



Child's Dream Association

Audited Financial Report 2007

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Introduction

2007, a year of growth and success for Child's Dream! We expanded our project work to the Southern provinces of Laos and started building schools. We agreed to take a small organisation in Cambodia under our wings and we continued expanding our work along the Thai-Burmese border. With the exception of Vietnam, Child's Dream is now operational in all countries of the Mekong Sub-Region and is thereby fulfilling its mandate.

We experienced another substantial increase in donations thanks to generous donors placing their trust in us. Our team grew from three to twelve paid employees and again we were able to achieve this without jeopardizing our lean cost structure. We hosted a number of volunteers who came for various lengths of time and often stayed on to support our work.

We aim to continually improve our processes and the quality of our work to further enhance the efficiency and effectiveness of our project implementation, our donor communication and our reporting systems. This ensures that the support we provide to philanthropic endeavors is both targeted and sustainable.

We owe the success of Child's Dream to our employees, to our volunteers and to our friends, who passionately invest their energy in bringing new opportunities and hope to marginalized children in the Mekong Sub-Region. Our work is obviously not without challenges, but we learn from these challenges and overcome them to provide assistance to often very vulnerable children living in extreme circumstances.

Looking back on the initial days of Child's Dream, five years ago, we often feel like we have been living 'our dream' day by day ever since. It feels great to see the impact we have had and continue to have on the lives of some of the world's poorest and most vulnerable children. This feeling also drives us to continue expanding the means and areas of our support.

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



Daniel Marco Siegfried
President



Marc Thomas Jenni
Vice-President

Reference to our Consolidated Annual Report 2007

Child's Dream as a charity organisation currently consists of Child's Dream Association Switzerland and Child's Dream Foundation Thailand. In order to allow an overview of our work in the Mekong Sub-Region, a consolidated annual report combining both legal entities is available on our website.

This audited financial report 2007 only reports about the work of Child's Dream Association Switzerland and is therefore not comprehensive. However it is a legal requirement to produce this audited financial statement. The audit report can be found on page 9.

Our Mandate

Child's Dream Association is a charitable association with the goal to provide disadvantaged, prosecuted and oppressed children in Asia with material assistance and assistance to self-help. The association combats exploitation and abuse of children. Its aim is materially to support existing aid projects and organizations, which pursue the goals specified above. The association concentrates primarily on the Mekong Sub-Region, which covers Thailand, Burma, Laos, Cambodia and Vietnam. Its principal purpose is the general support of refugee and street children, orphans and children from poor backgrounds. The association aims at preventing children from being abused for prostitution or begging. "Children" are defined as persons up to the age of 20, but education in some cases goes on after the age of 20. Therefore, students aged over 20 year (but under the age of 30) can still be supported if they are studying.

Our Board

President and Founder	Daniel Marco SIEGFRIED	(1 year term)
Vice-President and Founder	Marc Thomas JENNI	(1 year term)
Secretary	Ursula BISIG	(1 year term)
Ambassador Singapore	Susanna RUEEGGER KOECHLI	(1 year term)
Ambassador Switzerland	Dominique BECHT	(1 year term)
Ambassador Switzerland	Pamela PHUA	(1 year term)
Ambassador Switzerland	Andrea KLEINERT	(1 year term)

Management Team of the Organisation

For management and daily operations, the following individuals are responsible:

Marc Thomas JENNI, Swiss Certified Banker	Founder, Finance and Administration
Daniel Marco SIEGFRIED, CFA	Founder, Project Implementation
Manuela Celestina BIANCHI, MSc	Director, Operations and HR

Financial Statements

Balance Sheets in CHF

Assets	31.12.2007	31.12.2006
Liquid assets	1,939,450	625,843
Intangible assets	0	2
Total assets	1,939,450	625,845
Liabilities, funds and capital		
Liabilities	0	0
Restricted funds	814,826	34,000
Paid-in capital	0	0
Internally generated unrestricted operating funds	532,779	235,246
Unrestricted capital	591,845	356,599
Surplus for the year (after allocation)	0	0
Total liabilities, funds and capital	1,939,450	625,845

Statements of Operations in CHF

Income		1.1.2007	1.1.2006
		- 31.12.2007	- 31.12.2006
Donation private individuals	885,090		
Restricted	<u>815,259</u>	1,700,349	606,325
Donations corporate	291,494		
Restricted	<u>502,432</u>	793,926	207,251
Donations in kind		0	4,500
Interest		7,541	608
Total income		2,501,816	818,684
Expenditures			
Project expenditures		118,563	267,584
Administration & fundraising expenditures			
Other costs	2,000		
Financial costs	23		
Depreciation	2		
Management fee	<u>91,623</u>	93,648	5,675
Donation transfer to Child's Dream Foundation		976,000	276,179
Total expenditures		1,188,211	549,438
Allocation to restricted funds		780,826	34,000
Surplus for the year (prior to allocation)		532,779	235,246
Total		2,501,816	818,684

