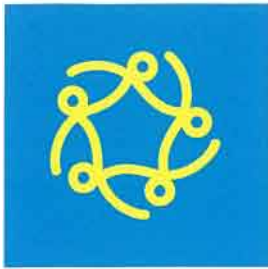




## **Saigon Children's Charity CIO**

Annual Report for the year ended  
31 December 2018



**Saigon Children's Charity CIO**  
**Annual Report**  
**For the year ended 31 December 2018**

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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  
Hoang Tri Mai  
David Huw Appleton  
Jakki Lydall

### Executive Director

Damien Roberts (From 2 April 2018)  
Timothy Mullett (Until 31 January 2018)

### Senior Management Team

Head of Programmes

Nguyen Thi Duy Huong

Head of Fundraising &  
Communications

Angelique Masse Nguyen

Head of Finance & Admin

Le Le An Na

CDSP Programme Manager

Tran To Nhu

School Building & Learning  
Environment Programme  
Manager

Nguyen Hoang Phuong

Getting Ready for Work  
Programme Manager

Phan Thanh Thuy Hang (From 1 October 2018)  
Tran Thi Hue (Until 30 September 2018)

Special Needs Educational  
Programme Manager

Nguyen Thi Duy Huong  
(interim during Ms. Do Thi Hien's sabbatical period)

### United Kingdom Charity Registration Number

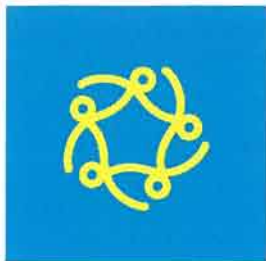
1157774

### Registered Office (United Kingdom)

24 Gloucester Road  
Teddington, Middlesex  
TW11 ONU

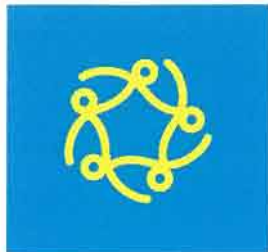
### Main Operating Office (Vietnam)

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



## Saigon Children's Charity CIO Organisation Information (continued)

<b>Bankers</b>	HSBC United Kingdom, HSBC Vietnam; Vietnam International Bank (VIB) ANZ Vietnam, Singapore, New Zealand & Australia Standard Chartered Hong Kong
<b>Legal Advice (pro bono)</b>	Fraser's Law Company The Metropolitan, 235 Dong Khoi, District 1, Ho Chi Minh City, Vietnam
<b>Auditor (pro bono)</b>	KPMG Limited Vietnam



## Chairman's Report

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

As Vietnam continues to develop economically, our work remains focused on ensuring that prosperity grows across rural and remote regions and not just in the major cities, that we equip individuals with the skills and capabilities to benefit from the country's growth, and that ethnic minorities, girls and children with disabilities are included in, and benefit from, the opportunities available.

In October 2018 Saigon Children's Charity CIO ("saigonchildren") was honoured by the Prime Minister of the Socialist Republic of Vietnam, with an award recognising 26 years of contribution to education and economic development. It was a proud moment for me, the Trustees, all staff and one we were delighted to share with our many dedicated supporters.

Saigonchildren's four programmes continue to deliver positive impact for children and young people across Vietnam.

We have further expanded our support for children with disabilities, and this year launched our autism education campaign which we believe will help transform life for thousands of children and their families and carers across Vietnam by developing a network of Vietnamese experts, Vietnamese-language resources, and supporting early identification and intervention of autism spectrum disorders.

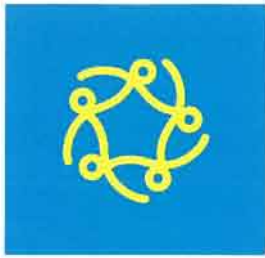
Saigonchildren continues to provide invaluable vocational training to hundreds of young people every year, and we have renovated our English, IT and Vocational Training School in central Ho Chi Minh City – built around 20 years ago – to ensure it is fit to support future generations of our beneficiaries.

Our school building activity continues to spread across Vietnam to benefit the communities most in need, from Tra Vinh Province on the south coast, to Tuyen Quang Province on the northern border, some 2,200 kilometres apart.

The scholarships we provide have always been awarded on the basis of need, not ability, and this continues to be a central principle for saigonchildren. This ensures inclusion and empowerment for the most vulnerable children, reducing their risk of exploitation and hardship.

