



Child's Dream Foundation

Audited Financial Report 2013

OUR PASSION IS
10 YEARS
OTHERS' FUTURE



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Introduction

2013 was a truly amazing and exceptional year for Child's Dream. Just being able to write these introductory lines to our 2013 annual report fills us with tremendous satisfaction and pride.

On Friday, 1st November 2013, we celebrated our 10th Anniversary together with about 180 esteemed guests at our office in Chiang Mai. We were thrilled to see so many good friends, donors, volunteers, former team members, beneficiaries, partner organisations and family members attending our Open House event. Some of them even came from far-away places such as Japan, Switzerland, Italy, Singapore and Hong Kong. We feel very honoured and grateful that so many shared this special day with us.

Though our 10th anniversary celebration was the highlight of the past year, many smaller developments, happenings and stories brightened up our year. After having spent many weeks of our time in 2012 working with Urs Frey to produce the first ever Child's Dream documentary film we could hardly await the airing of 'Two Bankers Search for Meaning'. The documentary was finally screened six times on Swiss television in the first week of January 2013 at various hours of the day. Not in our wildest dreams could we have imagined what tremendous feedback this 50 minute production triggered. There were days when we could hardly cope with answering the overwhelmingly positive emails, letters and phone calls. So many people felt inspired by our story and it was amazing to see how many of them not only opened their hearts but also their wallets. Many thanks again to Urs Frey and his entire team as well as all our new donors, supporters and friends.

On our project and programme side, we took big steps forward, too. In line with our belief in supporting good ideas, nurturing small ventures and then growing them into established and well run social enterprises and grass roots organisations, we accomplished the legal establishment of the Youth Connect Foundation. Not that much changed in the way Youth Connect delivers its services along the Thai/Burmese border, having served hundreds of youth by helping them to acquire needed skills to succeed in an increasingly competitive labour market. A solid legal base was created to let the organisation further prosper and grow. What started seven years ago with Daniel's idea 'grew up and became an adult', ready to start walking alone. We will hopefully be able to gradually reduce our influence on Youth Connect and help them to become increasingly independent.

Myanmar was another exciting story for us in 2013. Historically, we have always spent approximately 65% of our yearly funding on Burmese beneficiaries, but since the democratisation process started more than two years ago, an increasing proportion of our support is now delivered 'inside' the country and not along the Thai/Burmese border. Since we foresee this trend continuing, our human resources will be increased and a field office will soon be fully operational in Yangon allowing us to act faster and operate much closer to our beneficiaries.

The opening up of Myanmar not only attracts economic investment, but also increases the presence, interest and financial budgets of international NGOs and governmental development agencies. In particular, our health related programmes such as the Malaria Control Programme,

see an increased interest from such organisations in taking over from us. This is a welcome development since our strength is to build up small programmes and let other, financially more powerful organisations take over once the capacity is built up. This allows us to channel the released funding into smaller and less established projects and organisations again, which would otherwise fall between the cracks.

As you can imagine, steadily increasing the positive impact on our beneficiaries with a stable team can further be supported through the deployment and support of IT. Though our team members become more efficient and professional year by year, the efficiency gained on the human resource side can only partly support our growth. We are therefore very happy that technological advancement and improvement has last year significantly contributed to the efficient and effective delivery of our support.

We are not only proud of what we have done for our countless beneficiaries and for what will still be in store over the many more years to come, but also proud to have the privilege of working with the most outstanding team ever: our Child's Dream family. A big applause and compliments to our dedicated team, always ready to go the extra mile.

And certainly also a big thank you goes to all our donors, whether big or small, all over the world, for all your encouragement and trust in 2013. You are one of the main drivers of our success and without your sustained financial and moral support we would never have been able to come this far.

From the bottom of our hearts and in the name of our many beneficiaries, thank you very much!

Our Passion is others' Future!



Marc Thomas Jenni
Founder & President



Daniel Marco Siegfried
Founder & Vice-President

Reference to our Consolidated Financials 2013

Child's Dream, as a charitable organisation, consists of Child's Dream Foundation Thailand and Child's Dream Association Switzerland. In order to give you an overview of our work, the consolidated financials are available on our website.

