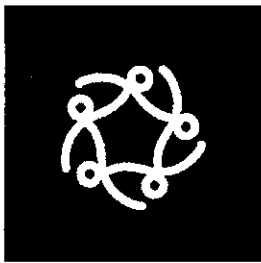




Saigon Children's Charity CIO

Annual Report for the year ended
31 December 2016



Saigon Children's Charity CIO
Annual Report
For the year ended 31 December 2016

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Saigon Children's Charity CIO Organisation Information

Board of Trustees

Alain Xavier Cany (Chairman)
Paul Graham Cleves
Diana Simone Wells
Mark Anthony Fraser
Jonathon Ralph Alexander Waugh
Nguyen Thi Thanh Truc
Paul Theodore McGee
Philip Jeffery Turner (until 9 January 2016)
Hoang Tri Mai (from 15 July 2016)
David Huw Appleton (from 15 July 2016)
Jakki Lydall (from 24 February 2017)

Executive Director

Timothy John Mullett

Senior Management Team

Head of Programmes

Nguyen Thi Duy Huong

Head of Fundraising &
Communications

Nguyen Le Yeu Thuong

Head of Finance, Admin, HR
Head of Finance & Admin

Nguyen Thi Van Anh (until 29 April 2016)
Le Le An Na (from 19 September 2016)

CDP Programme Manager

Tran To Nhu (from 5 September 2016)

School Building & Learning
Environment Programme
Manager

Nguyen Hoang Phuong

DIP Programme Manager

Tran Thi Hue (from 1 June 2016)

WWO Programme Manager

Do Thi Hien

United Kingdom Charity
Registration Number

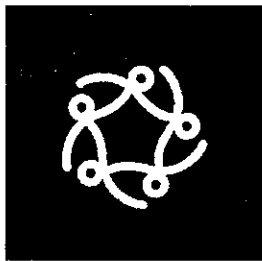
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Registered Office
(United Kingdom)

24 Gloucester Road
Teddington, Middlesex
TW11 ONU

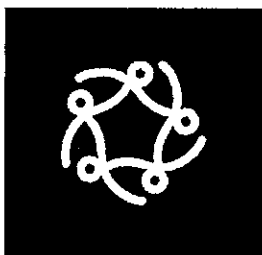
Main Operating Office
(Vietnam)

59 Tran Quoc Thao
District 3, Ho Chi Minh City, Vietnam



Saigon Children's Charity CIO
Organisation Information (continued)

Bankers	HSBC United Kingdom, HSBC Vietnam; Vietnam International Bank (VIB) (from 1 April 2017) ANZ Vietnam, Singapore, New Zealand & Australia Standard Chartered Hong Kong (from 1 May 2017)
Legal Advice (pro bono)	Frasers Law Company The Metropolitan, 235 Dong Khoi, District 1, Ho Chi Minh City, Vietnam
Auditor (pro bono)	KPMG Limited Vietnam



From the Chairman of Saigon Children's Charity CIO, Mr Alain Cany

Vietnam continues to develop strongly, now firmly established at lower-middle income status, with GDP growth averaging over 6% since the 2000s and dramatic success in reducing poverty levels. According to the World Bank, the proportion of the population living below the national poverty line (GSO-WB Poverty line) reached 13.5 percent in 2014, down from close to 60 percent in 1993. The Vietnamese population today is more educated and healthier than twenty years ago. Learning outcomes are high, including in primary school.

A consequence of this success is that many sources of Official Development Assistance (ODA) are no longer accessible to Vietnam. Although the percentages of those in poverty are now much lower, with a population of over 92m, in real terms it still leaves a very large number of families and children living in poverty. That is why Saigon Children Charity CIO still exists, to help bridge that gap, making sure as many children and youngsters as possible get the chance of an education which can change their lives.

During 2016, while maintaining our focus on our four main programme areas, we continued to develop and strengthen the organisation, our internal systems and infrastructure, welcoming further new blood to our Trustee Board and new staff to the team, seeing a record income from our annual Summer Ball, and starting to prepare for a very significant milestone in 2017, the 25th Anniversary of the founding of the charity. You will also see that we have rebranded within 2017, bringing a new energy and focus, and this report reflects that change.

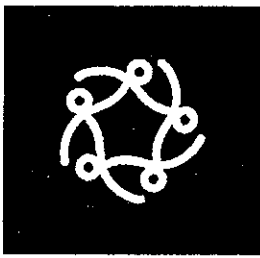
I am immensely proud to be part of Saigonchildren™, an organisation which provides real, measurable support to some of Vietnam's poorest, most disadvantaged children and families. Over the years that I have been a Trustee I have had the privilege of seeing many of the children we have supported grow and evolve into confident young people at work, and earning enough to lift themselves out of poverty. It is seeing this success that encourages me to do what I can and to encourage others to do the same.

As ever I give my sincere thanks goes to all of our supporters for everything you do for us and with us. I pledge once again to continue to ensure that SCC CIO remains an effective organisation which honours your commitment in the best way possible, by achieving change for the children and young people we support.

This Trustees Annual Report, audited by KPMG, and comprising the Chairman's report, Director's report, Final Accounts and Notes, has been approved by the Trustees of SCC CIO on 30 October 2017, and I am authorised to sign the report on their behalf.

Thank you.

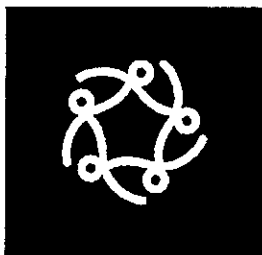
Alain Cany
Chairman of the Board of Trustees
Saigon Children's Charity CIO
Charity Number 157774



Declaration – Serious Incidents

Charity Law requires us as Saigon Children's Charity CIO Board of Trustees to submit and sign, as part of this annual return, a declaration that there were no serious incidents or other matters relating to Saigon Children's Charity CIO during the previous financial year, 2016, that we should have brought to the attention of the Charity Commission of England and Wales, but have not.

Alain Cany
Chairman of the Board of Trustees
Saigon Children's Charity CIO
Charity Number 157774



SCC CIO DIRECTOR'S REPORT: 1 JANUARY – 31 DECEMBER 2016

PUBLIC BENEFIT

The Trustees have had due regard to the Charity Commission's public benefit guidance when exercising their powers and duties. This report is designed to demonstrate SCC CIO's activities, thinking and approach in working with the children, families and communities in which we operate to ensure their well-being, and that SCC CIO continuously strives to deliver real benefit to those people we support, in a way that enables them to use this support constructively in their lives.

OBJECTIVES OF SAIGON CHILDREN'S CHARITY CIO

Saigon Children's Charity CIO is committed to assisting in the elimination of poverty in Vietnam. We do this through ensuring those children and young people in the most difficult circumstances receive an education. Education is, we believe, the most lasting, effective and sustainable way we can help children and their families to escape from the cycle of poverty. We work exclusively in Vietnam working with disadvantaged children in Ho Chi Minh City and in rural provinces in the South of the country, particularly in the Mekong Delta. We currently work in a number of provinces including Ho Chi Minh, Tay Ninh, Tra Vinh, Tien Giang, Dong Nai, Kien Giang and Hau Giang and also have expanded our work into central and northern Vietnam. SCC assists the most disadvantaged children by giving them an opportunity to realise their potential and approach adulthood with a good education, in good health and able to sustain themselves and their families.

Our vision is to eliminate poverty through education and our mission is therefore to *"enable disadvantaged children and young adults in Vietnam to reach their full potential through receiving a quality education relevant to their needs."*

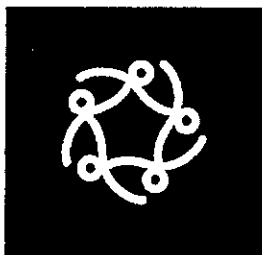
'Disadvantaged' for SCC means 'any disadvantage physical or mental, visible or invisible which affects a child's ability to access education or to learn to their full potential'.

'Children' for SCC means any child up to and including 18 years old, the exception being the provision of additional educational assistance to young people who have already been a recipient of SCC support in order for them to reach their full potential. Our activities may occasionally have a broader catchment of young people from disadvantaged backgrounds aged up to 25.

Guiding Principles

Our guiding principles have been evolved from those within the 2008-2014 strategy. These are our tactical fundamentals and guide how we do our work as well as the spirit in which it is conducted.

1. Education is key to breaking the cycle of poverty, but simply getting children to school is not enough: ensuring they have the best quality and quantity of education is important too.
2. SCC works without discrimination for the benefit of all disadvantaged children and youngsters in Vietnam, and prioritises our work towards those who most need our help.