The Trustees, led by me, continue to give paramount importance to accountability and transparency. This has repeatedly enabled saigonchildren to successfully meet thorough due diligence demands, ensuring that multinational financial institutions continue to see saigonchildren as a trusted partner of choice.

This year saw the successful completion of a five-year partnership with ANZ Bank and their teams in 28 countries, leaving a positive legacy of ten new schools and hundreds of scholarships awarded to children living in poverty.



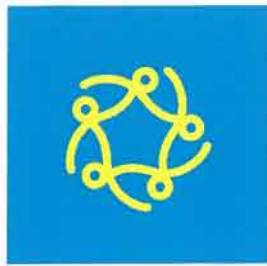
We thank all of our passionate supporters, volunteers and partners around the world for enabling us to improve the lives of Vietnamese children and young people.

This Trustees Annual Report and comprising the Chairman's Report, Director's Report, **Audited Financial Statements** and Notes, has been approved by the Trustees of Saigon Children's Charity CIO on 1st August 2019, and I am authorised to sign the report on their behalf.

Thank you



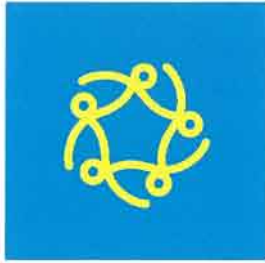
Alain Cary  
Chairman of the Board of Trustees  
Saigon Children's Charity CIO  
Charity Number 157774  
1 August 2019



### 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, this declaration to confirm that there were no serious incidents or other matters relating to Saigon Children's Charity CIO during the financial year 2018, 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  
1 August 2019



## Director's Report

### DIRECTOR'S NOTE

2018 has been a year of change with the former Executive Director stepping down in March due to ill health after four years of service.

Since taking over in April, I have, with vital support from the Chairman and Trustees, overseen the growth and development of the Fundraising and Communications team to strengthen our ability to deliver and expand our four programmed of special needs education, school building, vocational training and scholarships.

We have expanded our Special Needs Education Programme to include a new focus on developing a national autism network of experts and educational resources, underpinning an ambitious plan to launch a community-based early identification and intervention campaign across Vietnam in the years ahead.

We have carried out essential renovations of our offices and our English, IT & Vocational Training centre - Thang Long School in District 4 of Ho Chi Minh City - to make both safer and suitable for continued long-term use.

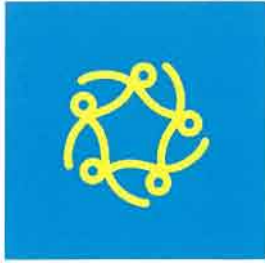
Our school building work has expanded geographically to focus on ethnic minority groups from Khmer communities in the south to Hmong communities in the far north, ensuring that we continue to help those in the greatest need.

In October 2018, I joined our Chairman Alain Cany and Trustees, including our Founder Paul Cleves MBE, to accept the Certificate of Merit from the Prime Minister of the Socialist Republic of Vietnam, recognising all involved with saigonchildren, past and present, for their contribution to education and economic development in Vietnam.

We faced some exceptional costs at the start of the year associated with the departure of the former Executive Director, and a reduction in income due to the successful completion of a five-year partnership with ANZ Bank which built 10 schools serving 1,000 children every year, and provided scholarships for hundreds more. Despite these income and expenditure pressures leading to a loss for 2018, our cash reserves remain untouched and sufficient to meet all of our liabilities.

With the work we have done to engage former donors, bring in new donors, stabilise and strengthen our operations, and develop our communications capabilities we are well-placed to increase income and grow in 2019, helping more children than ever before across Vietnam.

This year we have introduced a more engaging style of Annual Report available on our website at [www.saigonchildren.com](http://www.saigonchildren.com) which will include an illustrated 'Year in Review' to better highlight the positive impact of our programmes and our donors, and still maintain our strong accountability and transparency with fully audited and published financial statements registered with the UK Charities Commission.



## 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 saigonchildren's activities, thinking and approach in working with the children, families and communities in which we operate to ensure their well-being, and that saigonchildren 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

Saigonchildren is committed to ensuring those children and young people in the most difficult circumstances receive an education. We believe that education is the most lasting, effective and sustainable way we can help children and their families to escape from the cycle of poverty, and contribute to the continued growth and development of Vietnam. Saigonchildren assists the most disadvantaged children by giving them an opportunity to realise their potential, receive a good education, maintain good health and able to sustain themselves and contribute substantially to their families and their communities.

