



Child's Dream Association

Annual Report 2006



Table of Content

Page

Introduction	2
Organisation & Board	3
Situation Analysis	4
Objectives	5
Concept & Guiding Principles	6
Important Events	7
Financial Statements	
Balance Sheet	8
Statement of Operations	9
Statement of Changes in Capital	10
Notes	10
Performance Report	11 - 18
Report of the Auditors	19
Consolidated Financial Statements	20 - 21
Donor & Contact Information	22

Introduction

2006 was yet another exciting and successful year for Child's Dream. Thanks to an increase in donation volume, we were able not only to reach thousands of children but also to organically grow and to build up our capacity and our infrastructure without jeopardizing our lean cost structure.

We owe this success to Child's Dream's employees, volunteers and friends, who passionately invested their energy in bringing new opportunities and hope to marginalized children of the Mekong Sub-Region. Our work is obviously not without challenges, but with an exceptional team spirit we could overcome them and provide assistance to children under extreme circumstances.

Our office administration was constantly reviewing and amending processes in order to further enhance our donor communications and improve the quality of our reporting.

We ensure that Child's Dream utilizes every contribution to its optimum and therefore offers efficient means of participating in philanthropy.

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

Daniel Siegfried	Marc Jenni
President	Vice-President



Organisation

Child's Dream Association is a charity organisation dedicated to providing unconditional help for underprivileged children in the Mekong Sub-Region.

Child's Dream Association is incorporated as a charitable society under Swiss law (ZGB, article 60ff) and is registered in the company registry of the Canton of Zurich. Furthermore, Child's Dream Association is tax-exempt by the tax authorities of the Canton of Zurich (Steueramt des Kantons Zürich), all other Cantons and the federal tax authorities. The domicile of Child's Dream Association is at the residential address of its secretary in Zurich.

Board

President
Vice-President
Secretary
Ambassador Switzerland
Ambassador Hong Kong
Ambassador Switzerland
Ambassador Abu Dhabi

Child's Dream Association is run by a circle of friends spread all over the globe. We currently have ambassadors in Switzerland, Singapore, Hong Kong and Abu Dhabi. Co-ordination and management is done by Daniel Siegfried and Marc Jenni, the two founders, based in Chiang Mai, Thailand. A powerful team of 10 staff and volunteers support the founders in the day to day business.

Child's Dream Association operates with high cost-effectiveness and integrity.

Daniel SIEGFRIED
Marc JENNI
Ursula BISIG
Manuela BIANCHI
Susanna RUEEGGER KOECHLI
Pamela PHUA
Dominique BECHT

Situation Analysis

The Mekong Sub-Region (MSR) combines the country-specific problems of Burma, Laos, Thailand, Cambodia and Vietnam, thus causing a humanitarian 'super-crisis'.

It is a poisonous underground market place, where some of the least developed countries (Burma, Laos and Cambodia) meet some of the most booming economies in the world (China, Thailand and Vietnam) and their Western business partners. This leads to a continuously increasing wealth gap, hindering the opportunity for development of the poorer countries.

Additionally, the sickening trade in drugs, humans and anything that money can buy is driven by the omnipresent corruption, and the suppression and forced relocation of ethnic minority groups.

With their parents either dead, in prison for drug trafficking or in prostitution, these children do not know where to go and are extremely vulnerable to exploitation. Most of them are children from ethnic minorities with no belongings, no nationality and no rights.

Common Forms of Exploitation

- ▶ Drug lords push children into addiction in order to use them for smuggling their goods over the border
- ▶ Highly organised child prostitution & begging gangs promise children a better life
- ▶ Burmese junta is still abducting children to serve in the army
- ▶ Ruthless businessmen exploit children for cheap labour

Objectives

Through our research we realized that charitable funds are spread unevenly among various projects, resulting in an inefficient use of funds. Child's Dream aims to help by supporting grass-roots projects in desperate need of help. In order to ensure optimal use of funds, we provide infrastructure as well as personal items to meet health and educational needs (clothes, stationery, etc.) directly to the projects concerned rather than giving money to cover running costs.

