



Child's Dream Foundation

Annual Report 2006



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Introduction

2006 was yet another exciting and successful year for Child's Dream. Thanks to an increase in donation volume, we were able not only to reach thousands of children but also to organically grow and to build up our capacity and our infrastructure without jeopardizing our lean cost structure.

We owe this success to Child's Dream's employees, volunteers and friends, who passionately invested their energy in bringing new opportunities and hope to marginalized children of the Mekong Sub-Region. Our work is obviously not without challenges, but with an exceptional team spirit we could overcome them and provide assistance to children under extreme circumstances.

Our office administration was constantly reviewing and amending processes in order to further enhance our donor communications and improve the quality of our reporting.

We ensure that Child's Dream utilizes every contribution to its optimum and therefore offers efficient means of participating in philanthropy.

On behalf of the children and from the bottom of our hearts, we thank you for your trust and your support.

Marc Jenni
President



Organisation

Child's Dream Foundation is a charity organisation dedicated to providing unconditional help for underprivileged children in the Mekong Sub-Region.

Child's Dream Foundation is approved by the Royal Thai Government. The head office of the Foundation is located in Chiang Mai.

Co-ordination and management is done by Daniel Siegfried and Marc Jenni, the two founders, based in Chiang Mai, Thailand. A powerful team of 10 staff, volunteers and our board supports the founders in the day to day business.

Child's Dream Foundation operates with high cost-effectiveness and integrity.

Board

President

Vice-President

Secretary

Board Member

Board Member

Board Member

Board Member

Marc JENNI

Pimpimon THONGTHIAN

Charuwan PHAISANTHAM

Daniel SIEGFRIED

Chayaporn CHUENROUNGROT

Suneemat NOREE

Wathit HATHAIPATSON

Situation Analysis

The Mekong Sub-Region combines the country-specific problems of Burma, Laos, Thailand, Cambodia and Vietnam, thus causing a humanitarian 'super-crisis'.

It is a poisonous underground market place, where some of the least developed countries (Burma, Laos and Cambodia) meet some of the most booming economies in the world (China, Thailand and Vietnam) and their Western business partners. This leads to a continuously increasing wealth gap, hindering the opportunity for development of the poorer countries.

Additionally, the sickening trade in drugs, humans and anything that money can buy is driven by the omnipresent corruption, and the suppression and forced relocation of ethnic minority groups.

With their parents either dead, in prison for drug trafficking or in prostitution, these children do not know where to go and are extremely vulnerable to exploitation. Most of them are children from ethnic minorities with no belongings, no nationality and no rights.

Common Forms of Exploitation

- ▶ Drug lords push children into addiction in order to use them for smuggling their goods over the border
- ▶ Highly organised child prostitution & begging gangs promise children a better life
- ▶ Burmese junta is still abducting children to serve in the army
- ▶ Ruthless businessmen exploit children for cheap labour

Objectives

Through our research we realized that charitable funds are spread unevenly among various projects, resulting in an inefficient use of funds. Child's Dream aims to help by supporting grass-roots projects in desperate need of help. In order to ensure optimal use of funds, we provide infrastructure as well as personal items to meet health and educational needs (clothes, stationery, etc.) directly to the projects concerned rather than giving money to cover running costs.

By providing support to projects caring unconditionally for children in need, Child's Dream aims to prevent child exploitation and migration through

- ▶ improving living and health conditions as well as education standards;

- ▶ raising awareness of child trafficking among families and communities;
- ▶ helping children to take pride in themselves and to restore their dignity;
- ▶ cultivating a better attitude towards life and society and
- ▶ encouraging the children to love and respect their own customs and culture.

Concept & Guiding Principles

Providing support to projects caring for orphans and children living in poverty

Our primary objective is to support grass-roots projects that provide relief and aid to orphans or children living in poverty.

Unconditional support

It is a main target to provide support to projects that care 'unconditionally' for children in need. Unconditional means that these projects do not link any conditions to their support (e.g. conversion to a religion) and that the children's nationality, gender, religion, ethnic affiliation, etc. is not an exclusion criteria.

Minimal administration expenses

We are proud to maintain an administration expense ratio below 10%, which is well below the industry average.