Statement of Changes in Capital for 2007

In CHF	Opening balance	Allocation (external)	Internal fund transfers	Use (external)	Closing balance
Internally generated funds					
Surplus for the year	0	532,779	-532,779	0	0
Internally generated unrestricted capital	591,845	0	532,779	0	1,124,624
Capital of the organisation	591,845	532,779	0	0	1,124,624
Restricted funds	34,000	1,317,691	0	536,865	814,826

Notes

1. The financial statements were compiled in accordance with Swiss GAAP FER21 (for charitable, social non-profit organisations).
2. Income and expenditure are recorded on cash basis.
3. The administration expenditures were primarily covered by a management agreement with *diverseethics* Co., Ltd. Thailand.
4. The remaining administration expenditures are not allocated to projects. An allocation would be calculated proportionally to project costs.
5. A funds flow statement has not been compiled (according to Swiss GAAP FER21, Rz. 26).
6. There are currently no liabilities concerning projects, otherwise, this would be disclosed in the following 'breakdown on project expenses'.
7. No provisions have been made.
8. A significant amount of 'restricted funds' was spent on projects realised by Child's Dream Foundation (Thailand).
9. The Swiss registered organisation *diverseethics* Foundation is run by the same management team as Child's Dream Association. There is no financial interdependence.

Performance Report 2007

The performance report was compiled in accordance with article 43, Swiss GAAP FER21:

- | | |
|--|------------------|
| a) Mandate of the organization | see page 4 |
| b) Board of the association and term | see page 4 |
| c) Management team of the organization | see page 5 |
| d) Interdependence to associated organisations | see page 4 and 8 |

Project Performance

Project name	Expenses
Loi Tai Leng – Shan State – Burma	2,678
<ul style="list-style-type: none">• Construction will start in 2008 only• The listed expenses were used for project evaluation and due diligence	
Primary School – Snor Village – Siem Reap – Cambodia	334
<ul style="list-style-type: none">• Project completed in 2006• The listed expenses were used for project monitoring	
KAKO Siem Reap – Cambodia	39,611
<ul style="list-style-type: none">• Integration of 'non-profit organisation' KAKO into Child's Dream• Financial coverage of 100% of KAKO's budget (administration and project work)• Full financial support for KAKO's own projects: (Village libraries, literacy classes, scholarships for primary school students)	
University Scholarship Programme for Burmese Students	75,269
<ul style="list-style-type: none">• Covering all costs involved (tuition, living costs and essential school supplies for 13 students)• Studying at accredited Thai universities for BA or MA degrees• Goal: improving the capacity of communities by encouraging students to return to their villages and support them after graduation	
Project Evaluation	671
<ul style="list-style-type: none">• Project search and identification expenses	
Total	118,563

Responsibility for Project work (by legal entity)

Child's Dream Association (Switzerland) is responsible for the realisation of projects in Burma and Cambodia, whereas Child's Dream Foundation (Thailand) is investing in Thailand and Laos.

Further information can be obtained by downloading the following reports from our website:

- Audited Financial Report 2007 'Child's Dream Foundation' (Thailand)
- Consolidated Annual Report 2007 'Child's Dream'

Information for Donors

The following link gives you an overview of the different ways to financially support us. Donations are possible via bank transfer, credit cards, PayPal and checks. Swiss-taxed donors are able to deduct donations from their taxable income.

<http://www.childsdream.org/en/donation.asp>

Donors based in the USA, Canada and Australia find more information about tax effective giving on the link below:

<http://www.childsdream.org/en/donation.asp#Swiss>

Contact Information

Please visit us! We are happy to show you our work.

Child's Dream
Muandam Phrakot Road
Soi 1, House 1
T. Chang Phuak
Chiang Mai 50300
Thailand

Tel. +66 (0)53 214 718

Fax +66 (0)53 214 718

E-mail info@childsdream.org

www.childsdream.org (English)

www.kindertraum.org (German)

Report of the Auditor

IRT INTER REGIO TREUHAND AG

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

Basel, March 31st 2008

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 5 to 8 of the annual report of the Child's Dream Association for the year ended 31st December 2007.

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
Certified Fiduciary
Auditor in charge


Matthias Scherrer
Certified Accountant

Enclosures: Financial Statements according to pages 5 – 8 of the Annual Report

CH-4020 Basel · Hirzbodenweg 103 · Postfach 317
Tel. ++41 61 319 51 31 · Fax ++41 61 319 51 30 · E-Mail irt@irt.ch

Mitglied des TREUHAND-KAMMER