



Child's Dream Foundation

Audited Financial Report 2010

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Introduction

2010 was again a very successful year for Child's Dream, but also a year of consolidation, stabilisation and empowerment of our staff. Despite our initial worries about the difficult economic climate in Europe and the United States and a potential negative financial impact on our organisation, we managed to keep the consolidated donation volume¹ at the previous year's level while keeping the administration cost ratio low. Simultaneously, the slow-down from our past growth allowed us and our team members to focus on the implementation of our new management structure, which was initiated in late 2009. It was inspiring to see how all staff members embraced their new responsibilities, a clear signal to us that they enjoy their empowerment. We were surprised by the many innovative and impactful initiatives they developed. Their identification with Child's Dream and their dedication to our organisation grew strongly. This allowed both of us to take our first long breaks since the establishment of Child's Dream and the start of this exciting journey back in 2003. It was truly a test for us to 'let go' and an equal test for our team to manage without us. It worked brilliantly.

The focus group heads, who constitute our middle management, lived up to their new responsibilities not only in evaluating and implementing projects or programmes but also in managing and coaching their own team members. Our administration team was assigned additional financial authority which leads to higher accountability and to a more thorough control mechanism when checking each other's work. In 2010 we hired only a few people to strengthen our project implementation capacity, while we ourselves could focus on coaching and capacity building of our existing staff to prepare them for new challenges ahead. With the delegation of more decision making power to our middle management we were able to diversify the overall operational risk, making Child's Dream less dependent on us.

Each of the three focus groups has increased their range of activities and expanded their geographical coverage.²

Our Basic Education (BE) focus group, with its objective to broaden the access to basic education, ventured into even more remote areas of Laos and Thailand. Although our core capability is to build educational facilities, our BE focus group launched a new high school scholarship programme. In addition we have started providing drinking water systems and building playgrounds to improve the students' hygiene and physical health respectively.

Our Higher Education (HE) focus group, with its objective to prepare youth for either employment or for an academic career path, expanded their activities on the Thai-Myanmar border. We added one additional programme to our higher education portfolio in the refugee camps. Furthermore, we have been working with Youth Connect – our soft skills-focused training centre in Mae Sot – on plans to establish a guest house that will allow apprentices to learn various trades and important soft skills while creating jobs and generating income for new social business ideas. The guest house is planned to open in the second half of 2011.

Finally, our Health focus group, with its objective to reduce childhood mortality, expanded all programmes to reach even more children in need of health services. Our Children's Medical Fund allowed more patients to receive life-saving treatment thanks to more clearly defined roles and responsibilities between us and our partner organisations.

¹ 'Consolidated' means that we look at our Swiss and Thai legal entity as one.

² In order to get a comprehensive overview of our work, please have a look at our 'Consolidated Annual Report 2010' available on our website.

These synergies and improvements were made possible due to generous contributions of our donors, who, despite the economic uncertainty, maintained their commitments.

We now feel we have reached our optimal size in terms of staff members. We are big enough to have reached economies of scale, but we are still small enough to respond quickly, flexibly and efficiently to the changing needs of our beneficiaries. It is important to us to continue staying close to our beneficiaries and our donors – our two main stakeholders.

We look forward to yet another exciting and successful year. We hope to be able to count on the continuing support of our donors, volunteers and staff. Thank you very much for your trust. Together we can give even more children the health and education they deserve and support them to live their dreams.



Marc Thomas Jenni
Founder & President



Daniel Marco Siegfried
Founder & Vice-President

Reference to our Consolidated Annual Report 2010

Child's Dream as a charitable organisation consists of Child's Dream Association Switzerland and Child's Dream Foundation Thailand. Our sister organisation *diversethics* Foundation Switzerland is complementing the work of Child's Dream in the Mekong Sub-Region. In order to give you an overview of our work, a consolidated annual report is available on our website.

This audited financial report 2010 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 11.

Our Board

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

Financial Statements 2010

Balance Sheet (in THB)

	31.12.2010	31.12.2009
Assets		
Liquid assets	8,951,569	10,670,275
Inventories & Deposits	10,000	24,660
Fixed Assets	23,692,862	21,046,771
Total Assets	32,654,431	31,741,706
Liabilities, fund and capital		
Liabilities	1,214,724	800,000
Paid-in capital	300,000	300,000
Internally generated unrestricted operating funds	498,001	5,199,567
Unrestricted capital	30,641,706	25,442,139
Surplus for the year (after allocation)	-	-
Total liabilities, funds and capital	32,654,431	31,741,706

Statement of Operations (in THB)

		1.1.2010 - 31.12.2010		1.1.2009 - 31.12.2009
Income				
Donation private individuals	1,113,466		1,132,802	
Restricted	-	1,113,466	280,000	1,412,802
Donations corporate	1,028,634		778,221	
Restricted	-	1,028,634	8,516,452	9,294,673
Interest		37,724		52,500
Donation transfer from Child's Dream Association Switzerland		45,239,746		38,708,607
Total Income		47,419,570		49,468,582
Expenditures				
Project expenditures		41,419,489		38,812,427
Administration & fundraising expenditures				
Personnel Costs	5,900,097		6,088,820	
Utilities	119,489		83,812	
Vehicles & Transport	87,741		113,034	
Administration, Communication & IT	649,026		629,711	
Travelling & Fundraising	93,627		-	
Other costs	43,074		307,938	
Financial costs	23,846		17,566	
Depreciation	270,011		349,303	
Provisions	-		400,000	
Overhead Contribution from <i>diverse</i> ethics Foundation Switzerland	-1,684,831	5,502,080	-2,533,596	5,456,588
Total Expenditures		46,921,569		44,269,015
Surplus for the year (prior to allocation)		498,001		5,199,567
Total		47,419,570		49,468,582

