



Child's Dream Foundation Limited

Audited Financial Report 2012



Table of Content	page
Introduction	4
Reference to our Partner Organisations	5
Our Mandate	5
Our Board	5
Financial Statements 2012	6
Balance Sheet (in HKD)	6
Statement of Operations (in HKD)	7
Notes	7
Project Performance Report 2012 (in HKD)	8
Report of the Auditors	9
Information for Donors	11
Contact Information & Foundation Domicile	12

Introduction

Child's Dream Foundation Limited was incorporated in Hong Kong SAR as a charitable organisation on 26th March 2008 and registered in the Companies Registry. On the 16th April 2008 the Inland Revenue Department granted us tax exemption under Section 88 of the Inland Revenue Ordinance.

Our foundation's goal is to raise donations in Hong Kong in order to contribute to the activities of its partner organisation, Child's Dream Foundation, based in Thailand, which works on the ground in the Mekong Sub-Region, where it has now completed close to 200 projects.

Over the years, the work of Child's Dream has become much more comprehensive and increasingly community development focused. As a consequence of this, the mandate of Child's Dream was adjusted to include communities and adults in need. Subsequently, the decision was taken to fully integrate the work of *diversethics* Foundation into Child's Dream and to dissolve *diversethics* Foundation as of end of 2012.

In order to align the branding of our Hong Kong foundation, it was decided by the board to change the name from the original 'Child's Dream – *diversethics* Foundation Limited' to new '**Child's Dream Foundation Limited**'. This name change was approved by the Companies Registry on the 24th December 2012.

Going forward, our work will exclusively be done under the brand of Child's Dream.

Despite the still harsh economic environment in Europe and the United States, which has negatively affected philanthropic giving worldwide, we are extremely pleased to have been able to raise donations in the amount of over HKD 4.7 million this year. This is an increase of over 50% compared to 2011. This was possible thanks to the ongoing commitment of our Hong Kong based donors as well as a fundraising dinner hosted by Standard Chartered Bank Hong Kong during their annual Global Resources Conference. Approximately HKD 1.5 million was raised during that evening. Many thanks again!

Our project expenses, however, only slightly increased to HKD 2.3 million. Building up reserves in the current economic environment is very important for us in order to secure the long-term sustainability of our projects and programmes in the Mekong Sub-Region.

On behalf of all the children and youth, as well as all the concerned communities and from the bottom of our hearts, we thank you for your ongoing trust and support.



Daniel Marco Siegfried
Director & Founder



Marc Thomas Jenni
Director & Founder

Reference to our Partner Organisations

Child's Dream Foundation Limited was set up in 2008 as a fundraising entity to support the work of the following charitable organisations:

- Child's Dream Foundation (Thailand) supporting work in Thailand and Laos
- Child's Dream Association (Switzerland) supporting work in Myanmar & Cambodia
- *diversethics* Foundation (Switzerland) supporting work in the Mekong Sub-Region

Please note, that *diversethics* Foundation was merged into Child's Dream Association as of 31st December 2012. All remaining legal entities operate out of Chiang Mai, Thailand.

For more details about the work of our partner organisations, kindly visit their website at www.childsdream.org.

Our Mandate

The objectives for which our foundation was established are exclusively charitable and include:

- Reaching out to and alleviating the disadvantaged, persecuted and oppressed children and communities in Asia, in particular in the Mekong Sub-Region which includes - but is not limited to - Thailand, Myanmar, Laos and Cambodia. We support communities in need by providing financial and material assistance for basic requirements such as food, clothing, medical supplies, education and other basic needs for survival and assistance with self-help;
- Fighting for social justice, combating exploitation and abuse of children;
- Undertaking, organising, supporting, sponsoring and promoting charitable activities and projects for quality education, improved health and better living standards for the benefit of children and communities in need.