3. SCC fully recognises and supports the rights of children, but applies a needs-based approach to assessing how and where best to apply developmental programme activity.
4. We are interested in the 'whole child', in as much as this affects their ability to enter and maintain education, to learn effectively and to develop relevant life and employment skills.
5. We always look for existing solutions through partners we trust, and create new programmes/activities only when we are sure of the need, becoming a deliverer only when there is no alternative and it is within our abilities. SCC should always 'add value'.
6. SCC operates with integrity, ensuring that our work is of the highest quality: we aim to hold our partners and others we work with to the same standard, particularly in construction.
7. All of our work should be researched properly, monitored and fully evaluated. Results and outcomes should be disseminated widely to our donors, sponsors and supporters.
8. We foster independence in those we support, ensuring that we do not create dependency, and never replacing the responsibility of parents, the authorities or the child.
9. We should always look for ways to involve the community in designing and delivering answers and leave behind learning when we can.
10. SCC always aims to maintain low but realistic overhead costs thereby maximising the effective use of donor funds for programme activity.

Vietnam Context

SCC's strategy and work for the years 2015-17 continued to be set against the evolving context in Vietnam that is best summed up by the following:

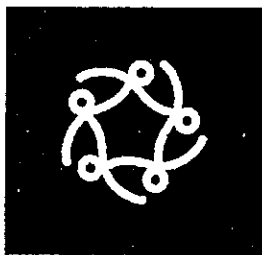
WEF – Global Competitiveness¹:

"Up two positions, Vietnam ranks 68th, with a performance almost unchanged from last year."

"Vietnam's GCI performance is again weakened once sustainability measures are considered. In terms of social sustainability, the country's main challenges are the insufficient coverage of its social safety nets in the context of large segments of its population living with vulnerable employment and low social mobility."

- We note that while primary school enrolment is now at 98%, this is not mirrored at secondary or tertiary education levels and the quality of education across all levels is assessed well below Vietnam's overall ranking of 68th.

¹ World Economic Forum – Global Competitiveness Report 2014-15



Millennium Development Goals – United Nations²

- **MDG 1: Eradicate Extreme Poverty and Hunger**

"Great progress but applying the new approach³ adopted by Vietnam of measuring child poverty shows that about one third of all children under 16 can be identified as "poor". This equates to around 7 million children or nearly 29% of all children. The Mekong Delta and the Northwest now have the highest child poverty rates of 52.8% and 64.6% respectively."

- **MDG 2: Achieve Universal Primary Education**

"Vietnam has made significant progress. In 2009, the net enrolment rate in primary school was 95.5% and primary school completion rate was 88.2%. To build on these achievements several areas need attention – particularly relating to equity and quality of education. Despite the progress the poorest households, ethnic minorities and persons with disabilities still lag behind."

Vietnam Sustainable Development Strategy 2011 – 2020⁴

"To advance the quality of education and training in order to improve intellectual standard of people and professional skills in favour of the requirements for national, regional and local development".

Vietnam Education Development Strategy 2011 – 2020⁵

Vietnam aims to "achieve universal education.....the rate of children at primary school age is 99%, at secondary school is 95% and 80% of young people graduate from High School; 70% of children with a disability have the opportunity to access education."

ACHIEVEMENTS AND PERFORMANCE

In 2016 we continued to follow the consolidation strategy for 2015-17. We aimed to maintain our programmes at similar levels, but have also looking at internal systems, processes and controls, infrastructure and staff capacity, with the intention of strengthening in order to allow for future development and growth.

Core elements of the strategy for the years 2015-17 are to:

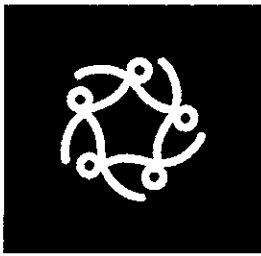
- **Maintain Current Direction:** Maintain and develop the core programmes of Child Development (CDP), School Building (SB), Development and Integration (DIP) and Working With Others (WWO), evolving them as need and opportunity dictates.
- **Greater Engagement around Core Programmes:** Work more closely with schools, particularly, but also with families and communities to support children's development and build our expertise.
- **Development of SCC:** Update infrastructure, systems and processes to continue to make the organisation more professional without losing the soul of the charity, its

² United Nations Vietnam – October 2012

³ Multi-dimensional approach adopted with UNICEF which includes education; health; nutrition; shelter; water; sanitation; child work; social inclusion and protection.

⁴ <http://chinhphu.vn/portal/page/portal/English/strategies/strategiesdetails?categoryId=30&articleId=10050825>

⁵ http://vanban.chinhphu.vn/portal/page/portal/chinhphu/hethongvanban?class_id=2&mode=detail&document_id=160806 and http://giaoducmoitruong-giz-baclieu.com/images/c/c2/The_education_development_strategy_from_2011-2020.pdf (English)



core focus on improving the lives of children, or its reputation for quality and transparency.

Our work continues to be focused on 4 main programmes:

1. Child Development Programme (CDP):

- providing scholarships to disadvantaged children from primary school to university and college, allowing them the chance to get into and stay in school.

2. School Building and Learning Environment (SB):

- building or renovating small kindergarten and primary schools in remote rural areas, often satellites of central schools.

3. Development and Integration Programme (DIP):

- providing Vocational Training and Life Skills to older children and young adults, to help them transition from education to gainful employment.

4. Working With Others (WWO):

- building capacity in special needs education by providing small grants and supporting advice to centres supporting children with a disability, especially growing their management and teacher knowledge.

We will report on our achievements in those areas in more detail below.

PROGRAMMES

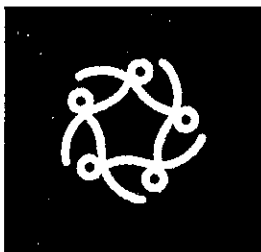
Nguyen Thi Duy Huong has continued to grow in the role as Head of Programmes during 2016. She has worked to improve documentation and processes across the board and to recruit some new faces into management positions. This has allowed a fresh review of some long-standing practices, and consequent improvements to be made.

We made the decision to recruit a more senior Programme Manager for the Child Development Programme, to reflect our focus on quality and assurance, also expanded our staffing in Development and Integration. Both CDP and DIP are more manpower intensive than the other programmes, due to the heavier load of visiting families and qualifying potential students prior to enrolment, and due to the additional counselling and advisory services provided to the children and youngsters once they are in the programme.

Child Development Programme (CDP)

The Child Development Programme provide scholarships and support to disadvantaged children. The assistance is in the form of school fees, uniforms, notebooks, and where the community chooses it, rice. The children are often at high risk of dropping out of school for a variety of reasons including family circumstance and poverty, health, pressure to bring in an income, distance to school and many others. As years have gone by the Programme Officers spend as much time advising and counselling children and their parents, in order to keep them in school, as they do in identifying the children in the first place.

At the end of School year 2015-16 we were supporting 2,268 student. We had 1,835 students in the programme at the end of December 2016 (SY16-17), this reduction partly due to changes to our funding timetable and admission practice around the programme. We expect the total number of students to rise again in SY17-18.



The scholarships we provide range from primary through to tertiary education. We do not recruit students at tertiary level but are delighted when children who we have supported at school are able to go on to further education. Of the 1,835 students in the CDP programme at the end December, 251 were in tertiary education, more than 13%, which remains very encouraging.

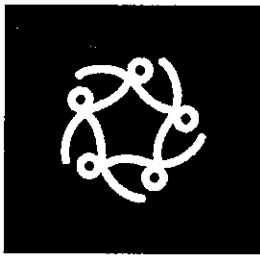
We undertook a periodic review of the CDP programme during 2015 using both internal and external advisors, and as a result of recommendations given, have made some significant changes this year to improve the rigour of programme management, with reallocation and clarification of responsibilities between the Programme and Fundraising teams for the management of relationships with donors, for the management of child data, and new control processes to improve the transparency of the financial administration of the programme.

As a part of this process we also made changes to our enrolment and scholarship renewal policy this year. In the past we have enrolled CDP students throughout the school year as funding has come in, but in order to simplify programme administration and accounting, we now enrol students only up to the end of the calendar year, and new scholarship funding which arrives after that time is deferred to support scholarships in the following school year. This change is make programme management and communication clearer, and to avoid complications if subsequent renewals of previous sponsorship arrive later than anticipated. Our intention is also to move our annual donor renewal request and funding cycle further back in the year again, separate from our reporting on student progress, with the ultimate objective that all CDP funding (whether renewal or new funding) is confirmed in place before the school year starts in late August/September. As we only get one chance to progress this each year, this change takes more than one year to achieve, but we are aiming to ensure the vast majority of funding for SY18-19 will be in place by September 2018.