By providing support to projects caring unconditionally for children in need, Child's Dream aims to prevent child exploitation and migration through

- ▶ improving living and health conditions as well as education standards;

- ▶ raising awareness of child trafficking among families and communities;
- ▶ helping children to take pride in themselves and to restore their dignity;
- ▶ cultivating a better attitude towards life and society and
- ▶ encouraging the children to love and respect their own customs and culture.

Concept & Guiding Principles

Providing support to projects caring for orphans and children living in poverty

Our primary objective is to support grass-roots projects that provide relief and aid to orphans or children living in poverty.

Unconditional support

It is a main target to provide support to projects that care 'unconditionally' for children in need. Unconditional means that these projects do not link any conditions to their support (e.g. conversion to a religion) and that the children's nationality, gender, religion, ethnic affiliation, etc. is not an exclusion criteria.

Minimal administration expenses

We are proud to maintain an administration expense ratio below 10%, which is well below the industry average.

Fund allocation with integrity

We are determined to allocate charitable funds where aid and relief seem most appropriate. A thorough 'due diligence' report on the project is done before support is given.

Financial transparency

Child's Dream strives for financial transparency. Accounting in accordance with Swiss GAAP FER21 (for charitable, social non-profit organisations) is maintained and disclosed.

Maintain independence and diversity

We are determined to stay politically and religiously neutral to avoid conflicts of interest. In order to ensure an unbiased allocation of funds, we aim to stay independent from the projects concerned.

Important Events

Jan 2006 - We move into our new office, which is bigger and more centrally located

March 2006 - Our first health care project, the Malaria Control Programme, will save many children's lives

April 2006 - Watt joins us as an assistant project manager and Saitong takes over as a housekeeper

April 2006 - Our Swiss auditor checks our 2005 books and recommends to the board to approve them

May 2006 - UBS Singapore accepts us once again as a partner in its match giving scheme

June 2006 - Khanittha joins us as an office manager

June 2006 - We start our Scholarship Programme for underprivileged youths

June 2006 - We obtain a 'license for operation' in Vietnam

June 2006 - We open our Leadership and Management Training College to provide higher education in the refugee camps

July 2006 - We decide that Child's Dream Association takes care of projects in Burma, Cambodia and Vietnam whereas Child's Dream Foundation Thailand covers Thailand and Laos

Sept 2006 - We start building our first four schools in Laos

Nov 2006 - We restructure our Swiss board and get registered in the company registry of the Canton of Zurich

Nov 2006 - We sign agreements with two charitable organisation in order to allow U.S. and Australian donors tax-relief for their donations

Dec 2006 - We set up the 'Children Medical Fund' to financially support children with special medical needs

Financial Statements

Balance Sheet

	CHF 31.12.06	CHF 31.12.05
Assets		
Liquid assets	625,843	325,819
Inventories (Donations in kind)	0	11,928
Intangible assets	2	18,852
Total assets	625,845	356,599
Liabilities, funds and capital		
Liabilities	0	0
Restricted funds	34,000	0
Paid-in capital	0	0
Internally generated unrestricted operating funds	235,246	226,811
Unrestricted capital	356,599	129,788
Surplus for the year (after allocation)	0	0
Total liabilities, funds and capital	625,845	356,599

Statement of Operations

		CHF 1.1.06 - 31.12.06	CHF 1.1.05 - 31.12.05
Income			
Donations private individuals	392,823		
Restricted	<u>213,502</u>	606,325	410,708
Donations corporates	114,153		
Restricted	<u>93,098</u>	207,251	131,240
Donations in kind		4,500	30,304
Interest		608	343
Total income		818,684	572,595
Expenditures			
Project expenditures		267,584	303,858
Administration & fundraising expenditures			
Personnel costs	14		
Rent & utilities costs	438		
Vehicle & transportation costs	0		
Administration & IT costs	2,945		
Travelling costs	1,577		
Other costs	0		
Financial costs	84		
Depreciation	<u>617</u>	5,675	19,640
Transfer to restricted funds		34,000	0
Donation transfer to Child's Dream Foundation		276,179	22,286
Total expenses		583,438	345,784
Surplus for the year (prior allocation)		235,246	226,811
Total		818,684	572,595

