



Child's Dream Association

Financial Report 2008

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Introduction

2008 was in many ways groundbreaking and decisive. On 17th March 2008 we literally broke the ground at the premise that is now the permanent home of our organization. We laid not only a structural foundation but also a foundation in terms of human capital. With the hiring of a few new key staff members we were able to greatly strengthen our expertise, knowledge and capabilities without jeopardizing our flat management structure. These new joiners started immediately coaching our less experienced staff, who welcomed them in the Child's Dream family. Together we can now expand our activities and leverage on our strong relationships with the communities throughout the Mekong Sub-Region to identify and address various different needs that hinder these villages from sustainable development.

Despite the expansion of our team from 12 to 23 paid staff members in 2008, we were able to stay lean and cost efficient thanks to not only generous contributions of friends and volunteers donating their time, airline miles and offering free accommodation where ever we travelled, but also strict cost management by our office and field staff. Our administration expense ratio was a mere 6.9%.

The financial crisis and the current economic uncertainties caused us some sleepless nights as the source of our funding is deeply rooted in the financial industry all around the world. However, most donors fulfilled their commitments and at the end of this roller-coaster year we could still experience an increase of 11% in our donation volume. We truly hope that our supporters will continue to help us weather this recession in the coming months and maybe even years so that we can live up to our pledge of helping the least privileged in our society. And please be ensured that every Swiss franc, Euro or dollar counts and make all the difference to our charity. Smaller donations are the life line of Child's Dream; they give us the freedom we need to operate.

Thanks to the growth in both donations and human resources we could expand our work in all regions. In Cambodia we fully integrated KAKO, our Cambodian partner organization, into the Child's Dream family setting an important cornerstone for our future strategy in the region. Thanks to our five new family members in Siem Reap and their valuable knowledge in community development, we are now able to strengthen and deepen our support not only to children but apply a more holistic approach involving whole communities. One primary school is currently under construction. The existing four KAKO programmes focus on reducing illiteracy, increasing accessibility to education and income generation.

2008 was yet another tragic year for Burma. After the brutal oppression which claimed hundreds of lives during the 2007 Saffron Revolution led by thousands of monks, cyclone Nargis hit Burma in early May 2008. Hundreds of thousands of Burmese, who were already at the brink of survival, were affected by the storm that so fiercely hit the Irrawaddy Delta. More than 140,000 people lost their lives and millions lost their livelihood. Within days we allocated together with our sister organization diversethics Foundation a total of 200,000 US dollars to an emergency relief team supporting the affected communities with the most basic needs (food, clean water, shelters, etc.). Our donors reacted to our newsletter about this catastrophe in an outstandingly generous way, which allowed us to grant another 150'000 US dollars in September 2008. The second allocation was used not only to continue the provision of the most basic needs, but also to help restore the livelihoods of tens of thousands, who could not be reached by international NGOs due to the obstruction by the military regime. We were overwhelmed with the kindness, speed and the trust donors placed in our organisation to deliver effective support.

We also started collaborating with a local community based organization along the Thai – Burmese border to provide school stationery to almost a thousand schools in Karen State, Burma. On the other end of our education spectrum we added twelve highly motivated Burmese students to our scholarship programme allowing them to study at accredited universities in Thailand.

We had many highlights in 2008, every smile of a child being one of them, but the opening of our new office and our foundation's five year anniversary on October 22nd, 2008 topped the list for most team members. We are very enthusiastic and eagerly looking forward to 2009, no matter how challenging it may be.

Thank you very much again to all our valued donors, small and big, for your trust and your support. A great thank you also goes to our fantastic team without which we would not be able to transform our dreams into reality.



Daniel Marco Siegfried
President



Marc Thomas Jenni
Vice-President

Reference to our Consolidated Annual Report 2008

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 2008 only reports on the work of Child's Dream Association, Switzerland. The financial statements are audited according to the latest Swiss standards. The audit report can be found on page 13.

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 to materially support existing aid projects and organizations, which pursue the goals specified above. The association concentrates primarily on the Mekong Sub-Region, covering 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 years (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 Hong Kong	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	COO, Operations and HR

Financial Statements

2008 Balance Sheets in CHF

Assets	31.12.2008	31.12.2007
Liquid assets	1,763,151	1,939,450
Fixed Assets	-	-
Total assets	1,763,151	1,939,450
Liabilities, funds and capital		
Liabilities	-	-
Restricted funds	305,904	814,826
Paid-in capital	-	-
Internally generated unrestricted operating funds	332,623	532,779
Unrestricted capital	1,124,624	591,845
Surplus for the year (after allocation)	-	-
Total liabilities, funds and capital	1,763,151	1,939,450

2008 Statements of Operations in CHF

Income		1.1.2008	1.1.2007
		31.12.2008	31.12.2007
Donation private individuals	791,107		
Restricted	<u>801,389</u>	1,592,496	1,700,349
Donations corporate	790,089		
Restricted	<u>431,456</u>	1,221,545	793,926
Donations in kind		-	-
Interest		22,830	7,541
Total income		2,836,871	2,501,816
Expenditures			
Project expenditures		602,200	118,563
Administration & fundraising expenditures			
Personnel Costs	26,666		
Administration & Travel	7,720		
Financial costs	542		
Depreciation	-		
Management fee	<u>-</u>	34,928	93,648
Donation transfer to Child's Dream Foundation		2,376,042	976,000
Total expenditures		3,013,170	1,188,211
Allocation to/from restricted funds	-	508,923	780,826
Surplus for the year (prior to allocation)		332,624	532,779
Total		2,836,871	2,501,816