In 2016 we were supporting students in Ho Chi Minh City, Tay Ninh, Tra Vinh, Tien Giang, Dong Nai, Binh Phuoc, and Hau Giang. The 300 students in Hau Giang are sponsored as part of the Project 3E partnership with ANZ Bank, which focuses on Long My District in Hai Giang province. We continued our partnership with An Duong, another NGO known well to us in this area, to oversee our scholarship delivery in this area, and this has worked well. Project 3E was initially established for 3 years, but we are optimistic we may be able to extend the support for these students and an ongoing partnership with ANZ, beyond that date.

For the first time this year, ILA, one of the most reputable English language providers in Vietnam offered 32 university and college students within the CDP programme to receive scholarships in English training and mentorship, based on their academic achievements. We thank them for the valuable support.

Our first Community Based Child Support Network (CBCSN) was established and piloted in Tra Vinh with the objectives of providing increased support to our children when SCC is not there, and long-term to create the knowledge transfer and organisational infrastructure which will allow local partners to replace SCC's work completely. The pilot raised some issues about local resource capacity to deliver the network properly and this remains on hold. As an adjunct to this we now aim to work primarily through identified partner schools to support groups of children, rather than scattered scholars. This allows



much great communication and support from the schools and much quicker communication of problems and drop-out risks. This is working well.

The CDP Getting Ready for Work programme, first implemented in 2014, continues to be effective, aiming to provide Life Skills and career advice to those who often have little exposure to career possibilities, and whose self-confidence and knowledge in many non-academic areas is lacking. There is considerable cross-over between CDP and the vocational training area in delivering this, and we will look further at how to streamline that.

For our older students the Student Board, set up in late 2014 to encourage and give existing students a structure through which to provide mutual support, continued to develop well. The Board provides practical opportunities to coordinate student related activities, and to facilitate communication with SCC staff. The students seem keen to get involved and extract the maximum benefit from it

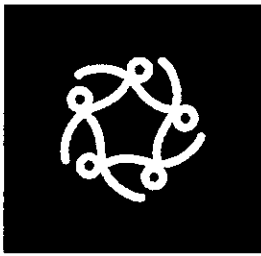
The SCC Alumni Network numbers continue to develop. The Alumni Network exists to create connections between beneficiaries, provide skills, and to be ambassadors of people who have overcome difficulties. Seeing productive and employed graduate students returning to help current SCC scholars in their free time, with HR, careers and study advice shows the great potential for this alumni group, and demonstrates the level of commitment that these children have when given the chance. A challenge is how best to help develop and manage this organisation. More recent Alumni are keen to be involved but are naturally focused on improving their immediate lives. We are exploring how to dedicate some more SCC resource to support this, and to help develop a clear strategy for the future.

CDP also includes our urgent Support Fund which provides items such as bicycles, glasses, short-term medical care and other issues which might prevent a child from attending or progressing at school. We thank Children for a Better World (now Chayra) for their ongoing funding of this valuable element of our support, and to all those who have funded bicycles this year. We were able to provide 125 bicycles to children who needed them this year.

A very positive additional string to our bow has been provided by funding from NovoNordisk, who have partnered with us to provide scholarships to children with chronic health conditions. The treatment for such children has generally fallen outside the scope of our Urgent Support Fund, and we have had to seek help elsewhere. However, with this fund, when one of our scholarship students is diagnosed with a serious health issue, we are now able to help.

At least one child with a heart problem is no longer suffering regular sudden unconsciousness thanks to the support of this meaningful project and others are seeing dramatic improvements in quality of life. We do note that the resource needed to oversee this programme element is much higher than normal per child supported, and moving forward we will have to monitor that. Nevertheless the actual benefit to the children concerned, and their ability to remain in school and get an education, is undeniable.

Part of the implementation of this programme has been to provide screening health checks for newly enrolled students in selected areas, allowing us to identify those with conditions needing support, thankfully a low number of cases so far. A side benefit has



been that children without chronic conditions have nevertheless been able to have checked and resolved other shorter-term conditions which may have been debilitating, inhibiting or worrying for the family. We will continue to monitor this programme element to see if there is scope for further rollout to all our CDP students.

School Building and Learning Environments Programme

The School Building programme build or renovates schools within the state system, in remote rural locations. These are usually small two or three classroom kindergartens and primary schools.

It has been another busy year for the team. Following 14 schools built in 2015 (of which 8 were completed in early 2016), in 2016 we started 12 new schools and 1 school toilet block. This included 6 kindergartens and 6 primary schools along with the toilet block. These 38 new classrooms will benefit over 1000 young children and their teachers each year, with greatly improved learning environments, hygiene facilities and a positive start to their education.

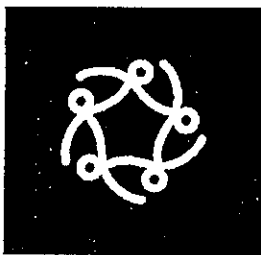
Five of twelve schools were completed by the end of the year and a further six schools and the toilet block were started in 2016 but completed in early 2017. Unfortunately one school, kindly funded by our Summer Ball guests in 2016, has experienced some unexpected construction issues due to soil conditions, and completion on this site remains outstanding.

We had tremendous support once again from a variety of donors, many of whom are long-term partners such as ANZ, Prudential and Premier Oil. We are particular grateful to AEFA in Japan who funded four schools in 2016, a private trust from Singapore which funded three schools, and BASF who contributed funding to five schools this year. We particularly note AEFA whose visiting teams bring such positive energy to the school openings. Other esteemed donors included REE, Murphy Oil, Credit Suisse, and Nippon.

Geographically as usual most schools were built in the Mekong Delta, in Hau Giang (3), Tra Vinh (4) and Kien Giang (2), plus one in Dong Nai, and two schools again in Quang Tri in central Vietnam. We did not build in the north of Vietnam this year but definitely plan to do so again in the future. As this geographic area is new for us, funding is currently a little more difficult to identify.

Our partnership with ANZ, Project 3E has continued successfully. One more school was funded in Long My District, Hau Giang Province, with two more planned for 2017. Project 3E focuses global ANZ employee interest on making a significant difference in a single geographic area, and this year the project also again included scholarships for 300 children in the same District. It is terrific to see the difference this project is making to the infrastructure and education system of a relatively small area. In 2016 with our assistance ANZ started planning a significant project to raise funds through a coordinated Great ANZ Cycle Ride, where over 700 staff and supporters in 10 countries from New Zealand to Asia and all the way across the globe to London and New York, rode on the same day in March 2017 to raise enough funds to build another two schools in 2017, a wonderful display of commitment and engagement.

The Community Management Unit continues to deliver real value and is now an integral element of the School Building programme, allowing much greater local community



involvement in the building project, as well as the transfer of skills and knowledge in the supervision of the construction and the ongoing care and maintenance of the school.

We also continued to add a further layer of Learning Environment development to our school building programme, using a third party, Green Generation, to provide environmental training both in management of the environment and also in basic recycling of waste materials for use in the local community, or to be sold. This training is well received and helps to prevent school sites becoming or being used as dumping grounds as is sadly often the case.

The school building programme also provides a ready opportunity for engagement by donor staff, volunteers and individuals who want to do something practical to help. While we never want to take work away from, or in any way replace, the local contractor, our Challenge Days really do allow those from further afield to see for themselves the real need for their valuable support, and to engage with local community members in a more direct way. I have already mentioned the enthusiasm of the AEFA teams from Japan, but special mention must also go to Credit-Suisse who once again brought a large group over from Singapore to help with the development of the school which they part-funded. The energy and commitment of this team is infectious, and it is so good to see workplace communities engaging so fully with those less fortunate in this way.

Development and Integration Programme (DIP)

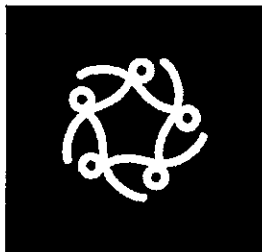
This programme which delivers Vocational and Life Skills Training, continues to be a focus for ongoing development as we follow our principle of aiming to ensure that formal education achieved is supplemented by increased self-confidence and life skills, resulting in a genuine change of life circumstances. Mainly based in and around HCMC, a core component is Thang Long English and Vocational Training School (TLS) in District 4.