## PROGRAMMES

### SCHOOL BUILDING AND LEARNING ENVIRONMENT PROGRAMME

Saigonchildren builds schools in disadvantaged areas, often serving communities where existing facilities have become unsafe or unsuitable, and in areas where children must travel a long distance to school. We use private donations, along with contributions from the government, to build schools which are publicly owned and operated.

In addition to building safe, secure and beautiful schools, we provide hygienic toilet and wash facilities, libraries, playgrounds and equipment wherever we can improve access to education.

We use these schools and our strong community network to strengthen awareness and understanding of a range of vital issues including sustainability, environmental protection, health and inclusion.

Since the first saigonchildren school was built in Can Gio in 1993, 534 classrooms have been opening doors to brighter futures for over 15,500 disadvantaged children every year, from Tra Vinh on Vietnam's southern coast to Tuyen Quang close to the border with China, nearly 2000km to the north.

In 2018, we have built 29 classrooms, and a total of 9 schools in the provinces of Tra Vinh, Hau Giang, Soc Trang and Dong Nai.



1,015 children have now access to enhanced learning facilities to be motivated and passionate about learning throughout their life.

## CHILD DEVELOPMENT SCHOLARSHIP PROGRAMME

Our Child Development Scholarship Programme removes barriers to education by providing scholarships – including tuition fees, books, rice, uniforms, stationery and social care – to children from disadvantaged backgrounds from primary school to university.

We take a holistic approach to supporting children, their families, teachers and community leaders to work together to keep kids in education through a community-based child development support network.

The children most in need are identified through a careful process carried out by saigonchildren's community-based child development support network. We visit each family at home to assess their needs through an efficient and impartial process.

Unlike many other scholarships programmes, our children don't have to sit a test – we don't believe academic merit is the most important factor. Instead, we consider:

- The family's financial situation (average family income must be classified as poor or near-poor based on the national poverty line, expenses/debts, possession of assets);
- The family's ability to earn, including if any family members have no or limited ability to work due to illness or disabilities;
- The family's circumstances, including whether one or both parents have left, passed away, or are working far from the child;
- Lack of/limited support from other NGOs or the government.

For the school year 2017-2018, saigonchildren was able to:

- Provide 1,812 scholarships to unfortunate children and young adults in six provinces of Vietnam;
- Visit 1,877 children either at their homes and/or at their schools to learn about their lives, their learning situation, and to help them understand saigonchildren's support;
- Provide urgent support such as medical treatment, glasses, calculators, funeral support etc. to 106 children and their families so that they can overcome obstacles and do better at school;
- Provide further health checks to 33 primary and secondary students in Tra Vinh Province and long-term medical treatment to 12 children who are suffering from chronic conditions;
- Provide 52 bicycles to 52 children who live more than 3km from school in order to shorten their journey to school;
- Organise 5 life skills training sessions for 100 university students to help them learn more effectively, and to provide them with essential soft skills in preparation for employment;



Saigonchildren's student and alumni network has been growing to become an important part with deep involvement in activities of the Child Development Scholarship programme. In 2018 alone, the network was able to fundraise in groups and received about US\$1,500. These enthusiastic and caring students used this amount to give 83 desks to sponsored students in Tra Vinh Province and 178 backpacks to students in need in Dong Nai Province. Through alumni events they join hands with the saigonchildren team to inspire and give hope to younger students in the programme.

## GETTING READY FOR WORK PROGRAMME

Our Getting Ready for Work Programme gives young adults in difficult circumstances the opportunity to develop themselves and integrate into work and social life. These young adults enhance their employability by completing vocational courses and learning English, IT and soft skills at Thang Long Vocational Training School operated by saigonchildren in Ho Chi Minh City.

Life skills training and social and community activities are a fundamental part of this programme. Saigonchildren and our local training partners guide disadvantaged youths to become confident, self-sufficient, skilled and responsible individuals.

We run 3 main projects:

### 1. Vocational Training and Job Placement:

The Vocational Training and Job Placement project supports disadvantaged young adults between the ages of 17 and 25. These students learn the knowledge and skills required to secure a job aligned with their interests, capabilities and ambition – whether that is to be a software developer, an engineer, a beautician or a bartender. In 2018, 75 young adults took part in this activity.