Statement of Changes in Capital for 2008

In CHF

	Opening balance	Allocation (external)	Internal fund transfers	Use (external)	Closing balance
Internally generated funds					
Surplus for the year	0	332,624	-332,624	0	0
Internally generated unrestricted capital	1,124,623	0	332,624	0	1,457,247
Capital of the organisation	1,124,623	332,624	0	0	1,457,247
Restricted funds	814,826	1,232,846	0	1,741,768	305,904

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. A funds flow statement has not been compiled (according to Swiss GAAP FER 21, Rz. 26).
3. The consolidated administration expenditures of Child's Dream Association (Switzerland) and Child's Dream Foundation (Thailand) were 6.9%.
4. The administration expenditures are not allocated to projects. An allocation would be calculated proportionally to project costs.
5. An amount of CHF 26,666 was spent on social security for the three members of management.
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.
10. The management team is constantly reassessing the risk situation (according to article 663b Swiss Code of Obligations).
11. The cost for this audit was covered by the audit company and not charged to the association.

Performance Report 2008

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

- | | |
|------------------------------------------------|-------------------|
| a) Mandate of the organization | see page 5 |
| b) Board of the association and term | see page 5 |
| c) Management team of the organization | see page 6 |
| d) Interdependence to associated organizations | see page 5 and 11 |

Project Performance

Project name	2008 Expenses
Loi Tai Leng Learning Center – Shan State – Burma Leveling of the land was done and arrangement being made to transport construction materials to site. Bulk of costs for 2008 were for construction materials. Completion expected in 2009	30,548
KAKO Siem Reap – Cambodia 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)	88,077
University Scholarship Programme for Burmese Students Ongoing programme to cover all costs involved (tuition, living costs and essential school supplies for 26 students) studying at accredited Thai universities for BA or MA degrees	182,508
Karen State Education Assistance Group (KSEAG) - Karen State, Burma Ongoing program to cover costs to provide KSEAG with teaching materials such as chalk, pens, staplers and paper for 1'920 teachers as well as learning materials such as notebooks, pens and erasers for 33'119 students in over 600 schools.	23,401
Burma Relief Action - Cycloe Nargis Supported the Emergency Assistance Team (EAT) with for their relief efforts after cyclone Nargis hit Rangoon, Irrawaddy and Pegu divisions. Covering costs to provide food, livelihood rehabilitation (agriculture, fishery, etc.), safety and education of children, temporary shelters and administration.	191,059
Network for Environment & Economic Development (Need) - Chiang Mai Covering costs for construction of a single storey building including two training rooms, four dormitories and six toilets; Completion expected in 2009	15,669
Pong Ro Chas Primary School - Pouk Covering costs to build five class rooms (360 m2) and two toilets. Completion expected in Q2 2009	70,507
Loi Kaw Wan - Shan State	297
Non Allocated Project Costs*	135
Total	602,200

* this included project related travel, overtime of project managers, project related communication expenses, per-diem allowances etc.

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:

- Financial Report 2008 'Child's Dream Foundation' (Thailand)
- Consolidated Annual Report 2008 'Child's Dream'

Information for Donors

The following links give you an overview of the different ways to financially support us. Donations are possible via bank transfer, credit cards, PayPal and checks.

Switzerland

Swiss-taxed donors are able to deduct donations from their taxable income. More information can be found at <http://www.childsdream.org/index.php?id=54>

Donors outside Switzerland

We have set up legal entities or have entered into co-operation agreements with feeder organisation in the following countries:

- Australia
- Hong Kong
- The Netherlands
- United States of America

Donors domiciled in the above mentioned countries can claim tax relief on their donations to Child's Dream if they follow the donation path indicated under the respective country. More information can be found at <http://www.childsdream.org/index.php?id=54>

Contact Information

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

Child's Dream
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
www.childsdream.org (English)
www.kindertraum.org (German)

Legal Domicile

Our legal domicile is:

Child's Dream Association
c/o Ms. Ursula Bisig
Nidelbadstrasse 15
8038 Zurich
Switzerland

Please do not contact us at our legal domicile but only at our address in Thailand.

To the General Meeting of
Child's Dream Association
Nidelbachstrasse 15
8038 Zürich

Basel, February 27th 2009

Report of the auditors on the financial statements 2008

As auditors, we have audited the financial statements of Child's Dream Association (balance sheet, statement of operations statement of changes in capital, notes, performance report), as shown on pages 6 to 9 of the financial report for the year ended 31st December 2008

Managing Committees responsibility

The Managing Committee is responsible for the preparation of the financial statements in accordance with the requirements of Swiss law and the associations articles of association. This responsibility includes designing, implementing and maintaining an internal control system relevant to the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The managing committee is further responsible for 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. We conducted our audit in accordance with Swiss law and Swiss Auditing Standards. Those standards require that we plan and perform the audit to obtain reasonable assurance 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 se-

lected depend on the auditor's judgment, 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 the internal control system relevant to the entity's preparation 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 system. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made, 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.

Opinion

In our opinion, the financial statements for the year ended 31st December 2008 comply with Swiss law and the company's articles of association.

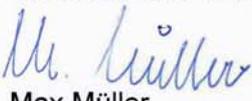
We confirm that we meet the legal requirements on licensing according to the Auditor Oversight Act (AOA) and independence (article 728 CO and article 11 AOA) and that there are no circumstances incompatible with our independence.

In accordance with article 728a paragraph 1 item 3 CO and Swiss Auditing Standard 890, we confirm that an internal control system exists, which has been designed for the preparation of financial statements according to the instructions of the Managing Committee.

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

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

INTER REGIO TREUHAND AG



Max Müller
Audit Expert
Certified Fiduciary
Auditor in charge



Matthias Scherrer
Audit Expert
Certified Accountant