This Audited Financial Report 2013 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

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 2013

| Balance Sheet (in THB) | 31.12.2013 | 31.12.2012 |
|---|-------------------|-------------------|
| Assets | | |
| Liquid assets | 9,408,295 | 9,033,352 |
| Inventories & Deposits | 12,675 | 12,675 |
| Fixed assets | 22,871,862 | 23,142,862 |
| Total Assets | 32,292,832 | 32,188,889 |
| | | |
| Liabilities, Fund and Capital | | |
| Liabilities | 3,154,473 | 2,535,673 |
| Paid-in capital | 300,000 | 300,000 |
| Internally generated unrestricted operating funds | - | - |
| Unrestricted capital | 28,838,359 | 29,353,216 |
| Surplus for the year (after allocation) | - | - |
| Total Liabilities, Funds and Capital | 32,292,832 | 32,188,889 |

Statement of Operations (in THB)

| | 01.01.2013 - 31.12.2013 | | 01.01.2012 - 31.12.2012 | |
|---|----------------------------|-------------------|----------------------------|-------------------|
| Income | | | | |
| Donation private individuals | 192,650 | | 40,500 | |
| <i>Restricted</i> | - | 192,650 | - | 40,500 |
| Donations corporate | 147,200 | | 78,884 | |
| <i>Restricted</i> | 2,524,898 | 2,672,098 | 919,080 | 997,964 |
| Interest | | 57,847 | | 128,136 |
| Donation transfer from Child's Dream Association Switzerland | | 72,538,275 | | 74,323,846 |
| Total Income | | 75,460,870 | | 75,490,446 |
| Expenditure | | | | |
| Project expenditure | | 66,804,241 | | 71,120,678 |
| Administration & fundraising expenditure | | | | |
| <i>Personnel costs</i> | 6,706,112 | | 7,570,059 | |
| <i>Utilities</i> | 115,221 | | 77,567 | |
| <i>Vehicles & Transportation</i> | 17,062 | | 51,869 | |
| <i>Administration, Communication & IT</i> | 1,673,503 | | 717,842 | |
| <i>Travelling & Fundraising</i> | 202,029 | | 261,578 | |
| <i>Other costs</i> | 295,231 | | 84,560 | |
| <i>Financial costs</i> | 21,328 | | 22,769 | |
| <i>Depreciation</i> | 141,000 | | 84,000 | |
| <i>Provisions</i> | - | | 88,292 | |
| Overhead contribution from <i>diversethics</i> Foundation Switzerland | - | 9,171,486 | -1,860,202 | 7,098,334 |
| Total Expenditure | | 75,975,727 | | 78,219,012 |
| Surplus for the year (prior to allocation) | | -514,857 | | -2,728,566 |
| Total | | 75,460,870 | | 75,490,446 |

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 2013 (in THB)

| Thailand | FY 2013 | Status |
|--|-------------------|----------------|
| Mae Hong Son Province | | |
| Long Phae Wittaya Secondary School Boarding House | 869,188 | completed |
| EMFS Kaen Fha Nursery School | 199,507 | ongoing |
| Baan Sompoi Boarding House | 737,305 | in realisation |
| KNCC - Mae Hong Son – Camp 1 | 1,169,347 | ongoing |
| Tak Province | | |
| CDC School Complex - Maintenance | 555,428 | ongoing |
| Thai Raj Kiri Secondary School | 1,984,916 | completed |
| Youth Connect – Vocational Training Center | 3,912,415 | ongoing |
| Youth Connect – PictureBook Guesthouse | 132,558 | completed |
| Knowledge Zone Vocational Training Center | 541,118 | ongoing |
| Karen Refugee Committee – Education Entity | 9,277,499 | ongoing |
| Chiang Rai Province | | |
| Rompothai Secondary School Boarding House | 912,095 | completed |
| Chiang Mai Province | | |
| Baan Mae Ngan Luang Boarding House | 588,427 | in realisation |
| Baan Kong Khak Boarding House | 320,870 | completed |
| Au-Toom Boarding House | 1,128,833 | completed |
| Pheeparnuer Boarding House | 550,587 | in realisation |
| Khun Tuen Primary School | 980,498 | completed |
| Lionmahajak 9 Border Patrol Police Boarding House | 758,632 | completed |
| Phang Nga Province | | |
| Foundation for Education and Development (guarantee) | 314,126 | completed |
| Foundation for Education and Development – running | 2,046,414 | ongoing |
| All Thailand | | |
| Installation of water systems | 941,118 | completed |
| Installation of playgrounds | 130,649 | completed |
| High School Scholarship Programme | 1,456,752 | ongoing |
| Others ¹ | 352,671 | |
| Non Allocatable Expenses ² | 142,677 | |
| Total Thailand | 30,003,630 | |

