



Child's Dream Association

Audited Financial Report 2014

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Introduction

Like every year in the past, we started 2014 with the resolution that we would make it a less busy year with less travel and fewer new initiatives. And guess what? We were wrong once again. 2014 was a demanding, but exciting and highly productive year for Child's Dream. It is no wonder that it passed in the blink of an eye. Although it just seemed like a blink, we were able to achieve a lot to further strengthen our presence in the region and to expand our support to even more children and youth in Myanmar, Laos, Cambodia and Thailand.

With the global economy unable to find momentum and with low sentiment in Switzerland and Japan, our two most important donor markets, it is not surprising that, from a financial point of view, 2014 was a tough year. Our donation volume decreased by 4%, despite a stronger US Dollar against the Swiss Franc. Subsequently, our reserves were reduced by approximately CHF 300,000. Some of our new higher education initiatives in Myanmar were either un- or underfunded and, therefore, had to be financed through our general donation pool. This surprised us since Myanmar is on everybody's mind and our innovative initiatives address some of the core social issues in the country, such as lack of teacher capacity, curriculum development capabilities, critical and creative thinking, community development skills and religious tolerance.

Given our solid financial track record and our 'unaggressive' marketing approach, Child's Dream is often perceived as not needing funds, which is not true. Actually, it is a very difficult and delicate task to balance the finances of our organisation, especially since we do not have endowments and rely on donations from individuals. Despite the lower donation volume, we were able to keep our overhead administration costs below 7%, specifically at 6.8%.

On the operational side, we opened a small field office in Yangon with three employees. This office helps us to expand our work in Myanmar and to improve our support to various local partner organisations and their beneficiaries. At the same time, we also significantly upgraded our IT system. After many years in operation, we replaced our 'banana' accounting system with a new, enhanced and customised accounting database to further improve our back office efficiency.

We have also been very busy in the field. Besides building 16 schools and four boarding houses, our basic education team launched five new computer labs in Laos and extended the high school scholarship programme to various vocational schools in Laos and Thailand. Our higher education team expanded its work in Myanmar and along the Thai-Myanmar border to give local youth access to higher education such as university and post-high school colleges as well as to improve opportunities for employment through our vocational programmes. Close to 10,000 youth benefited from these programmes. Our health team accepted more than 100 new patients into our Children's Medical Fund, which provides life-saving operations for children with congenital diseases, nearly doubling the financial spending to over US\$ 800,000. We also successfully handed over the funding of the Malaria Control Programme to larger institutional donors.

All of this would not have been possible without the generous support of our donors from all over the world.

On behalf of our beneficiaries, we would like to thank you from the bottom of our hearts for your trust and friendship. Together we truly can make children's dreams come true!

Thank you very much!

Our Passion is Others' Future!

A handwritten signature in blue ink, appearing to read 'DMS', with a large, sweeping flourish at the end.

Daniel Marco Siegfried
Founder & President

A handwritten signature in blue ink, appearing to read 'MTJ', with a large, sweeping flourish at the end.

Marc Thomas Jenni
Founder & Vice-President

Reference to our Consolidated Financials 2014

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

This audited Financial Report 2014 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 13.

Our Mandate

Child's Dream Association is a charitable association with the purpose of supporting under-privileged communities in the Mekong-Sub-Region, which comprises Myanmar, Laos, Cambodia and Thailand. The association is at liberty to extend its geographical reach, especially in Asia. The association concentrates, first and foremost, on the support of children and youth. Adults can also be considered, especially – but not exclusively – when support would lead to an improvement in their health or educational situation and would increase the socio-economic opportunities of entire communities. The main purpose of the association's activities is the improvement of health and education. Furthermore, the association is entitled to contribute to emergency aid in the event of a disaster. The association reaches its goal in close cooperation with the communities affected.

The association can work with or cooperate with either national or international organisations which follow the same or similar objectives. The objectives have no commercial purpose, nor do they serve any personal interests of the members. The activities of the association serve the interests of the general public only and are not-for-profit.