As Director of SCC I am appointed to the Thang Long School Board of Management, to join Mr Tran Minh Ngon, the Head of the District 4 Board of Education and Training (BOET), and Chairman of the Board Professor Huynh The Cuoc, the Founder of Hufliit University who was instrumental in establishing the school in the 1990s. The Board, with significant input from SCC, agrees the school strategy, which SCC then fully funds. The target beneficiaries are disadvantaged children and young adults in District 4, but students from other districts are also accepted.

The Principal, Ms Pham Thanh Thuy Hang, has continued her strong start, bringing a renewed focus to the school, and some additional discipline around attendance and behaviour too, which has helped to provide some needed structure, and to minimise disruption from less committed students. Her proactive approach has also led to an increase in enrolments especially in English where we added a further level this year, and we are now approaching capacity in the evenings.

We supported 459 students with free courses at TLS in 2016 as follows:

- English: 361 students
- IT: 53 students
- Art class: 30 students
- Photography: 15 students



These vocational programmes are often more difficult to fund and we are extremely grateful to those donors who fund not only the curriculum programmes but the overhead costs of running the school itself and its staff. The English programme was again generously funded by OFMA (Our Fellow Man Alliance) from Taiwan who have taken a great interest in the programme, and we had terrific ongoing support again this year from Dragon Capital and Children for a Better World (now Charya).

The new curriculum continues to pay dividends with strong results in English certification. The IT class now also offers a Microsoft certification to help with potential future employment.

Outside the Thang Long School curriculum, DIP supported over 90 youngsters with other programmes.

- Japanese language: 13 students
- Saigon Hospitality: 59 students
- Other vocations: 48 students
- Psycho-social counselling: 104 students
- Social activities: 100 students (students of other courses)
- Life skills: 298 students (students of other courses)

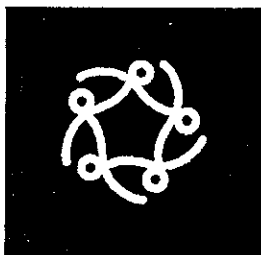
The Japanese course continued with funding from Deers Brain. While it provides greater opportunities for the participating youngsters as they look at where they might be best employed in the future, it is not seen as a direct entry into employment. With no future funding committed, it has therefore been decided that 2016 will be the last course.

The Saigon Hospitality programme has continued to flourish with the 13th course completing and 14th course running in 2016, with a total of 59 students. One again generously funded by Talisman/Repsol, this programme has an outstanding record of job placement following completion of the programme and this reflects the continued growth of this sector within Vietnam. It is a real pleasure to meet "Hospi" course graduates at hotels, restaurants, coffee shops and bars across the city, several now at management level, or with their own small businesses.

We also use third party providers to deliver other higher quality specialist vocational training which they can deliver better than we could do ourselves, such a motorbike maintenance, metal cutting and now also hairdressing and beauty classes. Beauty classes are now provided at the salon of a former graduate of the programme.

Students also benefit from psycho-social counselling, and from social activities and life skills classes which help to grow their self-confidence and readiness for the workplace.

Finally, after much preparation in 2015, this year we were able to launch the Careers Advisory and Life Skills programme for District 8 to help to address the problem of school drop-out and lack of skills and motivation amongst groups of their young disadvantaged youngsters. This programme has been a great success, with over 150 teachers undertaking the initial training, delivering subsequent career guidance to over 5000 students. The course received excellent feedback both from the teachers whose new skills now allow them to provide careers advice with confidence, but also from the young students benefitting from that advice.



Working with Others

With continued funding and support from Lufthansa Help Alliance, our Working with Others programme, supporting children with disability, was able to make five grants this year to support capacity building in Special Needs education. In addition we started our own programme this year. Applicants for grants are coached in proposal writing if needed by Ms Hien our dedicated Programme Manager, and short-listed proposals are then assessed by a board of independent experts from the NGO, healthcare and special needs education worlds. We thank them for their help and guidance in critiquing and selecting the right programmes to support. This year the proposals were strong and WVO was able to disburse \$31,017 in grants in total to the following five programmes, an increase of over 60% on last year's grant total.

- a. Festival Day for children with Autism and their families
- b. Training on How to Apply the Curriculum for Primary School Children with Intellectual Disabilities in Special Schools in Ho Chi Minh City
- c. Training on How to Identify and to Provide early intervention on Hearing Impairment for preschool children in Duc Linh district, Binh Thuan Province
- d. Training on How to Provide Early Intervention for children with autism – the programme of professional development for teachers and parents, Ninh Thuan Province
- e. Enhancing the capacity of faculty staff, teachers, and special education experts on assessing and speech-language therapy for children with disabilities, Ha Noi

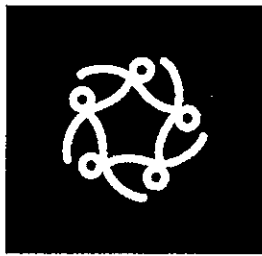
We also started preparation for a three-year programme, *Training on How to Provide Early Intervention for Children with Autism - The Advanced Training Course for Teachers, Ho Chi Minh*, run by SCC, to help develop capacity in teachers and parents of children with autism. This is very kindly majority funded by a legacy from the Bleach family in the UK. The first instruction actually began in the summer of 2017, but much valuable preparatory work on identifying trainers and developing the curriculum was carried out by Ms Hien this year.

FUNDRAISING AND COMMUNICATIONS

The Fundraising & Communication team experience some turnover in 2016, due both to maternity leave and staff moving on, but the team coped well to maintain the level of funding at close to 2015 levels.

As ever SCC has been project led, identifying projects before raising funds to support them. This approach helps to make sure that our programmes are funded in advance. We are once again grateful to donors old and new who enabled us find funds for all our projects this year, although we can always use additional funds for ongoing scholarship programmes such as the Child Development Programme and for Vocational Training

We are continuing to work on our funding timetable, with a long-term view to securing complete funding for each planned annual programme ahead of January. Getting ahead in our funding cycle in this way is an elusive target, but one we will continue to pursue year on year.



Some recent funders have given longer-term commitments of support, providing invaluable security for the programmes and reducing the load on our team for annual fundraising, and we hope to encourage more donors to do this. Fundraising from all areas thankfully remained strong during this year and we are very fortunate that we are able to identify sufficient funds to enable us to do our work.

Programmes which support older children and vocational training, employability, life skills and career counselling remain more difficult to raise funds for, and we would particularly like to acknowledge Children for a Better World (now Chayra), Talisman/Repsol and OFMA for continuing to support those areas of our work.

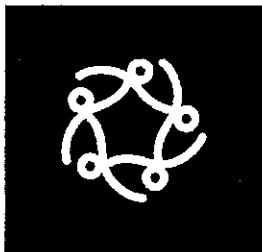
Work to rejuvenate SCC USA, our sister charity in the US, continues and we see this as a potentially strong income channel for us in the future. We have been able to identify potential new Board Directors and have been working to identify a new President to help lead the organisation forward.

Overall, funding sources remain diverse both in geography and type, including corporates, individuals and charitable foundations or trusts, from Europe, the US, SE Asia and Vietnam. Restricted funding for school building tends to be sourced more but not exclusively from corporates, and similarly scholarships from foundations and individuals. This diversity fortunately gives us some protection from global economic issues or country specific problems. Most of our unrestricted funding comes from events within Vietnam, either organised by SCC or by third parties. We are looking to identify other sources to increase our unrestricted income without staging further events, to make sure we not over-dependent on one event or source.

As ever SCC also works hard to raises its own unrestricted funds. The more we can raise ourselves, the more of each donation goes directly to programme work and the children.

Our main fundraising activities in 2016 were:

- The 16th Cyclo Challenge, a corporate team-building event, was held in March, at Celadon City for the second time. The event drew more teams and a good crowd for a Saturday afternoon and generated much needed funding, although we would still like to see a higher income in return for the expenditure of both organisational time and money. This event also however generates extensive media exposure and this helps to raise awareness of SCC, and the work we do, within the community.
- The Annual Saigon Summer Ball, one of the leading events of the year in Ho Chi Minh City, was held as usual in early June, but for the first time at the Park Hyatt Saigon. Despite a wet and windy night over 290 guests enjoyed both a successful fundraiser and also a great evening. The Ball raised over \$170,000 net of costs, a significant record for SCC, mainly due to some spirited Main Auction bids and the incredible generosity of our guests. In addition to that total we also raised enough for a specific school project, the first time we have raised such funds in that environment.
- The 7th Charity Cycle Adventure, was again a success. Although fewer riders participated this year, and the weather was really poor (both cold and wet) due to a storm off the coast, each rider raised more on average than any previous year and the total income ultimately exceeded \$27,000. Thanks again go to Tom Duncan for



leading the ride and taking on much of the organisational load. This event has now raised over \$230,000 in total for SCC in the last few years, an outstanding effort by a group of dedicated and adventurous riders.

