



Child's Dream Association

Audited Financial Report 2011

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Introduction

2011 was our eighth year and the auspicious number 8 lived up to our expectations. In many Asian societies, the number 8 is a lucky number. For the Chinese, it symbolises wealth and longevity. For Thais, or basically any Buddhist society, it represents the Eightfold Path to enlightenment. Even for Islam, the number 8 is the number of named angels. For the culturally diverse Child's Dream, 2011 was a bit of everything from the above.

Financially it was a very successful year despite the economic crisis. We also had a few moments of enlightenment that helped us to initiate new ideas, such as creating an 'urgent funding needs' section on our website.

We are also sure that some guardian angels were watching over us to keep us safe, since we had another serious car accident in 2011, but luckily nobody was harmed.

Overall, 2011 was a year of stability and consistency. We had no changes to our organisational structure and hardly any staff turnover, which meant that we could allocate all our efforts and resources to our beneficiaries. Our workload and the available resources, both in terms of staff and finances, were in harmony. In other words Child's Dream ran like a Swiss clock, year round.

Never before, were we able to implement so many new projects while expanding our existing ones. 2011 also marked the start of our 150th project. The new contact database for more efficient donor management and the organisational restructuring introduced back in 2009 were bearing fruit. All our staff embraced their new responsibilities, which created an even stronger identification with Child's Dream and our work.

In order to give all our stakeholders an overview of our work in the Mekong Sub-Region, we decided to introduce the 'Child's Dream Yearbook - 2011'. The Yearbook reviews the past year, month by month, highlights our achievements and allows you a glimpse into our daily lives. For those of you who like number crunching, consolidated financials are also available on our website.

Of course, all this would not have been possible without the contributions of our generous supporters from all corners of the world. In 2011 we received donations in the amount of CHF 3,052,136 ⁽¹⁾. For the first time in Child's Dream's history, more money was donated from Asia, notably Japan, Singapore and Hong Kong, than the rest of the world. Although most of our donations come from private individuals, we are very proud to be supported by a handful of corporate donors.

It has always been one of our objectives to give a firsthand experience to our donors and to involve them in our work. Many decided to join us on a trip or even organised a team building event together with Child's Dream.

⁽¹⁾ Consolidation of Child's Dream Association and Child's Dream Foundation.

We also upgraded our marketing materials and became more prominent in the social media world. Our Facebook and Youtube sites have many followers who enjoy unique insights into Child's Dream.

As Child's Dream grew, some of our smaller supporters started to question their contributions, but let us say this: it might seem like a drop in the ocean, but for some children this drop might be life-saving malaria treatment (USD 6.--) or the first set of school stationery (USD 2.--) ever received. With our administrative cost ratio at 7.6% ⁽¹⁾ as of the end of 2011, it really means that every cent counts.

We are looking forward to yet another exciting year. The promising political changes in Myanmar towards democratic reform will hopefully allow us to expand our work inside Myanmar. We also plan to expand our support to underprivileged children and youth in Laos, Cambodia and Thailand.

We hope to be able to count on the continuing support of our donors, volunteers and staff. We are determined to improve the lives of marginalised children in the Mekong Sub-Region sustainably.

Thank you very much for your trust.



Daniel Marco Siegfried
Founder & President



Marc Thomas Jenni
Founder & Vice-President

Reference to our Consolidated Financials 2011

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 complements the work of Child's Dream in the Mekong Sub-Region. In order to give you an overview of our work, the consolidated financials are available on our website.

This Audited Financial Report 2011 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 14.

Our Mandate

Child's Dream Association is a charitable, not for profit association with the goal of providing 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 organisations, which pursue the goals specified above. The association concentrates primarily on the Mekong Sub-Region, covering Thailand, Myanmar, Laos and Cambodia. 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

Daniel Marco SIEGFRIED	President & Founder	(3 years – end 2014)
Marc Thomas JENNI	Vice-President & Founder	(3 years – end 2014)
Andrea KLEINERT	Secretary	(3 years – end 2014)
Susanna RUEEGGER KOECHLI	Ambassador Singapore	(3 years – end 2014)
Dominique BECHT	Ambassador Switzerland	(3 years – end 2014)
Pamela PHUA	Ambassador Hong Kong	(3 years – end 2014)

Management Team of the Organisation

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

Marc Thomas JENNI, Swiss Certified Banker	Founder, Head Finance & Administration
Daniel Marco SIEGFRIED, CFA	Founder, Head Projects
Manuela Celestina BIANCHI, MSc	COO, Operations & HR