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'

Breakdown of Project Expenses 2010 (in THB)

	FY 2010	Status
Thailand		
Mae Hong Son		
EMFS Andy Hinkle Nursery School	262,712	ongoing
Tomato Village English School	143,704	ongoing
Thung Kong Mu Nursery School	825,124	completed
Huay Haeng Boarding House	568,339	completed
Tungluang Wattanakarn Boarding House	424,013	completed
Baan Sop Muay Nursery School	443,127	completed
Karenni Post Ten Arts & Science School (KnPT)	554,944	ongoing
Hua Mae Surin Boarding House	1,025,231	in realisation
Tak		
Leadership Management Training College (LMTC)	2,929,352	ongoing
Pyo Khinn Primary School	312,058	completed
Kaw Law Junior College (KLJC)	2,066,700	ongoing
Pu Taw Memorial Junior College (PTMJC)	1,920,224	ongoing
Youth Connect	3,214,828	ongoing
BHSH Primary and Secondary Migrant School	2,298,072	completed
Chiang Rai		
Tarn Thong Nursery School	114,610	completed
Chiang Mai		
Mae Daed Noi Boarding House	443,466	completed
Baan Khun Tae Boarding House	180,939	in realisation
All Thailand		
Building Guarantee Payments ¹	50,983	
Others ²	167,259	
Non Allocatable Expenses ³	422,748	
Total Thailand	18,368,433	

¹ Building guarantee payments of 5% of the labour cost is only paid one year after project completion

² projects below THB 100,000 are not listed individually

³ this includes project related travel, overtime of project managers, project related communication expenses, per-diem allowances etc.

Laos	FY 2010	Status
Sawannakate		
Nowneur Secondary School	451,160	completed
Uthumporn Secondary School	267,781	in realisation
Champasak		
Baan Na Sam Liang Primary School	808,350	completed
Gae Lae Secondary School	968,670	in realisation
Chaiyaburi		
Paktung Primary School	178,704	completed
Khon Piak Primary School	1,164,303	completed
Tan Kham Secondary School	1,541,469	completed
Na La Secondary School	1,286,726	completed
Baan Thong Secondary School	1,097,537	in realisation
Baan Khaen Secondary School	1,306,459	completed
San Pon Primary School	422,926	completed
Nam Pa Nursery School	474,006	in realisation
Don Tan Secondary School	531,410	in realisation
All Laos		
Building Guarantee Payments ¹	129,568	
Others ²	9,285	
Non Allocatable Project Expenses ³	534,274	
Total Laos	11,172,628	

¹ Building guarantee payments of 5% of the labour cost is only paid one year after project completion

² projects below THB 100,000 are not listed individually

³ includes project related travel, project managers overtime, project related communication expenses, per-diem allowances etc.

Mekong Sub-Region	FY 2010	Status
Children Medical Fund	9,644,989	ongoing
Water Systems	622,488	ongoing
Playgrounds	503,234	ongoing
High School Scholarships	262,693	ongoing
Stationery	438,904	ongoing
Other Supporting Activities	133,421	ongoing
Expansion and Renovation	133,697	ongoing
Project Evaluation / Capacity Building & Training	139,002	ongoing
Total Mekong Sub-Region	11,878,428	

Grand Total **41,419,489**

Information for Donors

Bank Transfers

Bank transfers can be made to the following account:

Bank: **Siam Commercial Bank**
Rajabhat Branch
Chiang Mai 50300
Thailand
Account Holder: Child's Dream Foundation
Account Number: 821-222061-4 (THB)

Please inform us by email or phone about your donation to our Thai bank account since we might not see the name of the depositor.

By cheque

Please make cheques payable to 'Child's Dream Foundation' and send them to our address in Thailand as stated below under "Contact Information & Legal Domicile".

If you would like further information on how to make a donation or a grant, please don't hesitate to contact us.

Contact Information & Legal Domicile

Please visit and contact us! We will be happy to show you where and how we work. It would be a pleasure for us to bring you our very special world a bit closer.

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
www.childsdream.org

Report of the Auditor



บริษัท สำนักงานสอบบัญชีประวิณ จำกัด
PRAWIN AUDIT CO.,LTD.

AUDITOR'S REPORT

To The committee of Child's Dream Foundation

I have audited the accompanying balance sheets as of 31 December 2010, and the Revenues and Expenditures for the year then ended of Child's Dream Foundation. The Foundation's management is responsible for the correctness and completeness of information in these financial statements. 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 an 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 referred to above present fairly, in all material respects, the financial position as at 31 December 2010 and the results of operations for the year then ended of Child's Dream Foundation, respectively, in accordance with generally accepted accounting principles.

SUKANDA PRAYIN

(Miss Sukanda Pray-in)

Certified Public Accountant (Thailand)

Registration number 9114

Prawin Auditing Company Limited.

Chiang Mai

February 2, 2011