Finally once again I would also like to acknowledge the effort and contribution made by the riders in the H2H (Hanoi to Ho Chi Minh City) ride who, although also a smaller team this year, raised over \$16,000 for us this year. This valiant group of riders each take a month off work to make the 2000km ride in support of a collection of children's charities, covering their own costs and raising considerable sums. SCC is the lead beneficiary and we have been delighted to continue supporting Chris Rolls and his team in any way we can as they prepare for future rides.

We are of course immensely grateful to all our funders, donors. Without your support we cannot provide any help to the children we work with, and we are eternally grateful for your kindness and generosity. Thank you to you all.

Communications

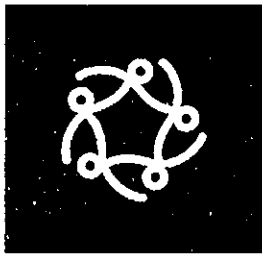
As I mentioned in last year's report we recognise that we need to improve in this area. A starting point is to update the technology to manage all of our contact and donor data, and during 2016 we undertook a detailed consultation project to look at our data flows, processes and ways of working, in order to identify suitable Customer Relationship Management (CRM) software solutions from the bewildering array available on the market. This consultation process in itself was enlightening and very helpful and we finally selected a suitable system in the autumn and started preparing data and documentation for implementation in December and system use after Tet in 2017.

Planning also started for our 25th Anniversary in 2017, which will also be accompanied by a rebranding, after we were advised that our current logo and brand could not be registered in Vietnam. In this report you will see the results of that, and as we approach our actual anniversary date in November 2017, we are delighted with the energy and freshness of our new branding as saigonchildren™.

FINANCIAL REVIEW

2016 was a year of change and challenge for the Financial team. In May, Nguyen Thi Van Anh left us after almost 10 years in post, initially as Financial Manager and then Head of Finance, Admin and HR. We thank her for her contribution over that time. We had to wait for our preferred candidate, Le Le An Na to come on board, and in fact she found out she was pregnant just after interviewing, so we have had to plan for cover with interim bookkeepers, both while waiting for her to take up post, and then during the subsequent 6 month maternity leave. On her arrival she quickly had to come to grips with the new SORP reporting standard for presentation of the 2015 Final Accounts, but her background as a senior auditor helped significantly with that, as it has again for further change in the SORP in 2016. This transition has undoubtedly presented some challenges for us, but positive ones as we have learned more across the team. As we complete this report in 2017, An Na is now back in post after maternity leave, we have stability in this area once again, and we are beginning to reap the real benefits of her recruitment.

Our finance systems are run through SunSystems which helps enormously in the job of properly tracking, recording and reporting on income and expenditure. The Finance team



also fed into the research and discussion on the new CRM system, and have continued to work on that through the implementation phase next year to ensure consistency of information and as much integration as possible between the different systems.

Our audit this year was conducted again by the superb team from KPMG Vietnam who kindly do this on a pro bono basis. A further development of reporting standards (FRSSE was withdrawn at the end of 2015) has added a Statement of Cash Flows to this Annual Report for the first time. We are now reporting in accordance with FRS102, and hope that this remains a stable Statement of Recommended Practice (SORP) for us for the foreseeable future.

This year the initial audit work was finished quickly but there has once again been much subsequent work done by the team to ensure that we are able to represent our financial performance accurately. In reviewing these final accounts, an error in the Final Accounts for 2015 was discovered relating to income for the Scholarship Programme, a part of which should have been allocated as deferred income for 2017. This has been corrected and restated in the 2016 accounts. This was a simple year-end accounting allocation error, now corrected, and in no way disadvantaged any children within the CDP programme.

You will see that there are detailed notes to the accounts where relevant, and where required by the SORP, but we are also always ready to answer questions should they arise.

Analysis of accounts

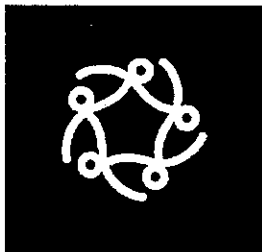
2016 has seen a slight drop in overall income from 2015 of less than 2%, with our unrestricted income also dropping slightly, partly because we deferred overseas events originally budgeted for this year.

Changes to our renewal timetable for the scholarship programme meant that we were not able to renew all donors successfully through this transition and so have fewer children supported in school year 2016-17. This was an identified risk, and we very much hope to have most of those donors back with us for the following school year 2017-18.

Unrestricted income was supported by a record-breaking income from the Saigon Summer Ball, but both the Cyclo Challenge, and CCA both raised less for us this year. We will need to work hard in 2017 to ensure that is a single year blip and not a trend.

As last year it is clear that the restricted funds we raise for our programmes need to be supplemented by the unrestricted funds we raise each year, in particular to cover support costs, and raising these unrestricted funds is an ongoing and growing challenge. It is also leading us to review the full programme costings to make sure that incoming restricted funds are enough to cover full programmes costs. This is particularly relevant for scholarships, where an adjustment to our scholarship rates for School Year 2018-19 will almost certainly be needed.

There were no significant changes to event expenses. As always we are very grateful that the riders in the Charity Cycle Adventure (CCA) cover their ride costs themselves, as well as agreeing to a minimum fundraising target.



We apportion all support costs to our key activities, which include our Programme work (charitable activities), Fundraising, and Governance. Detailed explanation can be seen in the Notes.

We are very appreciative of our Trustees who generally do not draw expenses, but support us on a wholly voluntary basis. Accordingly, Governance costs remain very low.

Risks and Reserves

The key risks identified for SCC are reputational, regulatory and financial. SCC's reputation is strong, but we are very aware that a single action, or lack of action, can change that, and work hard with our staff and partners to ensure they understand that too. The regulatory risk comes from Vietnam's volatile legal framework, where rapid and unpredictable changes can take place. Withdrawal of our license would be the highest area of risk in this area, although it is considered highly unlikely.

The greatest risk to SCC is unexpected and critical loss of funding in what are changeable and relatively unstable economic times. While for many of our projects we wait for funding before starting, we have areas of ongoing operation or commitment which the Trustees have agreed should be protected by reserves. The need for reserves has been specifically identified:

- To ensure that in all circumstances we can provide up to 6 months' support to scholarship children.
- To ensure that we can, in all circumstances, provide up to 6 months' notice to teachers and students at Thang Long School.
- To provide for above minimum levels of notice period and pay for existing staff of the charity.
- In all above scenarios to provide enough operating time (up to 6 months) for the charity to assign its responsibilities adequately elsewhere where possible.
- To provide for other emergencies and adverse unforeseen matters which have a financial implication on the charity.

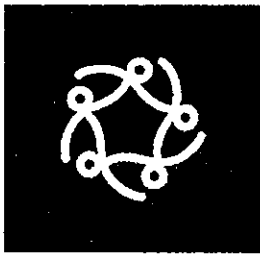
The agreed reserve is based on total value for each of these areas, factored by 60% to reflect our diverse funding sources and that it is unlikely all risk areas would come to bear at the same time.

To avoid excessive reserve holdings the Trustees have also agreed our reserves should not exceed 20% of income at current levels. The budgeted maximum reserve for 2016 therefore was set at \$315,000 and the closing balance for 2016 was \$290,680.

That level of reserve is considered appropriate although in line with our policy further reserve would probably need to be generated, before we consider increasing scholarship numbers or Thang Long School activity levels significantly.

HR, ADMINISTRATION AND INFRASTRUCTURE

In 2016 our most significant change was in the Finance, Admin and HR side, with Nguyen Thi Van Anh leaving after almost ten years, and a delay in recruitment of her successor Le Le An Na, formerly a senior auditor with KPMG. This transition was made more complicated by subsequent maternity leave, but while interim accountants covered the



financial functions we used a consultant already working with us on the fundraising side, to help cover the administration and HR functions during this time. This has ensured needed continuity through this period, and we have been able to progress some internal process work and job restructuring too.