Financial Statements 2011

Balance Sheet (in CHF)

	31.12.2011	31.12.2010
Assets		
Liquid assets	3,114,341	3,080,492
Fixed assets	8,000	3,703
Total Assets	3,122,341	3,084,195
Liabilities, Funds and Capital		
Liabilities	-	-
Restricted funds	698,207	789,961
Paid-in capital	-	-
Internally generated unrestricted operating funds	129,900	38,815
Unrestricted capital	2,294,234	2,255,419
Surplus for the year (after allocation)	-	-
Total Liabilities, Funds and Capital	3,122,341	3,084,195

Statement of Operations (in CHF)

	1.1.2011 - 31.12.2011		1.1.2010 - 31.12.2010	
Income				
Donation private individuals	390,381		377,090	
Restricted	1,267,971	1,658,352	1,274,863	1,651,953
Donations corporate	284,874		402,193	
Restricted	1,077,490	1,362,364	977,410	1,379,603
Donations shop		2,689		1,221
Interest		4,175		3,415
Total Income		3,027,580		3,036,192
Expenditure				
Project expenditure (see pages 9/10/11)		1,016,103		1,076,636
Administration & fundraising expenditure				
Personnel costs	34,844		32,268	
Administration, legal & travel	2,020		2,555	
Financial costs	498		43	
Depreciation	9,194	46,556	-	34,866
Donation transfer to Child's Dream Foundation (Thailand)		1,926,774		1,487,280
Total Expenditure		2,989,433		2,598,782
Allocation to/from restricted funds		-91,753		398,595
Surplus for the year (prior to allocation)		129,900		38,815
Total		3,027,580		3,036,192

Statement of Changes in Capital (in CHF)

	Opening balance	Allocation (external)	Internal fund transfers	Use (external)	Closing balance
Internally generated funds					
Surplus for the year	0	129,900	-129,900	0	0
Internally generated unrestricted capital	2,294,234	0	129,900	0	2,424,134
Capital of the organisation	2,294,234	129,900	0	0	2,424,134
Restricted funds	789,961	2,345,460	0	2,437,214	698,207

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 expenditure of Child's Dream Association (Switzerland) and Child's Dream Foundation (Thailand) was 7.6%.
4. The administration expenditure is not allocated to projects. An allocation would be calculated proportionally to project costs.
5. An amount of CHF 34,844 was spent on social security and health insurance for the three members of management.
6. There are currently no liabilities concerning projects; otherwise, this would be disclosed in the following 'breakdown of project expenses'.
7. No provisions have been made.
8. A significant amount of 'restricted funds' was spent on projects/programmes realised by Child's Dream Foundation (Thailand).
9. The Swiss registered organisation *diversethics* 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 2011

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

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

Breakdown of Project Expenses 2011

Expenses

Myanmar

Loi Tai Laeng Primary School

41,188

We have completed building a new primary school with twelve classrooms for the children from the Loi Tai Laeng community. This new facility provides 790 primary school students with a learning space that is safe and conducive for learning. The students are aged between 5 and 15 years. There are 35 teachers caring for the children.

Karen State Education Assistance Group(KSEAG)

202,662

This working group aims to ensure that educational assistance reaches all Karen State schools equally and that stationery is distributed in a systematic manner. In 2011 KSEAG supported 1,137 schools, 4,779 teachers and 104,455 students. Our support focuses on the organisation and actual provision of teaching and learning materials.

Minmahaw Higher Education Programme (MHEP)

86,881

As education in Myanmar is often non-formal and non-accredited, admission into university becomes a major hurdle for many individuals from Myanmar. MHEP is an exam-focused course, which aims to legitimise students' education by preparing them for an internationally recognised and accredited high school examination. Upon passing the exam, students will receive a high school diploma, which allows them to pursue a university education. This programme is fully funded by us and is currently supporting 24 students in their preparation for university.

FLD Management Course

14,390

This course provides the framework for a series of modules on social entrepreneurship to be delivered to youth in Myanmar. The modules are designed to support and equip youth in Myanmar with the skills and knowledge that they would need to become social entrepreneurs. The course was successfully piloted and implemented in 2011 and has been handed over to a local community based organisation (CBO).