¹ Projects below THB 100,000 are not listed individually

² This includes project related travel, overtime of project managers, project related communication expenses, per diem allowances, project identification & monitoring which cannot be properly allocated etc.

| Laos | FY 2013 | Status |
|--|-------------------|----------------|
| Savannakhet Province | | |
| Wern Neur Primary School | 239,290 | completed |
| Atsaphon Secondary School | 889,875 | completed |
| Na Muang Primary School | 312,306 | completed |
| Phon Ngam Primary School | 1,108,042 | completed |
| Vientiane Province | | |
| Dongsavat Children & Youth Development Center | 410,722 | completed |
| Phon Hong Secondary School | 1,435,594 | in realisation |
| Champasak Province | | |
| Bung Kaew Secondary School | 716,496 | in realisation |
| Xaignabouli Province | | |
| Don Ton Secondary School | 343,404 | completed |
| Huay Mod Som Lower Secondary | 1,246,928 | completed |
| Pang Hai Secondary School Boarding House | 952,928 | completed |
| Padthana Secondary School | 1,496,250 | completed |
| Atxaiyaphoum Secondary School Boarding House | 2,898,000 | in realisation |
| Tan Kham Secondary School | 315,510 | completed |
| Phu Lang Lower Secondary | 1,294,125 | completed |
| Don Moon Secondary School | 1,600,387 | in realisation |
| Muang Kob Secondary School Boarding House | 661,500 | in realisation |
| Na Luam Secondary School | 1,135,625 | in realisation |
| Kuang Kham Secondary School - water pipe & tanks | 420,000 | completed |
| Kuang Kham Secondary School - solar system | 152,547 | completed |
| Baan Muang Secondary School – Paklay | 105,000 | completed |
| Na Tak Boarding House | 207,900 | completed |
| All Laos | | |
| Installation of water systems | 938,561 | completed |
| Installation of playgrounds | 270,751 | completed |
| High School Scholarship Programme | 2,054,808 | ongoing |
| Others ¹ | 671,602 | |
| Non Allocatable Expenses ² | 277,692 | |
| Total Laos | 22,155,843 | |

¹ Projects below THB 100,000 are not listed individually

² This includes project related travel, overtime of project managers, project related communication expenses, per diem allowances, project identification & monitoring which cannot be properly allocated etc.

| Mekong Sub-Region | FY 2013 | Status |
|--------------------------------|-------------------|---------------|
| Children Medical Fund | 14,644,768 | ongoing |
| Total Mekong Sub-Region | 14,644,768 | |
| Grand Total | 66,804,241 | |

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.

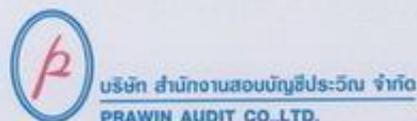
Contact Information & Legal Domicile

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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50100, Thailand

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Fax: +66 (0)53 201 812
E-mail: info@childsdream.org
Website: www.childsdream.org

Report of the Auditor



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, 2013, 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.



บริษัท สำนักงานสอบบัญชีประวิณ จำกัด
PRAWIN AUDIT CO.,LTD.

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, 2013, 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, 2014