On the administrative side work progressed to review and document internal processes and to improve our IT infrastructure. Assessing suitable CRM solutions has involved some detailed analysis of our working practices and workflows, which has led us to introduce necessary process change before we attempt to layer an IT solution on top. This internal focus has been very healthy and has also allowed newer members of the team to gain a much deeper understanding of how SCC works. We selected Pipedrive as our CRM system in the autumn, and started data preparation ready for a system Go-Live just before Tet 2017. At the time of completing this report, the system is now implemented, in daily use, proving very useful and we continue to work on full adoption and integration into our work practices.

STRUCTURE, GOVERNANCE AND MANAGEMENT

SCC CIO is managed by a Constitution and is a Charitable Incorporated Organisation. The organisation is governed by a Board of Trustees.

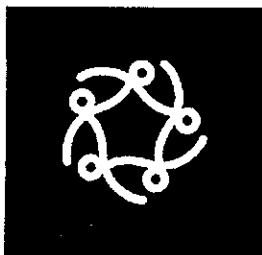
At the end of 2016 there were 9 Trustees of SCC CIO with 6 being based in Ho Chi Minh City, one in Hanoi, one in Hong Kong and one in England. Having resigned as Trustee of SCC on 27 Oct 2015, Philip Tuner subsequently resigned as a Trustee of SCC CIO on 9 January 2016.

We welcomed two new Trustees in 2016. Hoang Tri Mai is Managing Director of Rolls Royce Vietnam, based in Hanoi, reflecting our strategy of increasing geographic reach and our intention to do more work in the North of Vietnam, and David Appleton, a long term supporter and donor, is Partner at xtab studios, and brings his valuable marketing and digital experience to the Board. A second UK-based Trustee, Jakki Lydall, formerly the Director of the British Business Group Vietnam, was approved in February 2017, so at time of signing of this Annual Report and Accounts, there are now 10 Trustees.

Trustees are selected by the Board, and invited to join with proper regard to their suitability for the role as well as what skills they are able to add to the Board. They are provided with Charity Commission guidance as well as an induction and introduction to staff and programmes. More about the Trustees and about SCC CIO generally can be found on our website – www.saigonchildren.com.

The Trustees delegate management of the day-to-day activities of the organisation to the Executive Director of SCC CIO, Tim Mullett, and this is managed through an approved strategy, annual policy paper and annual budget. This allows an appropriate degree of autonomy for the Executive Director whilst ensuring that the Trustees remain informed and involved in a timely manner on key agreed areas such as:

- Significant policy, procedural or project changes
- Financial concerns
- Major personnel issues
- Fundraising and other opportunities for engagement
- Other matters of significance



The Trustees aim to meet formally as a Board every quarter, and more frequently if required, and receive regular financial and activity update reports on all aspects of the organisation. The Director meets with the Chairman every 2-4 weeks where possible. Performance and pay of the Director is evaluated by the Trustees and other staff pay is proposed by the Director through the budget. SCC Trustees take a very active interest in the organisation and are often involved in supporting aspects of the work, when required, as well as participating in fundraising events and other activities.

LOOKING AHEAD

We will continue to adapt to changes happening around us, both within Vietnam and outside, while continuing to support the disadvantaged young people for whom life unfortunately does not change as much or as fast.

We will look to complete the bulk of our internal consolidation process in 2017. The CIO transition went smoothly, IT infrastructure will have been modernised, the CRM system will be in place, documentation and processes advanced, and rebranding and new website complete. All of this necessary groundwork will then enable us to move forward again with confidence from a firm base.

Looking further ahead, 2017 will be when we produce our next longer-term strategy, based on the Sustainable Development Goals: following consolidation we might expect our next phase to focus more on growth, but there is much research and consultation to do before we can finalise that.

In the meantime we will continue to explore improving the employability link for our children between education and work, evident in vocational training such as the very successful Saigon Hospitality course and in the development of Life Skills training and careers advice for those approaching employment age.

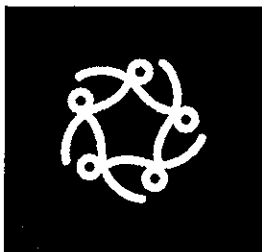
As always we will ensure that our resources are being expended in the most efficient way possible, that we have the right programmes to deliver the greatest impact, the right partners in place and the right approaches to give the children and young adults we support the best chance possible of a brighter future. We will also look to improve our ability to measure that impact and the outcomes of our labour, kindly funded by such generosity and kindness.

There are also changes ahead in the UK in the area of fundraising regulation and data management. As a UK charity we must take full account of new laws and requirements, and make sure we are prepared and fully compliant. I am sure that you will hear more from us on how we plan to manage both those areas.

Finally we have been preparing in 2016 how to mark and celebrate the 25th Anniversary of the founding of SCC, a real milestone in our mission of helping children to get an education and a better start in life. We are exploring staging events in Hong Kong, Singapore and London, as part of our celebration of our anniversary celebrations. If you are in those geographies then we very much hope to meet up with you

FINAL THOUGHTS

As mentioned, 2017 is the 25th Anniversary of Saigon Children's Charity, and while this is a report on 2016 it will be read in late 2017 and beyond. It would therefore be utterly



inappropriate if we did not pay tribute to the man who in 1992 not only had the idea and the inspiration to create Saigon Children's Charity but the energy, drive determination and focus to make it a reality.

The impact of SCC over 25 years has been very significant indeed, and it is primarily due to Paul Cleves, MBE, and his vision, that over 35,000 disadvantaged children have received scholarships, over 10,000 students have been enrolled in vocational training courses, that over 470 new classrooms have given a clean and safe early learning space for primary and kindergarten children, and that special needs education across Vietnam for children with disability is improving year on year. Paul remains a Trustee of the charity and is actively involved to this day.

However Saigon Children's Charity is just the catalyst and conduit for others to help. Paul Cleves and all those in the saigonchildren™ team who have followed his lead could have done nothing without the splendid donors who have supported us across so many years and from so many different countries, allowing us to allocate over \$12.5m to different programmes across those 25 years. That is a phenomenal achievement and we thank you all so very much for your commitment, generosity, trust and loyalty.

We also cannot work here in Vietnam without our local partners, who help us not only to identify those who need support, but also to deliver help in an efficient and cost-effective way. Every project we undertake is done so in partnership with local authorities organisations and agencies, whether at national, provincial, district or more local level. This is the cutting edge where the real work is done.

I also particularly want to acknowledge and thank our wonderful volunteers who give their time to help us in such a variety of ways: teaching English; translating, proofing; helping us to organise and promote events or helping us develop our own capacity. You are all very special and we really cannot do what we do without you. The amount of goodwill and eagerness to help and give back is really heart-warming.

My second year as Director of SCC CIO has been just as wonderful experience as the first. The work we do is truly inspirational, supported by wonderful people and making a genuine difference to the lives of so many disadvantaged children each year. Their stories and their struggles are compelling and moving. As (at date of signing this report), we approach our actual 25th Anniversary date it is truly humbling to think how many opportunities for education have been provided and seized by children and young adults, and how many lives have been improved and transformed by that priceless gift of education. With your support we will continue to help children who need it most. Thank you all again so much for your support.

Tim Mullett
Director
Saigon Children's Charity CIO
October 2017



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INDEPENDENT AUDITOR'S REPORT

**To the Trustees
Saigon Children's Charity CIO**

Auditor's Opinion

We have audited the financial statements of Saigon Children's Charity CIO ("the Organisation"), which comprise balance sheet as at 31 December 2016, and the statement of financial activities and the statement of cash flows for the year then ended, and notes to the financial statements, including significant accounting policies and other explanatory information which were authorised for issue by the Board of Trustees on 30 October 2017, as set out on pages 25 to 37.

In our opinion, the accompanying financial statements give a true and fair view of the state of Saigon Children's Charity CIO's affairs as at 31 December 2016, and its financial activities and its statement of cash flows for the year then ended, which have been properly prepared in accordance with the Statement of Recommended Practice applicable to charities, Charities SORP (FRS102), and the Charities Act 2011. Charities SORP (FRS102) is applicable to the accounts of relevant charities for reporting periods beginning on or after 1 January 2015.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Organisation in accordance with the ethical requirements that are relevant to our audit of the financial statements in jurisdiction, and we have fulfilled our ethical responsibilities in accordance with these requirements. We believe that the audit evidence that we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Trustees for the Financial Statements

Trustees are responsible for the preparation and fair presentation of the financial statements in accordance with the Statement of Recommended Practice applicable to charities, Charities SORP (FRS102), and the Charities Act 2011. Charities SORP (FRS102) is applicable to the accounts of relevant charities for reporting periods beginning on or after 1 January 2015. These responsibilities includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Trustees are responsible for overseeing the Organisation's financial reporting process.



Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. 'Reasonable assurance' is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Organisation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Trustees.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

The engagement partner on the audit resulting in this independent auditor's report is Mr. Nguyen Thanh Nghi.

KPMG limited

KPMG Limited
Vietnam
Ho Chi Minh City, 30 October 2017

Saigon Children's Charity CIO
Statement of financial activities for the year ended 31 December 2016

	Note	2016 Unrestricted funds USD	2016 Restricted funds USD	2016 Total USD	2015 Total USD Restated
Income					
<i>Donations</i>					
School building		-	714,698	714,698	594,917
Scholarships		-	297,011	297,011	370,576
Vocational training		-	110,867	110,867	144,374
Working with others		-	60,838	60,838	28,421
General donations		75,211	-	75,211	79,134
Events and trading activities	3	255,480	-	255,480	301,686
Exchange differences		(3,548)	(12,578)	(16,126)	5,100
Total Income		327,143	1,170,836	1,497,979	1,524,208

The accompanying notes are an integral part of these financial statements

Saigon Children's Charity CIO
Statement of financial activities for the year ended 31 December 2016
(continued)

	Note	2016 Unrestricted funds USD	2016 Restricted funds USD	2016 Total USD	2015 Total USD Restated
Expenditure					
<i>Charitable activities:</i>					
School building		-	663,393	663,393	682,500
Scholarships		-	367,974	367,974	407,014
Vocational training		-	193,838	193,838	175,700
Working with others		-	63,527	63,527	48,395
<i>Cost of generating funds:</i>					
Fund raising	4	84,647	87,396	172,043	173,818
Governance	5	2,611	9,257	11,868	11,937
Total Expenditure		87,258	1,385,385	1,472,643	1,499,364
Net income/(expenditure) before transfers		239,885	(214,549)	25,336	24,844
Gross transfers between funds (*)		(214,549)	214,549	-	-
Net income after transfers		25,336	-	25,336	24,844


(*) Gross transfers between funds' amount was approved annually at year-end by SCC CIO Trustees to balance the deficit of restricted funds as at 31 December.

The accounts were approved and authorised for issue by the Board of Trustees on 30 October 2017.

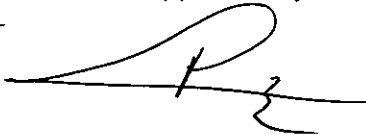
Prepared by:


Le Le An Na
Head of Finance and Administration

Reviewed by:


Timothy John Mullett
Executive Director

Approved by:

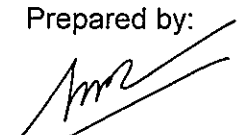

Alain Xavier Cany
Chairman on behalf of the Board of Trustees

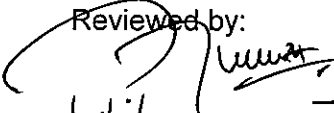
The accompanying notes are an integral part of these financial statements

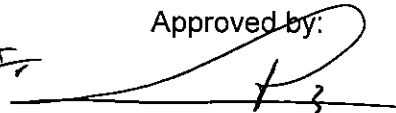
Saigon Children's Charity CIO
Balance sheet at 31 December 2016

	Note	31/12/2016 USD	31/12/2015 USD Restated
Long-term assets			
Accounts receivable	9	1,929	-
Current assets			
Accounts receivable	9	24,922	121,147
Cash	10	990,872	870,256
		<hr/>	<hr/>
		1,017,723	991,403
Long-term liabilities			
Deferred income	12	(33,643)	(30,145)
Current liabilities			
Accounts payable		-	(540)
Accrued expenses	11	(409,286)	(315,972)
Deferred income	12	(284,114)	(379,402)
		<hr/>	<hr/>
		(727,043)	(726,059)
Net assets		<hr/>	<hr/>
		290,680	265,344
Funds			
Funds brought forward at the beginning of the year		265,344	240,500
Net income for the year		25,336	24,844
		<hr/>	<hr/>
Funds carried forward at the end of the year	13	290,680	265,344

The accounts were approved and authorised for issue by the Board of Trustees on 30 October 2017.

Prepared by:

 Le Le An Na
 Head of Finance and
 Administration

Reviewed by:

 Timothy John Mullett
 Executive Director

Approved by:

 Alain Xavier Cany
 Chairman
 on behalf of
 the Board of Trustees

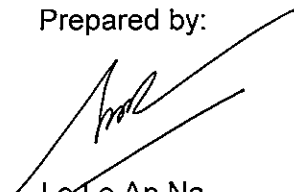
The accompanying notes are an integral part of these financial statements

Saigon Children's Charity CIO
Statement of cash flows for the year ended 31 December 2016
(direct method)

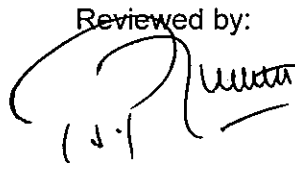
	Note	2016 USD	2015 USD
CASH FLOWS FROM OPERATING ACTIVITIES			
Income			
School building		646,309	411,601
Scholarships		317,526	377,846
Vocational training		129,769	101,518
Working with others		64,325	28,421
Other activities		354,407	589,231
Exchange differences		4,275	1,019
		<hr/> 1,516,611	<hr/> 1,509,636
Expenditure			
School building		529,341	623,361
Scholarships		291,738	311,252
Vocational training		143,183	98,789
Working with others		34,702	13,893
Other activities		105,346	124,067
Operating expenses		273,044	285,948
Exchange differences		2,515	-
		<hr/> 1,379,869	<hr/> 1,457,310
Net cash flows from operating activities		136,742	52,326
Cash at beginning of the year		870,256	812,830
Effect of exchange rate fluctuations on cash		(16,126)	5,100
Cash at end of the year	10	<hr/> 990,872	<hr/> 870,256

The accounts were approved and authorised for issue by the Board of Trustees on 30 October 2017.

Prepared by:


 Le Le An Na
 Head of Finance and
 Administration

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 Timothy John Mullett
 Executive Director

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 Alain Xavier Cany
 Chairman
 on behalf of
 the Board of Trustees

The accompanying notes are an integral part of these financial statements

Saigon Children's Charity CIO
Notes to the financial statements for the year ended 31 December 2016

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1. Reporting organisation

The Saigon Children's Charity CIO ("SCC CIO") was entered on the Register of Charities of the Charity Commission of England and Wales on 8 July 2014, with registered charity number 1157774. The SCC CIO's operation in Vietnam was authorised by the Organisation's Establishment Decision of Vietnam No. 21/CNV-VPDA issued by the Ministry of Foreign Affairs of Vietnam dated 31 December 2014 and is valid for 4 years.

2. Summary of significant accounting policies

The following significant accounting policies have been adopted by the Organisation in the preparation of these financial statements.

(a) Basis of financial statements preparation

The accounting policies are in accordance with the Statement of Recommended Practice applicable to charities, Charities SORP (FRS102), and the Charities Act 2011. Charities SORP (FRS102) is applicable to the accounts of relevant charities for reporting periods beginning on or after 1 January 2015.

The financial statements, except for the statement of cash flows, are prepared on the accrual basis using the historical cost concept. The statement of cash flows is prepared using the direct method.

The Organisation's accounting currency is United States Dollars ("USD"), which is also the currency used for financial statement presentation purpose.

(b) Foreign currency transactions

Monetary assets and liabilities denominated in currencies other than USD are translated into USD at rates of exchange ruling at the balance sheet date. Transactions in currencies other than USD during the year have been translated into USD at rates of exchange ruling at the transaction dates.

All foreign exchange differences are recorded in the statement of financial activities.

(c) Cash

Cash comprises cash balances and call deposits.

(d) Accounts receivable

Accounts receivable are stated at cost less allowance for doubtful debts.

Saigon Children's Charity CIO**Notes to the financial statements for the year ended 31 December 2016
(continued)****(e) Trade payables**

Trade payables are stated at their cost.

(f) Income

Unrestricted funds are available for use at the discretion of the Organisation's Trustees in furtherance of the charitable objectives of the Organisation. Restricted funds are subject to specific restrictions imposed by donors or by the purpose of the appeal.

Income is recognised when earned by the Organisation and there are no significant uncertainties regarding the consideration due.

Unrestricted fund income is earned when donors are committed to the donation if there are no significant uncertainties regarding the consideration due, or when the donation is received.

