



Child's Dream Foundation

Audited 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 premises 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 immediately started coaching our less experienced staff, who welcomed them in the Child's Dream family. Together we can now expand our activities and leverage 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 assured 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. Along the Thai – Burmese border we started to build the largest project we have ever undertaken. The Children Development Center (CDC) in Mae Sot is a school for over 1,000 children of mainly Burmese migrant workers. The scope and complexity related to constructing such a large scale project meant facing many challenges and new dimensions. We still expect the opening ceremony to take place in May 2009. We also continued to support three high schools in two refugee camps offering the highest level of education to Burmese youth. In addition we launched a program called 'Youth Connect' aiming at providing better employment opportunities for both Thai and Burmese migrant youth.

In the North of Thailand we were still focusing on marginalized, mostly indigenous children and youth to improve their opportunities to access both formal and non-formal education. We completed or are about to complete four boarding houses, one nursery school and two schools.

The prolonged, heavy rainy season made the work for our Laos team especially challenging in 2008. Despite the unfavorable weather conditions and getting frequently stuck in the mud while driving to remote locations, they were able to finalize nine schools and started the construction of twelve new schools including two boarding houses.

In 2008 the Children's Medical Fund Programme supported the specialized medical treatment of over 200 children from Burma. Over 70% of these children had debilitating and/or life threatening birth defects. In 2009 Child's Dream will specialize in the area of congenital conditions and trauma. This will enhance our efficiency and place us in a better position to support more children in the future.

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 might 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 whom we would not be able to transform our dreams into reality.

Marc Thomas Jenni

A handwritten signature in black ink, appearing to read 'Marc Thomas Jenni', with a large, stylized flourish at the end.

President

Reference to our Consolidated Annual Report 2008

Child's Dream as a charitable organisation consists of Child's Dream Association, Switzerland as well as Child's Dream Foundation, Thailand. 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 Foundation, Thailand and is, therefore, not comprehensive. However, it is a legal requirement to publish this audited financial statement. The audit report can be found on page 12.

Our Board

President and Founder	Marc Thomas JENNI	Swiss
Vice-President	Pimpimon THONGTHIAN	Thai
Treasurer	Charuwan PHAISANTHAM	Thai
Secretary	Suneemat NOREE	Thai
Board Member and Founder	Daniel Marco SIEGFRIED	Swiss
Board Member	Wathit HATHAIPATSON	Thai

2008 Financial Statements

2008 Balance Sheet in THB

Assets	31.12.2008	31.12.2007
Liquid assets	5,079,878	3,087,182
Inventories (Donations in kind)	0	13,953
Fixed Assets	21,062,261	12,817,063
Total assets	26,142,139	15,918,198
Liabilities, funds and capital		
Liabilities	400,000	100,000
Restricted funds	0	0
Paid-in capital	300,000	300,000
Internally generated unrestricted operating funds	9,923,941	12,811,470
Unrestricted capital	15,518,198	2,706,728
Surplus for the year (after allocation)		
Total liabilities, funds and capital	26,142,139	15,918,198

2008 Statement of Operations in THB

		1.1.2008	1.1.2007
		- 31.12.2008	- 31.12.2007
Income			
Donation private individuals	1,829,269		
Restricted	<u>-</u>	1,829,269	1,700,100
Donations corporate	17,050		
Restricted	<u>572,811</u>	589,861	1,835,359
Donations in kind		-	60,000
Interest		49,257	30,150
Donation transfer from Child's Dream Association Switzerland		72,857,663	27,819,844
Total Income		75,326,050	31,445,453
Expenditures			
Project expenditures		60,279,133	18,295,596
Administration & fundraising expenditures			
Personnel Costs	4,305,660		
Rent & Utilities	293,231		
Vehicle, Transport & Travel	336,328		
Admin, Communication & IT	804,718		
Other costs	143,350		
Financial costs	5,773		
Depreciation	170,320		
Provisions	303,863		
Overhead Contribution from diversethics Foundation Switzerland	<u>- 1,240,267</u>	5,122,976	338,387
Total expenditures		65,402,109	18,633,983
Surplus for the year (prior to allocation)		9,923,941	12,811,470
Total		75,326,050	31,445,453

Notes

1. The financial statements were compiled in accordance with Swiss GAAP FER21 (for charitable, social non-profit organisations) but audited according to Thai audit standards.
2. Income and expenditure are recorded on a cash basis.
3. Administration expenditures are not allocated to projects. An allocation would be calculated proportionally to the project costs (according to Swiss GAAP FER21, Rz. 26).
4. No statement of change in capital was compiled.
5. A funds flow statement has not been compiled (according to Swiss GAAP FER21, Rz. 27).
6. There are currently no liabilities concerning projects, otherwise, this would be disclosed in the following 'breakdown on project expenses'.
7. Provisions of THB400'000 have been made as sink in fund for the new foundation premises at 238/3 Wualai Road, Chiang Mai.