Statement of Changes in Capital for 2006

in CHF	Opening balance	Allocation (external)	Internal fund transfers	Use (external)	Closing balance
Internally generated funds					
Surplus for the year	0	235,246	-235,246	0	0
Internally generated unrestricted capital	356,599	0	235,246	0	591,845
Capital of the organisation	356,599	235,246	0	0	591,845
Restricted funds	0	306,599	0	272,599	34,000

Notes

- 1) The financial statements were compiled in accordance with Swiss GAAP FER 21 (for charitable, social non-profit organisations).
- 2) Income and expenditure are recorded on cash basis.
- 3) The administration expenditures are not allocated to projects. An allocation would be calculated proportionally to the project costs.
- 4) The administration & fundraising expenditures are mostly covered by Child's Dream Foundation (Thailand).
- 5) A funds flow statement has not been compiled (according to Swiss GAAP FER 21, Rz. 26).
- 6) The board members do not receive remuneration.
- 7) Liabilities concerning projects are disclosed in the performance report.
- 8) No provisions have been made.
- 9) A significant amount of "restricted funds" was spent on projects in Child's Dream Foundation (Thailand).

Performance Report for 2006

Project expenditures	Infrastructure / Support	in CHF	Page
Damnok Toek Poipet, Cambodia	Shelters & class rooms	64,516	12
Scholarship Programme	Scholarships	52,888	13
Malaria Control Programme	Supplies	51,318	14
Hsa Thoo Lei Migrant School Mae Sot, Tak, Thailand	Learning center complex	41,932	15
Primary School Snor Village, Cambodia	Primary school	40,339	16
LMTC Arts & Science ¹ Mae La Camp, Tak, Thailand	College campus	8,217	17
Refugee Camps ¹ Mae Hong Son, Thailand	Children's clothes	4,988	18
Various smaller projects		2,366	
Project evaluation expenditures		1,020	
Total project expenses		267,584	

¹ These projects were transferred to Child's Dream Foundation (Thailand).

Damnok Toek **Shelters & Classrooms**
Poipet, Cambodia

- Target group** Approximately 200 Cambodian children, who are victims of child labour, trafficking, drug-abuse and extreme poverty
- Infrastructure** Construction of 2 houses for victims of child trafficking, 3 houses for long-term child boarders, 2 classrooms for day-care activities and 2 common rooms
- Objectives**
- > To provide shelter and protection for children in distress
 - > To improve the living and learning environment
 - > To allow the project to relocate to a permanent site
- Partner** Goutte d'Eau, Switzerland
- Status** Completed (23/07/06)
- Costs** CHF 64,516
- Comment** All buildings were built in Khmer style by two local foremen using local materials. The construction was finished in July 2006 and all our objectives were achieved.

Photos



Scholarship Programme **Scholarships**
Regional

- Target group** Financially underprivileged youths in the MSR
- Support** Cover all costs incurred (tuition, living, school supplies, etc.)
- Objectives**
- > Enable some of the brightest and smartest teenagers to continue their studies up to BA- or even MA-degrees at accredited universities
 - > Build up the capacities of rural communities by encouraging the students to return to and support their villages
- Partner** Student Support Services
- Status** Funding for academic year 06/07 was completed
- Costs** CHF 52,888
- Comment** The 8 students we supported in the academic year 06/07 are all among the top performers in their classes. After some initial settling-in problems, all students developed their characters and changed from shy young adults to strong and self-confident women and men. We will continue to support them during the remaining academic years up to their BA/MA degrees.