Restricted fund income is earned (i) when donors are committed to the donation if there are no significant uncertainties regarding the consideration due, or when the donation is received; and (ii) when activities for which the fund is donated are started or time prorated in case of scholarship.

3. Events and trading activities

	2016 Unrestricted funds USD	2016 Restricted funds USD	2016 Total USD	2015 Total USD
Summer Ball events	174,240	-	174,240	145,295
Charity Cycle Adventure	27,085	-	27,085	47,073
Cyclo challenge	24,588	-	24,588	29,020
H2H bike ride	16,712	-	16,712	35,685
Cards, calendars and T-shirts	10,256	-	10,256	15,928
Photo books	1,130	-	1,130	532
Others	1,469	-	1,469	28,153
	255,480	-	255,480	301,686

Saigon Children's Charity CIO

Notes to the financial statements for the year ended 31 December 2016 (continued)

4. Fund raising

	2016 Unrestricted funds USD	2016 Restricted funds USD	2016 Total USD	2015 Total USD
Staff costs	22,185	78,658	100,843	89,966
Support costs	2,464	8,738	11,202	15,102
Summer Ball events	39,405	-	39,405	41,983
Charity Cycle Adventure	-	-	-	960
Cyclo challenge	14,281	-	14,281	13,713
H2H bike ride	4,951	-	4,951	4,274
Cards, calendars and T-shirts	1,361	-	1,361	5,513
Photo books	-	-	-	1,877
Others	-	-	-	430
	84,647	87,396	172,043	173,818

5. Governance

	2016 Unrestricted funds USD	2016 Restricted funds USD	2016 Total USD	2015 Total USD
Staff costs	2,092	7,418	9,510	8,164
Rent and utilities	228	808	1,036	1,969
Office expenses	165	586	751	1,457
Travelling expenses	6	20	25	56
Bank charges	13	48	61	81
Others	107	377	485	210
	2,611	9,257	11,868	11,937

Trustee remuneration and expenses

SCC CIO Trustees are not remunerated and do not usually claim expenses for attending meetings or for fulfilling their duties as Trustees. Expenses are paid once per year for our UK Trustee to visit our projects in Vietnam and attend our annual strategy and budget meeting.

Saigon Children's Charity CIO

**Notes to the financial statements for the year ended 31 December 2016
(continued)**

6. Allocation and apportionment of support costs

Support costs are apportioned to the key activity areas at Charitable Activities, Cost of generating funds, and Governance each year in appropriate ratios, which are in accordance with the Policy of Apportionment of Support Costs, reviewed and approved annually by the Trustees.

The breakdown of support costs incurred in year, and how they were allocated between Charitable Activities, Cost of generating funds, and Governance are shown in the table below:

Cost type	Charitable activities USD	Cost of generating funds USD	Governance USD	Total USD	Basis of apportionment
2016					
Staff costs	133,144	47,551	9,510	190,205	(*)
Rent and utilities	19,945	4,922	1,036	25,903	(**)
Office expenses	14,450	3,566	751	18,767	(**)
Travelling expenses	474	117	25	616	(**)
Bank charges	1,180	291	61	1,532	(**)
Others	9,345	2,307	485	12,137	(**)
	178,538	58,754	11,868	249,160	

Cost type	Charitable activities USD	Cost of generating funds USD	Governance USD	Total USD	Basis of apportionment
2015					
Staff costs	114,302	40,822	8,164	163,288	(*)
Rent and utilities	29,541	7,878	1,969	39,388	(**)
Office expenses	21,854	5,828	1,457	29,139	(**)
Travelling expenses	840	224	56	1,120	(**)
Bank charges	1,215	324	81	1,620	(**)
Others	3,183	853	210	4,246	(**)
	170,935	55,929	11,937	238,801	

(*) Staff time.

(**) Number of people employed within each activity.

Saigon Children's Charity CIO
Notes to the financial statements for the year ended 31 December 2016
(continued)

7. Staff numbers

The average number of persons employed calculated on full-time equivalent basis analysed by activity was:

	Average number	
	2016	2015
Charitable activities	16	14
Fundraising	4	4
Finance, Administration, HR, IT	8	8
Director	1	1
	<hr/>	<hr/>
	29	27
	<hr/>	<hr/>

8. Staff costs

	2016 USD	2015 USD
Salaries, wages and benefits	329,674	283,633
Insurance	72,384	71,917
Others	13,299	10,405
	<hr/>	<hr/>
	415,357	365,955
	<hr/>	<hr/>

The number of employees whose emoluments (salaries and benefits) fell with the following bands:

	Number of employees	
	2016	2015
USD100,000 - 110,000	1	1
	<hr/>	<hr/>

Saigon Children's Charity CIO**Notes to the financial statements for the year ended 31 December 2016
(continued)****9. Accounts receivable**

	31/12/2016 USD	31/12/2015 USD
Long-term assets		
Others	1,929	-
	<hr/>	
Current assets		
Donation receivables	15,568	106,506
Others	9,354	14,641
	<hr/>	
	24,922	121,147
	<hr/>	

10. Cash

	31/12/2016 USD	31/12/2015 USD
Cash on hand	10,746	6,076
Cash in banks	980,126	864,180
	<hr/>	
	990,872	870,256
	<hr/>	

11. Accrued expenses

	31/12/2016 USD	31/12/2015 USD
School building	359,676	275,411
Bonus and 13th month salary	16,941	13,325
Vocational Training	5,964	9,648
Others	26,705	17,588
	<hr/>	
	409,286	315,972
	<hr/>	

Saigon Children's Charity CIO

**Notes to the financial statements for the year ended 31 December 2016
(continued)**

12. Deferred income

	31/12/2016 USD	31/12/2015 USD Restated
Long-term liabilities		
Restricted donations:		
Scholarships (b)	33,643	30,145
Current liabilities		
Restricted donations:		
School building (a)	90,807	130,655
Scholarships (b)	105,795	169,688
Vocational Training and Working with Others (b)	87,512	79,059
	284,114	379,402
	317,757	409,547

(a) Deferred income for School Building related to money received for particular School Building projects which had not been started by the end of 2016 and are expected to be built during 2017 and 2018.

(b) Deferred income related to donations for Scholarships, Vocational Training and Working with Others received for Scholarships, Vocational Training and Working with Others in 2017 onwards.

Movements in the deferred income during the year were as follows:

	USD
Opening balance	409,547
Increase in deferred income during the year	172,039
Deferred income realised during the year	(263,829)
Closing balance	317,757

Saigon Children's Charity CIO
Notes to the financial statements for the year ended 31 December 2016
(continued)

13. Funds

	Unrestricted funds USD	Restricted funds USD	Total USD
Income	327,143	1,170,836	1,497,979
Expenditure	(87,258)	(1,385,385)	(1,472,643)
Net income/(expenditure) before transfers	239,885	(214,549)	25,336
Gross transfers between funds	(214,549)	214,549	-
Net income after transfers	25,336	-	25,336
Total funds brought forward at 1 January 2016 (restated) (*)	265,344	-	265,344
Total funds carried forward at 31 December 2016	290,680	-	290,680

(*) The Organisation assumed that at the point of asset transfer, any deficit on the Restricted Fund was cleared by transfer from the Unrestricted Fund, and therefore that the funds brought forward at 1 January 2016 were all reclassified as Unrestricted funds. The Organisation restated the total funds brought forward at 1 January 2016 (Note 15).

Gross transfers between funds' amount was approved annually at year-end by SCC CIO Trustees to balance the deficit of restricted funds as at 31 December.

14. Commitments

Leases

The future minimum lease payments under non-cancellable operating leases were:

	31/12/2016 USD	31/12/2015 USD
Within one year	25,284	25,600
Within two to five years	15,241	39,504
	40,525	65,104

Saigon Children's Charity CIO**Notes to the financial statements for the year ended 31 December 2016
(continued)****15. Corresponding figures**

During the preparation of the financial statements for the year ended 31 December 2016, the Organisation has identified and corrected some errors in the financial statements for the year ended 31 December 2015. A comparison of the amounts previously reported and as restated is as follows:

Statement of financial activities

	2015 (as restated) USD	2015 (as previously reported) USD
Scholarships – Donations income	370,576	417,649

Balance sheet

	31/12/2015 (as restated) USD	31/12/2015 (as previously reported) USD
Deferred income – Long-term liabilities	(30,145)	-
Deferred income – Current liabilities	(379,402)	(362,474)
Funds carried forward at the end of the year	265,344	312,417