Fund allocation with integrity

We are determined to allocate charitable funds where aid and relief seem most appropriate. A thorough 'due diligence' report on the project is done before support is given.

Financial transparency

Child's Dream strives for financial transparency. Accounting in accordance with Swiss GAAP FER 21 (for charitable, social non-profit organisations) is maintained, disclosed and audited according to Thai audit standards.

Maintain independence and diversity

We are determined to stay politically and religiously neutral to avoid conflicts of interest. In order to ensure an unbiased allocation of funds, we aim to stay independent from the projects concerned.

Important Events

Jan 2006 - We move into our new office, which is bigger and more centrally located

April 2006 - Watt joins us as an assistant project manager and Saitong takes over as a housekeeper

May 2006 - UBS Singapore accepts us once again as a partner in its match giving scheme

June 2006 - Khanittha joins us as an office manager

June 2006 - We obtain a 'license for operation' in Vietnam

June 2006 - We open our Leadership and Management Training College to provide higher education in the refugee camps

July 2006 - We decide that Child's Dream Association takes care of projects in Burma, Cambodia and Vietnam whereas Child's Dream Foundation Thailand covers Thailand and Laos

Sept 2006 - We start building our first four schools in Laos

Dec 2006 - We set up the 'Children Medical Fund' to financially support children with special medical needs

Financial Statements

Balance Sheet

	THB 31.12.06	THB 31.12.05
Assets		
Liquid assets	2,402,793	846,467
Inventories (Donations in kind)	139,932	0
Intangible assets	464,003	0
Total assets	3,006,728	846,467
Liabilities, funds and capital		
Liabilities	0	0
Restricted funds	0	0
Paid-in capital	300,000	300,000
Internally generated unrestricted operating funds	2,160,261	546,467
Unrestricted capital	546,467	0
Surplus for the year (after allocation)	0	0
Total liabilities, funds and capital	3,006,728	846,467

Statement of Operations

		THB 1.1.06 - 31.12.06	THB 21.11.05 - 31.12.05
Income			
Donations private individuals	197,226		
Restricted	<u>799,181</u>	996,407	149,647
Donations corporates	573,280		
Restricted	<u>0</u>	573,280	
Donations in kind		208,458	
Interest		17,722	244
Donation transfer from Child's Dream Association		8,395,174	700,000
Total income		10,191,041	849,891
Expenditures			
Project expenditures		6,502,816	0
Administration & fundraising expenditures			
Personnel costs	382,675		
Rent & utilities costs	152,311		
Vehicle & transportation costs	69,366		
Administration & IT costs	243,546		
Travelling costs	61,442		
Other costs	155,720		
Financial costs	850		
Depreciation	462,054	1,527,964	3,424
Total expenses		8,030,780	3,424
Surplus for the year (prior allocation)		2,160,261	846,467
Total		10,191,041	849,891

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 cash basis.
- 3) The administration expenditures are not allocated to projects. An allocation would be calculated proportionally to the project costs.
- 4) No statement of change in capital was compiled.
- 5) A funds flow statement has not been compiled (according to Swiss GAAP FER 21, Rz. 26).
- 6) The board members do not receive remuneration.
- 7) Liabilities concerning projects are disclosed in the performance report.
- 8) No provisions have been made.

Performance Report for 2006

Project expenditures	Infrastructure / Support	in THB	Page
LMTC Arts & Science ¹ Mae La Camp, Tak, Thailand	College campus	2,030,109	12
ChildsArt Group Mae Sai, Chiang Rai, Thailand	Shelter & Vocational Training	1,005,868	13
Primary School Khon Kaen, Laos	Primary School	818,504	14
Refugee Camps ¹ Mae Hong Son, Thailand	Children's clothes	730,879	15
Refugee Camps Mae Hong Son, Thailand	Upgrade nursery schools	671,975	16
EMFS Nursery School Mae Hong Son, Thailand	Running costs	372,554	17
Nursery School Patumporn, Laos	Nursery school	221,541	18
Secondary School Sa Ming, Laos	Secondary school	217,353	19
Various smaller projects		398,955	
Project evaluation expenditures		35,078	
Total project expenses		6,502,816	

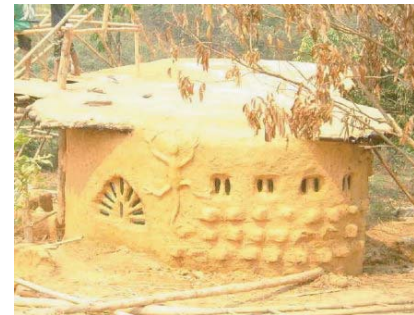
¹ These projects were transferred from Child's Dream Association (Switzerland).

