	<b>1,169,765</b>
<b>Liabilities and capital</b>		
Liabilities	-	-
Paid-in capital	-	-
Internally generated unrestricted operating funds	1,140,876	192,146
Unrestricted capital	1,169,765	977,619
Surplus for the year (after allocation)	-	-
<b>Total liabilities and capital</b>	<b>2,310,641</b>	<b>1,169,765</b>

## Statement of Operations (in HKD)

		1.1.2011 - 31.12.2011		1.1.2010 - 31.12.2010
<b>Income</b>				
Donation private individuals	818,842		659,948	
Restricted	1,351,320	2,170,162	934,990	1,594,938
Donations corporate	324,594		331,097	
Restricted	580,642	905,236	-	331,097
Interest		14		5
<b>Total Income</b>		<b>3,075,412</b>		<b>1,926,040</b>
<b>Expenditure</b>				
Project expenditure				
<i>Thailand</i>				
Youth Connect	-		548,528	
Baan Pung Yarm Boarding House	217,260		-	
Baan Khun Mae Yod Boarding House	200,000		-	
NEED Model Farm	388,410		-	
<i>Myanmar</i>				
Karen State Education Assistance Group	397,545		335,038	
<i>Laos</i>				
Kuang Kham Secondary School	577,000		-	
<i>Mekong Sub-Region</i>				
University Scholarship Programme	148,105		51,424	
Donation Transfer to Child's Dream	-	1,928,320	1,176,435	2,111,425
Administration & fundraising expenditure		6,215		6,761
<b>Total Expenditure</b>		<b>1,934,535</b>		<b>2,118,186</b>
Profit / Loss for the year (prior to allocation)		1,140,877		-192,146
<b>Total</b>		<b>3,075,412</b>		<b>1,926,040</b>

## 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'.

## Project Performance Report 2011 (in HKD)

Project Name & Description	Expenses
<b>Thailand</b>	
<i>Baan Pung Yarm Boarding House – restricted funding</i> Located 1-2 km away from the Thai-Myanmar border, the Thai Border Patrol Police are responsible for the operations of Baan Pung Yarm Primary School. Many children from the Shan State of Myanmar had migrated across the border to seek education. These children are considered stateless. The majority depends on the boarding accommodation provided by the school. We have built a boarding house for the girls and three toilets. The boys will stay in the existing boarding facilities.	217,260
<i>Baan Khun Mae Yod Boarding House – restricted funding</i> One of the few schools that provide education ranging from nursery to secondary 3 level, Khun Mae Yod Secondary School plays an important role in the community. The infrastructure remains rudimentary with no health care centre, electricity or mobile coverage available. The school provides boarding to support their students in pursuing education. However, the existing facility is overcrowded and not suitable for living. Hence, we are building one boarding house to provide the boarders with better living conditions.	200,000
<i>NEED Model Farm – restricted funding</i> NEED is a non-profit organisation that was established to train youths from Myanmar in organic farming methods. After the training, these youths who are mostly from ethnic minority groups will return to their communities in Myanmar to improve and develop their agriculture. We are partially supporting the running cost of NEED.	388,410
<b>Myanmar</b>	
<i>Karen State Education Assistance Group(KSEAG) – restricted funding</i> 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 2011 KSEAG supported 1,137 schools, 4,779 teachers and 104,455 students. Our support focuses on the organisation and actual provision of teaching and learning materials. Our foundation contributed HKD 397,545 to the total budget of approx. HKD 2.1 million. The remaining support is granted by Child's Dream Foundation, Thailand.	397,545
<b>Laos</b>	
<i>Kuang Kham Secondary School – restricted funding – provided by Credit Suisse AG</i> Mostly from the Prai, Lao Lum and Tai Dam ethnic groups in Laos, the families living in this community are heavily dependent on farming and animal husbandry for subsistence. They built a simple school building using wood, leaves and other materials found in their environment. In spite of their efforts, the current building is neither safe nor secure and does not offer enough protection from the harsh weather conditions. We are now building two school buildings and four toilets.	577,000
<b>Mekong Sub-Region</b>	
<i>University Scholarship Programme – restricted funding</i> Ongoing scholarship programme that covers all education costs (tuition, living costs and essential school supplies) for 4 students studying at accredited universities in Hong Kong.	148,105
<b>TOTAL</b>	<b>1,928,320</b>

## 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

2nd Floor, 625 King's Road, North Point, Hong Kong  
香港北角英皇道625號2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 2011, and the statement of comprehensive income, statement of changes in accumulated fund and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

#### **Executive Committee's responsibility for the financial statements**

The Executive Committee of the Foundation are responsible for the preparation of financial statements that give a true and fair view in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants and the Hong Kong Companies Ordinance, and for such internal control as the Executive Committee determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

#### **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 about 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 of financial statements that give a true and fair view 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 2011 and of its surplus 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, 31 JAN 2012

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>	<b>UBS AG</b> – Hong Kong Branch 2 International Finance Centre, 52/F 8 Finance Street, Central Hong Kong SAR	<b>HSBC</b> – 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	HSBCHKHHHKH

### 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  
c/o Child's Dream Foundation  
238/3 Wualai Road  
T. Haiya, A. Muang  
Chiang Mai 50100  
Thailand

Tel: +66 (0)53 201 811  
Fax: +66 (0)53 201 812  
E-mail [info@childsdream.org](mailto:info@childsdream.org)

## Foundation Domicile

Child's Dream - *diversethics* Foundation Limited  
c/o Naturezone Ltd.  
21/F, Hua Fu Commercial Building  
111 Queen's Road West  
Sheung Wan, Hong Kong

**Please always contact us in Thailand.**