Our Board

President & Founder

Daniel Marco SIEGFRIED (3 years – until board meeting Spring 2018)

Vice-President & Founder

Marc Thomas JENNI (3 years – until board meeting Spring 2018)

Secretary

Andrea Claudia KLEINERT (3 years – until board meeting Spring 2018)

Board Member

Jeanne BARRAS ZWAHLEN (3 years – until board meeting Spring 2018)

Board Member

Dominique BECHT (3 years – until board meeting Spring 2018)

Board Member

Pamela PHUA (3 years – until board meeting Spring 2018)

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 2014

Balance Sheet (in CHF)

	31.12.2014	31.12.2013
Assets		
Liquid assets	5,843,253	6,119,197
Inventories	1,123	1,120
Fixed assets	-	-
Total Assets	5,844,376	6,120,317
Liabilities, Funds and Capital		
Liabilities	13,335	-
Restricted funds	1,302,922	1,481,410
Paid-in capital	-	-
Internally generated unrestricted operating funds	- 110,788	996,671
Unrestricted capital	4,638,907	3,642,236
Surplus for the year (after allocation)	-	-
Total Liabilities, Funds and Capital	5,844,376	6,120,317

Statement of Operations (in CHF)

		1.1.2014 – 31.12.2014	1.1.2013 – 31.12.2013
Income			
Donation private individuals	561,187		965,301
<i>Restricted</i>	<u>1,900,861</u>	2,462,048	<u>2,038,620</u>
Donations corporate	932,515		811,926
<i>Restricted</i>	<u>2,297,177</u>	3,229,692	<u>1,993,979</u>
Donations shop		5,452	23,476
Interest		1,895	2,396
Total Income		5,699,087	5,835,698
Expenditure			
Project expenditure (see pages 9 and 10)		2,840,210	2,452,349
Administration & fundraising expenditure			
<i>Personnel costs</i>	107,204		73,502
<i>Administration, legal & travel</i>	2,147		3,731
<i>Financial costs</i>	-1,024		2,467
<i>Other</i>	13,471		-
<i>Depreciation</i>	-	121,798	<u>1,839</u>
Donation transfer to Child's Dream Foundation Thailand		3,026,355	2,220,687
Total Expenditure		5,988,363	4,754,575
Allocation to/from restricted funds		- 178,488	84,452
Surplus for the year (prior to allocation)		- 110,788	996,671
Total		5,699,087	5,835,698

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	-	-110,788	110,788	-	-
Internally generated unrestricted capital	4,638,907	-	-110,788	-	4,528,119
Capital of the organisation	4,638,907	-110,788	-	-	4,528,119
Restricted funds	1,481,410	4,198,038	-	-4,376,526	1,302,922

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 6.8%.
- 4) Administration expenditures are not allocated to projects. An allocation would be calculated proportionally to project costs.
- 5) An amount of CHF 66,497 was spent on personnel cost (including 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) A provision in the amount of CHF 13,335 was made for the new website of the organisation which was under construction as of 31 December 2014.
- 8) A significant amount of 'restricted funds' was spent on projects/programmes implemented by Child's Dream Foundation (Thailand).
- 9) Total full-time equivalent employees in the year 2014 was in average below 10.
- 10) The cost for this audit was covered by the audit company and not charged to the association.