- Target group** 60 Burmese refugee students with high academic potential
- Support** Coverage of all running costs as well as the construction of a college campus with two dormitories, class rooms, library, computer room, kitchen & canteen as well as toilets
- Objectives**
 - > To provide higher education for refugees
 - > To prepare some students to continue their studies at university level
- Partner** Karen Education Department, Thailand
- Status** Ongoing
- Costs** THB 2,030,109
- Comment** The implementation of this project was quite slow but the results of the first academic year are all the more encouraging. The students are highly motivated and most of them have passed their first year exams. In May 2007 we will accept another 60 students. We are convinced that the above objectives will be achieved.

Photos



- Target group** 25 Akha children with difficult family backgrounds
- Support** Coverage of running costs as well as construction of 1 big shelter for the girls, 4 smaller Akha-style huts for the boys, 1 workshop, 1 class room, 1 kitchen
- Objectives**
 - > To offer these underprivileged teenagers a safe living environment
 - > To provide life skill as well as vocational training with a focus on handicrafts
- Partner** Hussman Foundation, USA
- Status** Ongoing
- Costs** THB 1,005,868
- Comment** Since this is a start-up project, Child's Dream agreed to cover the running costs as well as provide all necessary infrastructures to kick start the project to ensure a successful implementation. Towards the end of 2006, we however encountered some problems with the management, which we will try to overcome during the 1. Quarter of 2007.



Primary School

Primary School

Khon Kaen, Laos

- Target group** Approximately 200 children in the Khon Kaen area
- Support** Construction of a primary school including 6 class rooms and a nursery school
- Objectives** To provide all the children a save and clean environment to study
- Partner** Community
- Status** In realisation
- Costs** THB 818,504 (as of 31/12/2006)
- Comment** The construction, undertaken by a local foreman, is slightly delayed, but progresses well. The official school opening is planned to take place in April 2007. We are confident to achieve the stated objectives.

Photos



Refugee Camps

Children's Clothes

Mae Hong Son, Thailand

- Target group** Approximately 3,400 refugee children from the age of 2.5 to 5 years living in one of the 3 refugee camps in the Mae Hong Son province and attending nursery school
- Support** Purchase of 1 set of warm clothes (sweater & trousers), 1 nursery school uniform (shorts/skirt & shirt) and 1 rain coat for each of the 3,400 pupils
- Objectives**
- > To protect the children against cold and rain
 - > To improve health and hygiene
 - > To offer an additional incentive to attend school
- Partner** WEAVE, Chiang Mai, Thailand
- Status** Ongoing until 2008/09
- Costs** THB 730,879
- Comment** The warm clothes were bought from a wholesale factory in Chiang Mai and transported to Mae Hong Son and Mae Sariang, where the delivery to the 3 camps was organised. The distribution was carried out by the 23 nursery schools within the camps.

Photos



Refugee Camps

Upgrade nursery schools

Mae Hong Son, Thailand

Target group Approximately 3,400 refugee children from the age of 2.5 to 5 years living in one of the 3 refugee camps in the Mae Hong Son province and attending nursery school

Infrastructure Upgrading 25 existing and building two new nursery schools using wood, bamboo and leaves

Objectives

- > To improve the learning environment, health and hygiene
- > To increase the safety standards of the nursery schools

Partner WEAVE, Chiang Mai, Thailand

Status Ongoing until 2008/2009

Costs THB 671,975

Comment Since long-lasting materials such as cement and iron are not allowed, we had to use wood, bamboo and leaves, which need to be replaced every two years. To ensure that the objectives will be met in the long run we will support this project for another two years.

