



Child's Dream Foundation

Audited Financial Report 2012



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Introduction

Starting a new year is like opening a diary full of blank pages waiting to be written on. There is a certain excitement about opening a brand-new diary because no one knows whether, at the end of the year, the pages will contain more words of happiness and love or of sadness and anger. The Child's Dream diary never has to wait long for its first comments as all our staff, armed with freshly sharpened pencils and pens fully loaded with ink, are eagerly waiting to start the new year.

Our diary for 2012 turned out to be a fat story book filled with excitement, compassion, love, success and, of course, a sweet happy ending. It is true that 2012 was, in many ways, the most successful year since our establishment nine years ago. All the pieces that make Child's Dream what it is came together beautifully to unleash the full potential of our work improving the lives of thousands of children, youth and even adults.

In 2012 we were able to implement more projects and expand more programmes than ever before. We built more schools and boarding houses, granted more high school and university scholarships and educated more youth in refugee camps and migrant communities, all with a simple, but important goal of giving our students a real chance for a successful and self-determined life.

On the health side we also accepted more patients in our Children Medical Fund to provide them with life-saving operations. Also the community health programmes that we support in Myanmar were able to protect more children and adults from deadly diseases and illnesses.

Our 2012 highlights come in many different forms, ranging from a child's laughter at the Children's Day, to graduation ceremonies of our junior colleges in the refugee camps, to the success of a difficult heart surgery, to big opening ceremonies of schools. These are highlights not because of us, but for what it means for the person directly affected by our work.

Now we cannot wait to write on the empty pages of the 2013 diary. Many challenges and opportunities await us. The Mekong Sub-Region will continue to grow and the main challenge for the countries will be to spread the economic benefits of the growth more equally to maintain political stability.

In Myanmar the transition from a military dictatorship to a democratic economy offers new opportunities to assist the people from within the country. At the same time we are facing tremendous challenges to ensure that the ethnic opposition groups are included in this transition phase.

In Laos and Cambodia we will continue to support the government in expanding its education system into the remote areas to prepare the next generation to participate in the upswing.

In Thailand, widening access to secondary schools for students living in remote areas will remain a priority. In general, we will put a strong focus on relevant education such as English language, IT and general life skills.

We believe that this will be enough to fill our diary with many exciting stories.

Thank you very much for all your support and trust in 2012. All these highlights and success stories would not have been possible without your generous support.

Together we really can make a difference.

A handwritten signature in black ink, appearing to read 'Jenni', with a large loop at the top and a long tail.

Marc Thomas Jenni
Founder & President

A handwritten signature in blue ink, appearing to read 'Siegfried', with a large loop at the top and a long tail.

Daniel Marco Siegfried
Founder & Vice-President

Reference to our Consolidated Financials 2012

Child's Dream, as a charitable organisation, consists of Child's Dream Foundation Thailand and Child's Dream Association Switzerland. Our sister organisation, *diversethics* Foundation Switzerland complemented the work of Child's Dream in the Mekong Sub-Region until the end of 2012 when *diversethics* Foundation was integrated into Child's Dream Association Switzerland and subsequently liquidated.

In order to give you an overview of our work, the consolidated financials are available on our website.

This Audited Financial Report 2012 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 & Founder

Marc Thomas JENNI, Swiss (4 years – end 2014)

Vice-President & Founder

Daniel Marco SIEGFRIED, Swiss (4 years – end 2014)

Vice-President

Pimpimon THONGTIAN, Thai (4 years – end 2015)

Treasurer

Charuwan PHAISANTHAM, Thai (4 years – end 2014)

Secretary

Suneemat NOREE, Thai (4 years – end 2014)

Board Member

Wathit HATHAIPATSON, Thai (4 years – end 2014)

Financial Statements 2012

Balance Sheet (in THB)	31.12.2012	31.12.2011
Assets		
Liquid assets	9,033,352	11,386,803
Inventories & Deposits	12,675	10,000
Fixed assets	23,142,862	22,995,862
Total Assets	32,188,889	34,392,665
Liabilities, Fund and Capital		
Liabilities	2,535,673	2,010,882
Paid-in capital	300,000	300,000
Internally generated unrestricted operating funds	-	942,077
Unrestricted capital	29,353,216	31,139,706
Surplus for the year (after allocation)	-	-
Total Liabilities, Funds and Capital	32,188,889	34,392,665

Statement of Operations (in THB)

	01.01.2012 - 31.12.2012		01.01.2011 - 31.12.2011	
Income				
Donation private individuals	40,500		36,852	
<i>Restricted</i>	-	40,500	-	36,852
Donations corporate	78,884		735,260	
<i>Restricted</i>	919,080	997,964	-	735,260
Interest		128,136		66,566
Donation transfer from Child's Dream Association Switzerland		74,323,846		65,805,968
Total Income		75,490,446		66,644,646
Expenditure				
Project expenditure		71,120,678		59,394,937
Administration & fundraising expenditure				
<i>Personnel costs</i>	7,570,059		7,228,687	
<i>Utilities</i>	77,567		61,385	
<i>Vehicles & Transport</i>	51,869		22,617	
<i>Administration, Communication & IT</i>	717,842		549,146	
<i>Travelling & Fundraising</i>	261,578		211,534	
<i>Other costs</i>	84,560		133,392	
<i>Financial costs</i>	22,769		10,466	
<i>Depreciation</i>	84'000		270,190	
<i>Provisions</i>	88,292		71,230	
Overhead contribution from <i>diversethics</i> Foundation Switzerland	-1,860,202	7,098,334	-2,251,015	6,307,632
Total Expenditure		78,219,012		65,702,569
Surplus for the year (prior to allocation)		-2,728,566		942,077
Total		75,490,446		66,644,646