Malaria Control Programme

Supplies

Thai-Burmese Border

- Target group** Approximately 12,000 children in 38 villages
- Support** Provide mosquito nets, medicine and rapid tests to diagnose malaria
- Objectives** Reduce the risk of falling ill with malaria often resulting in stunted growth, anemia or other infectious diseases such as diarrhea, measles and pneumonia
- Partners** Global Health Access Program (GHAP), USA
Karen Department of Health and Welfare
- Status** Funding in 2006 completed; will be continued through *diverse*ethics Foundation until 2009
- Costs** CHF 51,318
- Comment** With the Malaria Control Programme we were able to reduce the prevalence rate of Malaria to less than 2% in most areas. As a result the lives of many children were saved. This programme will be continued under our *diverse*ethics Foundation.

Photos



Hsa Thoo Lei Migrant School

Learning Center Complex

Mae Sot, Tak, Thailand

- Target group** Approximately 300 Burmese migrant children from various ethnicities in Mae Sot seeking education from grade one to ten
- Infrastructure** Construction of a new school building with 16 classrooms (56m² each), 12 toilets, 1 teachers' room, 1 computer room, 1 library and 1 school bus
- Objectives**
- > Provide a safe and humane learning environment
 - > Improve education standards and health conditions
 - > Accommodate more students and widen access to education
- Partner** BMWEC, Mae Sot, Thailand
- Status** Completed (17/02/06)
- Costs** CHF 41,932
- Comment** The construction, undertaken by our foreman in Mae Sot, was completed in February and ever since the school has been providing high quality education to hundreds of children. The school became a symbol of the migrant community in Mae Sot. All stated objectives were achieved.

Photos



Primary School

Primary School

Snor Village, Siem Reap, Cambodia

- Target group** About 160 children aged between 7-14 years
- Infrastructure** Construction of a 4 classroom primary school building
- Objectives**
- > Broaden access to basic education
 - > Reduce illiteracy rate among children
- Partner** Khmer Akphiwat Khmer Organization, Cambodia
- Status** Completed (30/11/06)
- Costs** CHF 40,339
- Comment** The construction was slightly delayed due to the heavy rainy season and the severe flooding of the area, which hindered the transportation of the materials. The school was opened in November and became an integral part of the community. We are convinced that the above objectives will be achieved.

Photos



LMTC Arts & Science

College Campus

Mae La Camp, Tak, Thailand

- Target group** 60 Burmese refugee students with high academic potential
- Support** Coverage of all running costs as well as the construction of a college campus with two dormitories, class rooms, library, computer room, kitchen & canteen as well as toilets
- Objectives**
- > Provide higher education for refugees
 - > Prepare some students to continue their studies at university level
- Partner** Karen Education Department, Thailand
- Status** Ongoing
- Costs** CHF 8,217
- Comment** The implementation of this project was quite slow but the results of the first academic year are all the more encouraging. The students are highly motivated and most of them have passed their first year exams. In May 2007 we will accept another 60 students. We are convinced that the above objectives will be achieved.

Photos



- Target group** Approximately 3,400 refugee children from the age of 2.5 to 5 years living in one of the 3 refugee camps in the Mae Hong Son province and attending nursery school
- Support** Purchase of 1 set of warm clothes (sweater & trousers), 1 nursery school uniform (shorts/skirt & shirt) and 1 rain coat for each of the 3,400 pupils
- Objectives**
- > To protect the children against cold and rain
 - > To improve health and hygiene
 - > To offer an additional incentive to attend school
- Partner** WEAVE, Chiang Mai, Thailand
- Status** Ongoing until 2008/09
- Costs** CHF 4,988
- Comment** The warm clothes were bought from a wholesale factory in Chiang Mai and transported to Mae Hong Son and Mae Sariang, where the delivery to the 3 camps was organised. The distribution was carried out by the 23 nursery schools within the camps.

Photos



Report of the Auditors

IRT INTER REGIO TREUHAND AG

Report of the auditors to the
General Meeting of the
Child's Dream Association
Nidelbachstrasse 15
8038 Zürich

Basel, April 30, 2007

Report of the auditors

As statutory auditors, we have audited the accounting records and the financial statements (balance sheet, statement of operations, statement of changes in capital, notes, performance report) as shown on pages 8 to 11 of the annual report of the Child's Dream Association for the year ended 31st December 2006.