Photos



EMFS Andy Hinkle Nursery

Nursery School

Mae Hong Son, Thailand

Target group Approximately 40 migrant children from various ethnicities between 3 and 5 years of age

Support Since this is a start-up project, Child's Dream agreed to cover its running costs

Objectives

- > To allow migrant children to attend day-care activities
- > To improve the children's health, hygiene and nutrition

Partner Ethnic Migrant Families Society, Mae Hong Son, Thailand

Status Coverage of running costs

Costs THB 372,554

Comment Since this is a start-up project, Child's Dream agreed to cover the running costs to ensure a successful implementation. All objectives were achieved.

Photos



Nursery School
Pathumporn, Laos

Nursery School

- Target group** Approximately 150 children in the Pathumporn district
- Support** Renovation of the existing school buildings, the construction of a kitchen and toilets as well as the installation of a water system
- Objectives** To provide all the children with a safe and clean environment to study
- Partner** Community
- Status** In realisation
- Costs** THB 221,541 (as of 31/12/2006)
- Comment** The toilets are almost finished, whereas about half of the kitchen has been built. The renovation work on the existing building has started with the replacement of the roof.

Photos



Secondary School
Sa Ming, Laos

Secondary School

- Target group** Approximately 450 children in the Sa Ming area
- Support** Construction of a secondary school
- Objectives** To offer the students an opportunity to complete their education close to their homes
- Partner** Community
- Status** In realisation
- Costs** THB 217,353 (as of 31/12/2006)
- Comment** The construction, undertaken by a local foreman, is almost completed. The official school opening is planned to take place in April 2007. We are confident to achieve the stated objectives.

Photos



Consolidated Financial Statements

Child's Dream Association/Child's Dream Foundation

Consolidated Balance Sheet

	CHF 31.12.06	CHF 31.12.05
Assets		
Liquid assets	704,888	352,768
Inventories (Donations in kind)	4,604	11,928
Intangible assets	15,266	18,852
Total assets	724,758	383,548
Liabilities, funds and capital		
Liabilities	0	0
Restricted funds	34,000	0
Paid-in capital	9,869	9,551
Internally generated unrestricted operating funds	306,313	244,209
Unrestricted capital	374,576	129,788
Surplus for the year (after allocation)	0	0
Total liabilities, funds and capital	724,758	383,548