SKG Primary School

30,120

We have built a new primary school with twelve classrooms in the Mandalay Division of Myanmar. This school can cater to approx. 400 children, of which 50 are boarding students. We have also built five toilets to improve the sanitary standard of the school. This school offers education that ranges from primary 1 to 6 levels. (See also 2010 annual report)

TTZN Primary and Middle School

37,269

With an enrolment of more than 500 students, the classrooms were overcrowded and overflowing with students. Classes offered range from primary to lower secondary levels (grade 1 to 9) and the students are aged between 6 and 16 years. We have completed the construction of a new school building with twelve classrooms and an additional toilet building to support them in alleviating the overcrowded situation. (See also 2010 annual report)

SCG Monastic School

6,641

Established in the 1990s, this school plays an important role in providing basic education to its small community of 900 people. Situated close to the coast, one of the existing buildings used by the grade 1 and 2 students is in terrible condition. The roof is deteriorating and the entire building is leaning and not safe for classes. We are in the process of constructing a new building to replace the one that is used by the grade 1 and 2 students. We aim to complete building this school in February 2012.

<i>NEED - Model Farm Initiative</i>	44,674
<p>This is an ongoing programme that trains youth from Myanmar in sustainable agriculture. As agriculture is the main livelihood in most rural parts of Myanmar, this programme is both essential and sustainable. After completing the training programme, the youth will return to their communities in Myanmar to share their knowledge and implement the farming techniques that they have learnt. We are partially supporting the running cost of the programme.</p>	
<i>Mehn Kan Kyi Learning Centres</i>	11,957
<p>A project that comprises three learning centres, Mehn Kan Kyi aims to provide young people in Myanmar with opportunities to pursue education. This project was established by one of the beneficiaries from our first cohort of university scholars. He had successfully graduated with a degree in English Communication Arts and has had more than seven years of experience in teaching and working in schools. The funding includes the initial set up cost and salaries for staff.</p>	
Cambodia	
<i>Tbeng Primary School</i>	24,492
<p>Started in 1994, many children from the Tbeng Thmei village have graduated from the classrooms of this primary school. Having served the community for 17 years, the school building was no longer either safe or conducive for learning. Hence, we have built a new school building with five classrooms to replace the old building. This enables the five teachers to continue teaching and educating the 226 students who are currently enrolled in this school. (See also 2010 annual report)</p>	
<i>Ampil Primary School</i>	24,711
<p>Having fled their village during the Khmer Rouge and Cambodian civil war, the villagers returned in 1990 and built a primary school out of wood. Over the years, the condition of the wooden building deteriorated and was no longer suitable for the growing number of students. The students are aged between 6 and 12. We have built a new school for the 436 students who are attending Ampil Primary School. (See also 2010 annual report)</p>	
<i>Rolom Veng Primary School</i>	44,796
<p>Understanding the importance of education, lessons used to be taught in a villager's house by a group of unqualified teachers. It was only in 1993 that the villagers decided to build two classrooms for the students. Classes had to be held over two sessions due to the limited space available. With walls built out of coconut leaves, the weak structure of the buildings was not safe for students. We have built a school building to support approx. 180 students in pursuing primary education.</p>	
<i>Sre Laor Primary School</i>	43,662
<p>Having fled the village during the Khmer Rouge regime, the villagers returned in 1998 and established a small school using their own resources. As the school was no longer safe for classes, we have built a new building with five rooms. The new learning environment provides approx. 180 students with a safe and conducive space for learning.</p>	
<i>Ekapeap Primary School</i>	36,293
<p>The last stronghold of the Khmer Rouge and the final resting place of Pol Pot, Ekapeap only came under the control of the Cambodian government in 1998. The villagers built a school out of wood in 1994. Having weathered many years of harsh tropical weather, the school buildings were no longer safe for classes. We have built a new school with four classrooms for approx. 120 students.</p>	
<i>Pong Ro Chas Primary School – Solar Charging Station</i>	5,234
<p>We are piloting a solar charging project in Pong Ro Chas Primary School to introduce renewable energy sources to the community. Now, villagers can charge their car batteries in the solar-powered charging station that is set up in Pong Ro Chas Primary School. Through this project, we educate the villagers on sustainable energy consumption and strengthen the relationship between the villagers and the school.</p>	