Our Board

Marc Thomas JENNI	Director & Founder
Daniel Marco SIEGFRIED	Director & Founder
Corpboard Limited, Hong Kong	Secretary

2012 Financial Statements

Balance Sheet (in HKD)	31.12.2012	31.12.2011
Assets		
Liquid assets	4,768,766	2,310,641
Intangible assets	-	-
Total Assets	4,768,766	2,310,641
Liabilities and capital		
Liabilities	-	-
Paid-in capital	-	-
Internally generated unrestricted operating funds	2,458,125	1,140,876
Unrestricted capital	2,310,641	1,169,765
Surplus for the year (after allocation)	-	-
Total liabilities and capital	4,768,766	2,310,641

Statement of Operations (in HKD)

		1.1.2012 - 31.12.2012		1.1.2011 - 31.12.2011
Income				
Donation private individuals	638,918		818,842	
Restricted	<u>897,014</u>	1,535,932	<u>1,351,320</u>	2,170,162
Donations corporate	1,827,923		324,594	
Restricted	<u>1,405,784</u>	3,233,707	<u>580,642</u>	905,236
Interest		45		14
Total Income		4,769,684		3,075,412
Expenditure				
Project expenditure				
<i>Thailand</i>				
Baan Pung Yarm Boarding House	-		217,260	
Baan Khun Mae Yod Boarding House	-		200,000	
NEED Model Farm	-		388,410	
<i>Myanmar</i>				
Karen State Education Assistance Group	386,818		397,545	
<i>Laos</i>				
Na La Boarding	579,296			
Kuang Kham Secondary School House	446,479		577,000	
<i>Cambodia</i>				
Tom Nup Thmei Primary School	232,491			
Svay Chrum Primary School	310,285			
<i>Mekong Sub-Region</i>				
University Scholarship Programme	<u>347,429</u>	2,302,798	<u>148,105</u>	1,928,320
Administration & fundraising expenditure		8,761		6,215
Total Expenditure		2,311,559		1,934,535
Profit / Loss for the year (prior to allocation)		2,458,125		1,140,877
Total		4,769,684		3,075,412

Notes

1. Administration expenses except legal fees, audit fees and incidental expenses were covered by Child's Dream Foundation, Thailand.
2. Income and expenditure are recorded on a cash basis.
3. No statement of change in capital was compiled.
4. A funds flow statement has not been compiled.
5. There are currently no liabilities concerning projects; otherwise, this would be disclosed in the following 'breakdown on project expenses'.

Project Performance Report 2012 (in HKD)

Project Name & Description	Expenses
Myanmar <i>Karen State Education Assistance Group (KSEAG)</i> 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 2012 KSEAG supported 1,110 schools, 4,673 teachers and 102,978 students. Our support focuses on the organisation and actual provision of teaching and learning materials. Our foundation contributed HKD 386,818 to the total budget of approx. HKD 3.1 million. The remaining support was granted by Child's Dream Foundation, Thailand.	386,818
Laos <i>Na La Boarding House</i> Being one of the few schools in the area that offers a curriculum up to high school level, Na La Secondary School plays a critical role in providing education to the children and youth from Xaignabouli district in northern Laos. The school however, was in urgent need of boarding facilities as a larger number of students have a long and tiring journey on foot each day to reach the school. This negatively affects their learning capability and causes higher drop-out rates. Hence, we have constructed one boarding facility for boys and one for girls to enable them to stay in school and improve their learning circumstances.	579,296
<i>Kuang Kham Secondary School</i> Mostly from the Prai, Lao Lum and Tai Dam ethnic groups in Laos, the families living in this community are heavily dependent on farming and animal husbandry for subsistence. They built a simple school building using wood, leaves and other materials found in their environment. In spite of their efforts, the current building is neither safe nor secure and does not offer enough protection from the harsh weather conditions. We are in the process of building two school buildings and four toilets.	446,479
Cambodia <i>Tom Nup Thmei Primary School</i> Tom Nup Thmei Primary School provides basic education at primary level to 127 students (69 girls and 58 boys) from the Ao Trach village. The school is located in the Trapeang Prasat district of Oddar Meanchey province in Cambodia. The students are taught by four teachers (2 women and 2 men). We constructed a new school building with five classrooms and provided new furniture for all the rooms.	232,491
<i>Svay Chrum Primary School</i> The Svay Chrum Primary School provides basic education at the primary level to 233 students (123 girls and 110 boys) from the Ao Svay village. The students are taught by 5 teachers (1 female, 4 males). The village is located in the Trapeang Prasat district of Oddar Meanchey province in Cambodia. We constructed a new school building with five classrooms, a flag pole and an entry gate. Additionally, we provided new furniture for all the rooms.	310,285
Mekong Sub-Region <i>University Scholarship Programme</i> The ongoing university scholarship programme covers all education costs (tuition, living costs and essential school supplies) for 4 students studying at accredited universities in Hong Kong.	347,429
TOTAL	2,302,798