2008 Breakdown on project expenses in THB

Thailand	FY 2008	Status
EMFS Andy Hinkle Nursery School - Mae Hong Son	417,707	ongoing
Tomato Village English School - Mae Hong Son	212,397	ongoing
Leadership Management Training College – Tak	2,694,445	ongoing
Special English Programme College – Tak	1,492,432	ongoing
Further Study Programme College - Tak	1,376,125	ongoing
Children’s Clothing Campaign – Mae Hong Son	535,311	completed
Upgrade/Construction of Nursery Schools – Mae Hong Son	1,003,033	completed
School & Boarding House in Baan Hua Pu – Chiang Mai	229,593	completed
Mae Nam Khun School – Chiang Rai	302,592	completed
Baan Gua Fan Boarding School – Chiang Mai	357,509	completed
Hsa Thoo Lei Migrant School – Tak	329,658	completed
Lum Nam Wittaya Boarding House – Mae Hong Son	228,698	completed
CDC School – Tak	22,589,590	in realisation
Vocational Training Center [Youth Connect]– Tak	953,341	ongoing
Pang Kham Boarding House – Mae Hong Son	1,587,918	in realisation
EMFS Kaen Fha Nursery School - Mae Hong Son	506,181	completed
BMWEC School Renovations - Tak	150,547	completed
AFECT Boarding School & Others	1,179,994	completed
Natoe Agricultural College, Mae Faluang	645,957	in realisation
Others *	230,475	
Unallocated Project Expenses **	107,903	
Total Thailand	37,131,406	

* projects below THB 100'000 are not listed individually

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

2008 Breakdown on project expenses in THB

Laos	FY 2008	2008 Status
Naseng School new building – Sawannaket	14,318	completed
Kud Ta Boon School – Sukuma	282,749	completed
Bung Kaew Schools & Nursery – Sukuma	1,916,553	completed
Baan Kok School – Sukuma	221,462	completed
Khan Yang School – Champasak	236,813	completed
Dong Lan Kham School – Sanasomboon	85,761	completed
Baan Don Seng Primary School - Sawannakate	968,046	completed
Baan Na Lak Primary Schiil - Sanasomboon	1,613,613	completed
Baan Don Ta Lad Secondary School - Champasak	995,521	in realisation
Baan Non Tai Nong Kaew Primary School - Champasak	1,001,129	in realisation
Baan Mai Krang Primary School - Champasak	1,079,189	in realisation
Baan Nong Sa No Primary School - Champasak	614,949	in realisation
Baan Kok Grong Secondary School	896,992	in realisation
Baan Lad Bok Primary School - Bajiang	535,596	completed
Sukuma Primary School	396,426	in realisation
Baan Pak Khan Primary School - Paklay	263,553	in realisation
Muang Pa Secondary School	906,500	in realisation
Pak Lay Dormitory, Paklay	2,644,047	in realisation
Huay Dua Wan Primary School - Paklay	269,382	in realisation
Huay Mod Som Primary School - Paklay	174,077	in realisation
Sai Ya Mong Kun Nursery - Paklay	169,625	in realisation
Muang Va High School	339,296	in realisation
Unallocated Project Expenses *	392,592	
Total Laos	16,018,214	
<i>* this included project related travel, overtime of project managers, project related communication expenses, per-diem allowances etc.</i>		
Mekong Sub-Regional Projects	FY 2008	2008 Status
Stationery Bank	27,859	ongoing
Toys, Gifts & Cloths Bank	57,577	ongoing
Children Medical Fund	7,003,448	ongoing
Project Evaluation	40,629	
Total Mekong Sub-Regional Projects	7,129,513	
Grand Total	60,279,133	

Contact Information and Legal Domicile

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

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Report of the Auditor



บริษัท สำนักงานสอบบัญชีประวิน จำกัด
PRAWIN AUDIT CO.,LTD.

AUDITOR'S REPORT

To The committee of Child's Dream Foundation

I have audited the accompanying balance sheets of the Child's Dream Foundation as of 31 December 2008, and the Income and Expenses for the year then ended. These financial statements are the responsibility of the Child's Dream Foundation's management as to their correctness and the completeness of the presentation. My responsibility is to express an opinion on these financial statements based on my audits.

I conducted my audits in accordance with generally accepted auditing standards. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Child's Dream Foundation as at 31 December 2008 and the results of its operations for the year then ended in accordance with generally accepted accounting principles.

Sukanda Prayin

(Miss Sukanda Prayin)

Certified Public Accountant (Thailand)

Registration number 9114

Prawin Auditing Company Limited.

Chiang Mai: February 3, 2009.