<p><i>O Kroch Primary School</i></p> <p>We are in the process of building one school building with five classrooms for the students. Earning an average annual income of USD 400 per household (on average more than 5 persons), the families of O Kroch community continue to struggle to make ends meet. The school that was originally built by the villagers has become termite infested and the mud floor often becomes muddy and flooded with water during the rainy season. The classrooms are no longer conducive for learning.</p>	26,038
<p><i>Child's Dream Cambodia Organisation (CDCO)</i></p> <p>CDCO is our project implementation office in Cambodia. CDCO has been fully registered with the Ministry of Education, Youth and Sport since March 2011. Our work in Cambodia focuses on developing infrastructure to promote education and increase children's access to basic education. Besides building schools, we are also implementing various supporting activities to encourage children's participation in school. This amount covers the administrative and operational cost of the CDCO office as well as the cost of one new car, which we purchased to support our Cambodian team in their work.</p>	84,626
<p><i>Various Supporting Activities</i></p> <p>Besides building infrastructure (such as schools) to increase children's access to education, we have also been implementing various supplementary programmes and activities to promote education. These activities include building playgrounds, installing water systems, improving health and sanitary standards and providing scholarships to high school students.</p>	18,126
<p>Mekong Sub-Region</p> <p><i>University Scholarship Programme</i></p> <p>Ongoing scholarship programme covers all education costs (tuition, living costs and essential school supplies) for 40 students who are currently studying at accredited universities in Thailand, Laos and Hong Kong. The 8 alumni who have graduated from their university programmes have found jobs and many are holding positions in community based organisations (CBOs) or non-profit organisations (NGOs). See our sister organisation <i>diverseethics</i> Foundation for more details.</p>	232,201
<p><i>Others</i></p> <p>This position includes non allocated project costs such as travel and communication expenses, overtime of project managers, per diem allowances and project evaluation & monitoring expenditure and our Child's Dream Shop Project.</p>	142
<p>TOTAL (in CHF)</p>	1,016,103
<p>Responsibility for Project Work (by legal entity)</p> <p>Child's Dream Association (Switzerland) is responsible for the realisation of projects in Myanmar and Cambodia, whereas Child's Dream Foundation (Thailand) is investing in Thailand and Laos.</p> <p>Further information can be obtained by downloading the following reports from our website:</p> <ul style="list-style-type: none"> • Financial Report 2011 'Child's Dream Foundation' (Thailand) • Financial Report 2011 '<i>diverseethics</i> Foundation' (Switzerland) • Consolidated Financials 2011 (all three legal entities) 	

Information for Donors

The following link gives you an overview of the different ways to financially support us.

<http://childsdream.org/donate/>

Donations are possible via bank transfer, credit cards, PayPal and cheques.

Switzerland

Swiss-taxed donors are able to deduct donations from their taxable income. Please get in touch with us if you require a tax receipt.

Donors outside Switzerland

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

- Australia
- France
- Germany
- Hong Kong
- Italy
- Luxembourg
- The Netherlands
- United Kingdom
- United States of America

Donors domiciled in the above mentioned countries can claim tax relief on their donations to Child's Dream Association if they follow the donation path indicated under the respective country. More information can be found at

<http://childsdream.org/donate/>

Contact Information

Please visit us!

We will be happy to show you where and how we work. It would be a privilege to bring our very special world a bit closer to you.

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Legal Domicile

Child's Dream Association
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Bahnhofstrasse 26
8001 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
c/o Richard C. Ritter Rechtsanwälte AG
Bahnhofstrasse 26
8001 Zürich

Basle, March 20, 2012
MM/z

Report of the statutory auditors on the financial statements 2011

As statutory auditors, we have examined the financial statements as shown on pages 6 to 8 (balance sheet, statement of operations, statement of changes in capital, notes and performance report) of Child's Dream Association for the year ended December 31, 2011.

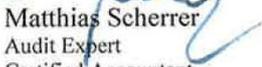
These financial statements are the responsibility of the Managing Committee. Our responsibility is to perform a limited statutory examination on these financial statements. We confirm that we meet the licensing and independence requirements as stipulated by Swiss law.

We conducted our examination in accordance with the Swiss Standard on the limited statutory examination. This standard requires that we plan and perform a limited statutory examination to identify material misstatements in the financial statements. A limited statutory examination consists primarily of inquiries of company personnel and analytical procedures as well as detailed tests of company documents as considered necessary in the circumstances. However, the testing of operational processes and the internal control system, as well as inquiries and further testing procedures to detect fraud or other legal violations, are not within the scope of this examination.

Based on our limited statutory examination, nothing has come to our attention that causes us to believe that the financial statements do not comply with Swiss law and the company's articles of incorporation.

INTER REGIO TREUHAND AG


Max Müller
Audit Expert
Certified Fiduciary
Auditor in Charge


Matthias Scherrer
Audit Expert
Certified Accountant