Report of the Auditor

The full audit report can be provided upon request



BAKER TILLY

HONG KONG LIMITED

CERTIFIED PUBLIC ACCOUNTANTS

天職香港會計師事務所有限公司

2nd Floor, 625 King's Road, North Point, Hong Kong

香港北角英皇道625號2樓

Independent auditor's report to the members of Child's Dream Foundation Limited (formerly known as Child's Dream – diversethics Foundation Limited)

(Incorporated in Hong Kong and limited by guarantee)

We have audited the financial statements of Child's Dream Foundation Limited (the "Foundation") set out on pages 5 to 13, which comprise the balance sheet as at 31 December 2012, and the statement of comprehensive income and expenditure, the statement of changes in accumulated fund and the cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Executive Committee's responsibility for the financial statements

The Executive Committee of the Foundation is responsible for the preparation of financial statements that give a true and fair view in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants and the Hong Kong Companies Ordinance, and for such internal control as the Executive Committee 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. This report is made solely to you, as a body, in accordance with Section 141 of the Hong Kong Companies Ordinance, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. 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.

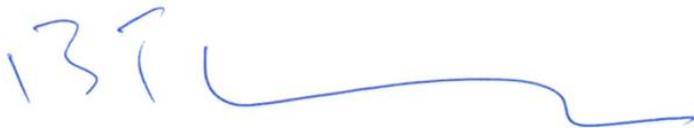
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view 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 the Executive Committee, 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.

**Independent auditor's report to the members of
Child's Dream Foundation Limited
(formerly known as Child's Dream – diversethics Foundation Limited)**
(Incorporated in Hong Kong and limited by guarantee)

Opinion

In our opinion, the financial statements give a true and fair view of the state of the Foundation's affairs as at 31 December 2012 and of its surplus and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the Hong Kong Companies Ordinance.

A handwritten signature in blue ink, consisting of the letters 'B T' followed by a long, wavy horizontal line that ends in a small hook.

Baker Tilly Hong Kong Limited

Certified Public Accountants

Hong Kong, 17 JAN 2013

Chan Kwan Ho, Edmond

Practising certificate number P02092

Information for Donors

Bank Transfers

Bank transfers can be made to the following accounts:

<i>Bank:</i>	UBS AG – Hong Kong Branch 2 International Finance Centre, 52/F 8 Finance Street, Central Hong Kong SAR	HSBC – Hong Kong Head Office 1 Queen’s Road, Central Hong Kong SAR
<i>Account Holder:</i>	Child’s Dream Foundation Limited	Child’s Dream Foundation Limited
<i>Account Number:</i>	310212	400-549135-001 (HK\$) 400-549135-838 (Multicurrency)
<i>Bank Code:</i>	103	004
<i>Branch Code:</i>	492	400
<i>SWIFT:</i>	UBSWHKHH	HSBCHKHHKHH

By Cheque

Please make cheques payable to 'Child’s Dream Foundation Limited' and send them to our address in Thailand as stated on the next page.

Residents of Hong Kong

Residents of Hong Kong will be able to receive a tax receipt for their donation. Please notify us if you wish to receive such a receipt.

If you would like further information on how to make a donation or a grant, please contact us directly in Thailand rather than at our registered domicile in Hong Kong.

Contact Information

Child's Dream Foundation Limited
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Thailand

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

Foundation Domicile

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c/o Naturezone Ltd.
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Sheung Wan, Hong Kong

Please always contact us in Thailand.