These financial statements are the responsibility of the managing committee. Our responsibility is to express an opinion on these financial statements based on our audit. We confirm that we meet the legal requirements concerning professional qualification and independence.

Our audit was conducted in accordance with auditing standards promulgated by the profession, which require that an audit be planned and performed to obtain reasonable assurance about whether the financial statements are free from material misstatement. We have examined on a test basis evidence supporting the amounts and disclosures in the financial statements. We have also assessed the accounting principles used, significant estimates made and the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the accounting records and financial statements comply with the law and the bylaws of the society.

The financial statements are prepared in accordance with the principles of Swiss GAAP FER 21 for charitable, social non-profit organisations.

We recommend that the financial statements submitted to you be approved.

INTER REGIO TREUHAND AG

Max Müller
Max Müller
Certified Fiduciary
Auditor in charge

Matthias Scherret
Matthias Scherret
Certified Accountant

Consolidated Financial Statements

Child's Dream Association/Child's Dream Foundation

Consolidated Balance Sheet

	CHF 31.12.06	CHF 31.12.05
Assets		
Liquid assets	704,888	352,768
Inventories (Donations in kind)	4,604	11,928
Intangible assets	15,266	18,852
Total assets	724,758	383,548
Liabilities, funds and capital		
Liabilities	0	0
Restricted funds	34,000	0
Paid-in capital	9,869	9,551
Internally generated unrestricted operating funds	306,313	244,209
Unrestricted capital	374,576	129,788
Surplus for the year (after allocation)	0	0
Total liabilities, funds and capital	724,758	383,548

Notes

- 1) Child's Dream Association (Switzerland) and Child's Dream Foundation (Thailand) are one entity from an operating point of view and headed by the same management team
- 2) THB/CHF exchange rate: 31.12.2005 - 31.4099, 31.12.2006 - 30.3976
- 3) The consolidated administration & fundraising expenditures count for 6.6% of the total donation income

Consolidated Statement of Operations

		CHF 1.1.06 - 31.12.06	CHF 1.1.05 - 31.12.05
Income			
Donations private individuals	399,311		
Restricted	239,793	639,104	415,472
Donations corporates	133,012		
Restricted	93,098	226,110	131,240
Donations in kind		11,358	30,304
Interest		1,191	351
Total income		877,763	577,367
Expenditures			
Project expenditures		481,509	303,858
Administration & fundraising expenditures			
Personnel costs	12,603		
Rent & utilities costs	5,449		
Vehicle & transportation costs	2,282		
Administration & IT costs	10,957		
Travelling costs	3,598		
Other costs	5,123		
Financial costs	112		
Depreciation	15,817	55,941	19,749
Transfer to restricted funds		34,000	0
Total expenses		571,450	323,607
Surplus for the year (prior allocation)		306,313	253,760
Total		877,763	577,367

Donor Information

If you want to make a difference, even if it seems to be just like a drop of water into the ocean, we will make sure that your donation does indeed make a difference. All donated funds are used for a purely charitable cause. Donations can be made by

Bank transfer

Bank transfers can be made into the following accounts:

Bank: UBS AG, Zurich
Account: Child's Dream Association
Acc. no. 0274-821130.01J CHF
0274-821130.60A EUR
0274-821130.61V USD
SWIFT: UBSWCHZH80A

All major credit cards

Credit card donations can be made through our SSL-secured and cryptic website: www.childsdream.org

PayPal

Donations by PayPal can be made through the following account:

Account: Child's Dream
E-mail: info@childsdream.org

Cheques

Please make cheques payable to 'Child's Dream Association' and send to our Chiang Mai address (see contact information).

Tax effective giving

We offer tax effective solutions for the following countries:

- Switzerland
- United States of America
- Australia

Please visit the following webpage for tax effective giving:

www.childsdream.org/en/donation.asp#Swiss

Contact Us

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