Performance Report 2014

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

Mandate of the organisation	see page 5
Board of the association and term	see page 5
Management team of the organisation	see page 6
Interdependence to associated organisations	see page 5 and 11

Breakdown of Project Expenses 2014 (in CHF)

	FY 2014
Myanmar	
KSEAG Stationery Programme – Kayin State	333,760
MSTB Myanmar Storytellers – Yangon	3,901
Shan State Primary School support – Shan State - renovations 2014	20,051
Loi Kaw Wan School - Shan State – running cost	8,179
Loi Tai Lang School - Shan State – running cost	24,628
U Yin Lay Kyaung Monastic Primary & Secondary School – Mandalay Division	24,105
Zin Nya Kan Bawza Monastic Primary & Secondary School – Mandalay Division	38,372
Aung Myay Primary Monastic School – Sagaing Division	39,490
Na Lao Primary School – Shan State	2,778
Ta Kaung Shew Pyi Primary & Secondary Monastic School – Mandalay Division	19,973
NEED Model Farm – Thailand & Myanmar	109,134
Minmahaw Higher Education Programme – Mae Sot, Thailand	65,220
Mehn Kan Kyi Community Learning Centres – Mon & Kayin State	14,558
Mote Oo – Yangon	164,799
Knowledge Zone – Bago Division	27,671
MCAP Myanmar Community Academies Progr. – Loikaw, Myitkyina, Hpa An	169,144
TKMI Interfaith Training Programme – Yangon	107,304
EDLC Ethnic Development Learning Centre – Mae Sai, Thailand	14,101
KRCEE Karen Refugee Committee - Education Entity – Kayin State	18,878
KnCC Karenni Community Learning Centre – Kayah State	17,952
RDFSS Rural Development for Shan State – Shan State	11,429
PDO-VTC Phaung Daw Oo Vocational Training Centre – Mandalay Division	3,911
Malaria Control Programme – Kayin State	41,206
Basic Health Intervention for Children – Kayin State	351,245
Health Awareness Training for Lahu Community – Shan State	9,392

Cambodia

Ta Pon Primary School – Battambang Province	51,892
Kdol Rice Bank – Oddar Meanchey Province	2,365
Prey Chas Secondary School – Battambang Province	37,482
Trapeang Prasat Boarding House – Oddar Meanchey Province	41,904
Preah Pralay Secondary School – Oddar Meanchey Province	40,852
Kanthou Primary School – Siem Reap Province	17,445
Thnori Keng Primary School – Oddar Meanchey Province	39,074
Trapeang Prasat Primary School (renovation) – Oddar Meanchey Province	15,241
Banteay Thmey Primary School – Oddar Meanchey Province	44,125
Ou Kambot Primary School – Battambang Province	45,096
O Takok Secondary School – Siem Reap Province	43,155
Stationery	8,072
Solar Charging Stations	32,784
Playgrounds	12,112
Water Systems	6,050
High School Scholarship Programme	73,800
School Health	39,286

Mekong Sub-Region

University Scholarship Programme – Myanmar	511,403
University Scholarship Programme – Laos	117,838
University Scholarship Programme – Myanmar International	5,786
University Scholarship Programme – Myanmar Alumni	10,680

Others

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

2,587

TOTAL

2,840,210

Responsibility for Project Work (by legal entity)

Child's Dream Association Switzerland is responsible for the realisation of projects in Myanmar and Cambodia, whereas Child's Dream Foundation Thailand invests in Thailand and Laos.

Further information can be obtained by downloading the following reports from our website:

- Financial Report 2014 of Child's Dream Foundation Thailand
- Consolidated Financials 2014 for both 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 transfers, credit cards, PayPal, cheques and Bitcoins.

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 our own 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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Webpage www.childsdream.org

Facebook www.facebook.com/childsdreamfoundation

LinkedIn www.linkedin.com/company/child's-dream-foundation?trk=tabs_biz_home

Twitter twitter.com/Child_s_Dream

YouTube www.youtube.com/user/childsdreamtube

Legal Domicile

Child's Dream Association
c/o Dr. Ralph Wyss
Löwenstrasse 42
8001 Zurich
Switzerland

Please do not contact us at our legal domicile, but only at our address in Thailand.

Report of the Auditor



To the General Meeting of
Child's Dream Association
c/o Richard C. Ritter Rechtsanwälte AG
Bahnhofstrasse 26
8001 Zürich

Basle, February 23, 2015
MM/z

Report of the statutory auditors on the financial statements 2014

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, 2014.

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