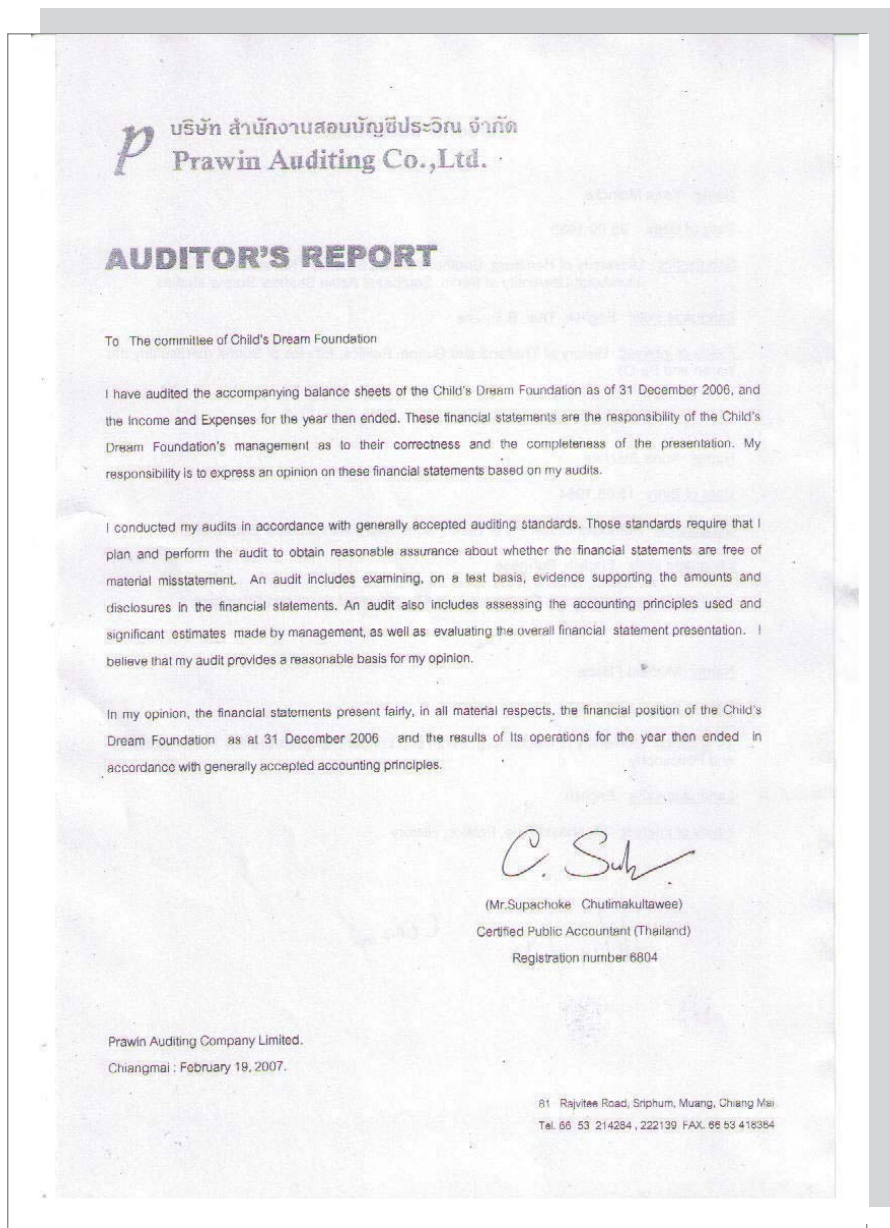
Notes

- 1) Child's Dream Association (Switzerland) and Child's Dream Foundation (Thailand) are one entity from an operating point of view and headed by the same management team
- 2) THB/CHF exchange rate: 31.12.2005 - 31.4099, 31.12.2006 - 30.3976
- 3) The consolidated administration & fundraising expenditures count for 6.6% of the total donation income

Consolidated Statement of Operations

		CHF 1.1.06 - 31.12.06	CHF 1.1.05 - 31.12.05
Income			
Donations private individuals	399,311		
Restricted	239,793	639,104	415,472
Donations corporates	133,012		
Restricted	93,098	226,110	131,240
Donations in kind		11,358	30,304
Interest		1,191	351
Total income		877,763	577,367
Expenditures			
Project expenditures		481,509	303,858
Administration & fundraising expenditures			
Personnel costs	12,603		
Rent & utilities costs	5,449		
Vehicle & transportation costs	2,282		
Administration & IT costs	10,957		
Travelling costs	3,598		
Other costs	5,123		
Financial costs	112		
Depreciation	15,817	55,941	19,749
Transfer to restricted funds		34,000	0
Total expenses		571,450	323,607
Surplus for the year (prior allocation)		306,313	253,760
Total		877,763	577,367

Report of the Auditors



Donor Information

If you want to make a difference, even if it seems to be just like a drop of water into the ocean, we will make sure that your donation does indeed make a difference. All donated funds are used for a purely charitable cause. Donations can be made by

Bank transfer

Bank transfers can be made into the following accounts:

Bank: **Bangkok Bank**

Address: Tha Phae Branch, Chiang Mai 50100, Thailand

Account: Child's Dream Foundation

Acc. no. 251-4-67048-4 (THB)

SWIFT: BKKBTHBK

Bank: **UBS AG, Zurich**

Account: Child's Dream Association

Acc. no. 0274-821130.01J CHF

0274-821130.60A EUR

0274-821130.61V USD

SWIFT: UBSWCHZH80A

All major credit cards

Credit card donations can be made through our SSL-secured and cryptic website: www.childsdream.org

PayPal

Donations by PayPal can be made through the following account:

Account: Child's Dream

E-mail: info@childsdream.org

Cheques

Please make cheques payable to 'Child's Dream' and send them to our Chiang Mai address (see contact information).

Contact Us

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