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 2012 (in THB)

Thailand	FY 2012	Status
Mae Hong Son Province		
Tomato Village English School	137,430	ongoing
Tak Province		
CDC School Complex (Maintenance & Renovation)	831,875	ongoing
Karenni Community Learning Centre (KnCC)	882,473	ongoing
Leadership Management Training College (LMTC)	1,157,820	ongoing
Kaw Law Junior College (KLJC)	984,422	ongoing
Pu Taw Memorial Junior College (PTMJC)	736,117	ongoing
Youth Connect – Vocational Training Centre	2,916,189	ongoing
Youth Connect – Guesthouse (Setup & Running Costs)	2,068,838	ongoing
Knowledge Zone Vocational Training Centre (KZVTC)	604,920	ongoing
Curriculum Project (CP)	700,310	ongoing
Karen Refugee Committee – Education Entity (KRCEE)	9,806,228	ongoing
Chiang Mai Province		
Baan Huay Sompoi Boarding House	730,100	completed
Baan Mae Suek Boarding House	356,658	completed
Baan Khun Mae Yod Boarding House	168,367	completed
Lady Prapai Sivagosak Boarding House	662,570	completed
Mae Lanluang Boarding House	770,619	in realisation
Baan Kong Khak Boarding House	510,075	in realisation
Phang Nga Province		
Foundation for Education and Development (FED)	4,417,517	ongoing
All Thailand		
Building Guarantee Payments ¹	228,097	
Others ²	220,419	
Non Allocatable Expenses ³	137,674	
Total Thailand	29,028,718	

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 2012	Status
Savannakhet Province		
Dong Geum Secondary School	826,842	completed
Wern Neur Primary School	508,691	in realisation
Atsaphon Secondary School	237,300	in realisation
Na Muang Primary School	924,000	in realisation
Phon Ngam Primary School	294,000	in realisation
Teacher Training, Physics	225,557	ongoing
Champasak Province		
Pha Lai Secondary School	215,862	completed
Hang Xang Phai Primary School	378,254	completed
Nong Bon Secondary School	1,132,988	completed
Xaignabouli Province		
Na Mor Secondary School (new facility)	1,053,675	in realisation
Na Mor Secondary School (renovation)	831,600	in realisation
Atxaiyaphoum Secondary School (new facility)	897,750	in realisation
Atxaiyaphoum Secondary School (renovation)	598,500	in realisation
Baan Mai Nursery School	756,000	in realisation
Don Ton Secondary School	858,375	in realisation
Na La Secondary School – Boarding House	1,419,600	completed
Na Luam Secondary School	716,625	in realisation
Huay Yuak Secondary School	1,038,128	completed
Kuang Kham Secondary School (5 classrooms)	1,047,375	completed
Kuang Kham Secondary School (3 classrooms)	628,425	completed
Thong Kab Secondary School	840,262	completed
Baan Muang Secondary School	2,108,456	completed
Na Tak Boarding House	3,853,080	in realisation
Na Tak Secondary School	1,197,000	completed
Kuang Kham Boarding House	2,547,736	in realisation
All Laos		
Building Guarantee Payments ¹	53,664	
Others & Non Allocatable Project Expenses ²	101'254	
Total Laos	25,290,999	

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. This position also includes project related travel, project managers' overtime, project related communication expenses, per diem allowances etc.

Mekong Sub-Region	FY 2012	Status
Children Medical Fund	12,470,144	ongoing
Water Systems	1,114,549	ongoing
Playgrounds	494,412	ongoing
High School Scholarships	1,745,045	ongoing
School Stationery	37,671	ongoing
Other Supporting Activities	650,486	ongoing
Expansion and Renovation	202,783	ongoing
Project Identification and Monitoring Expenses	73,344	ongoing
Project Evaluation / Capacity Building & Training	12,527	ongoing
Total Mekong Sub-Region	16,800,961	
Grand Total	71,120,678	

Information for Donors

Please only use our Thai legal entity for donations in Thai Baht (THB). If you wish to donate to our organisation in other currencies or by credit card, PayPal or cheque, visit the donation page on our website under:

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

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

For cheques in all other currencies, please make them payable to 'Child's Dream Association' and send them to our office in Chiang Mai.

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

Child's Dream Foundation
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Chiang Mai 50100, Thailand

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E-mail: info@childsdream.org
Website: www.childsdream.org

Report of the Auditor



บริษัท สำนักงานสอบบัญชีประวิณ จำกัด
PRAWIN AUDIT CO.,LTD.

AUDITOR'S REPORT

To The committee of **CHILD DREAM FOUNDATION**

Report on the Financial Statements

We have audited the accompanying financial statements of **Child Dream Foundation**, which comprise the statement of financial position as at December 31, 2012, and the statement of income for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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 International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about 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 selected 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 internal control relevant to the entity's preparation and fair presentation 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

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 present fairly, in all material respects, (or give a true and fair view of) the financial position of **Child Dream Foundation** as at December 31, 2012, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

SUKANDA

(Miss Sukanda Pray-In)

Certified Public Accountant (Thailand)

Registration number 9114

Chiang Mai

February 28, 2013