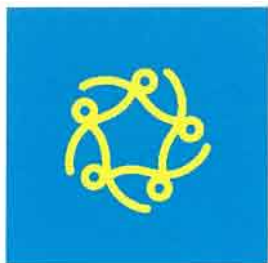
### 2. English, IT and Social Activities:

In 2018, 413 students developed their English communication skills and computer skills. We encourage the development of students' creativity through classes in art, dance and alumni activities to support the next generation of students to develop their talents.

### 3. Psychosocial Counselling and Life skills

Life skills training on topics such as Communication Skills, Attitudes and Professional Appearances, Budget Management, and Personal Safety are provided to young adults as a foundation for their personal and professional life.

In 2018, saigonchildren offered psychosocial counselling and life skills to 895 youngsters. Saigonchildren also successfully completed its pilot project on career counselling in public high schools.



## SPECIALS NEEDS EDUCATION PROGRAMME

Saigonchildren supports children with disabilities and helps them to have a better life through proper education with our Special Needs Education Programme.

We specialise in autism education, including community-based identification and early intervention, and work with speech therapists, physical therapists and specialist trainers to build expertise across Vietnam. We provide vital educational resources in Vietnamese for the first time and are working to develop Centres of Excellence and build a national network of high-quality care and education.

We also cooperate with specialist organizations across Vietnam to help children with disabilities such as cerebral palsy, deafness, blindness and congenital conditions including those associated with the effects of Agent Orange. We provide education & training and social development activities for children, improve learning facilities, and support local organizations to build their fundraising and management capabilities.

In 2018, the programme has run seven projects in four different provinces in Vietnam. Besides providing training to enhance competencies of teachers working with autistic children, several projects were conducted to bring better learning opportunities to children with visually impairment and mobility impairment. Other than that, we also worked with Vietnam Autism Network to organise a Festival show the gratitude to the educators of autistic children in the Vietnamese Teachers' Day.

In 2018, saigonchildren's Special Needs Education Programme benefitted 705 children with disabilities, 229 teachers and 276 parents.

## RISKS AND RESERVES

The key risks identified for saigonchildren are reputational and financial. Saigonchildren's reputation is strong, but we understand that a single instance can have a significant effect. Accordingly, we review and revise our protection policies on an ongoing basis.

The greatest risk to saigonchildren is a significant loss of funding. While many of our projects 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; and
- To provide for other emergencies and adverse unforeseen matters which have a financial implication on the charity.



## STRUCTURE, GOVERNANCE AND MANAGEMENT

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

At the end of 2018, there were 10 Trustees with 6 being based in Ho Chi Minh City, one in Hanoi, one in Hong Kong and two in England.

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 saigonchildren can be found on our website – [www.saigonchildren.com](http://www.saigonchildren.com).

The Trustees delegate management of the day-to-day activities of the organisation to the Executive Director, Damien Roberts, 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 week 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. 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.



**Damien Roberts**  
**Executive Director (from 2<sup>nd</sup> April 2018)**  
**Saigon Children's Charity CIO**  
**1 August 2019**



KPMG Limited Branch  
10<sup>th</sup> Floor, Sun Wah Tower  
115 Nguyen Hue Street, Ben Nghe Ward  
District 1, Ho Chi Minh City, Vietnam  
+84 (28) 3821 9266 | kpmg.com.vn

## **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 the balance sheet as at 31 December 2018, 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 1 August 2019, as set out on pages 15 to 26.

In our opinion, the accompanying financial statements give a true and fair view, in all material respects, of the state of Saigon Children's Charity CIO's affairs as at 31 December 2018, its financial activities and its statement of cash flows for the year then ended, which have been 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.

### **Other information**

Trustees are responsible for the other information. The other information comprises the Chairman's Report and Director's Report included on pages 4 to 12, but does not include the financial statements and our auditors' report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.



In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the organisation to express an opinion on the financial statements. We are responsible for the direction, supervision, and performance of the audit. We remain solely responsible for our audit opinion.

The engagement partner on the audit resulting in this independent auditor's report is Mr. Truong Vinh Phuc.

**KPMG Limited's Branch in Ho Chi Minh City**

Vietnam

Audit Report No.: 18-01-01190-19-1



Truong Vinh Phuc

Practicing Auditor Registration

Certificate No. 1901-2018-007-1

Director

Ho Chi Minh City, 1 August 2019

**Saigon Children's Charity CIO**  
**Statement of financial activities for the year ended 31 December 2018**

	Note	2018 Unrestricted funds USD	2018 Restricted funds USD	2018 Total USD	2017 Total USD
<b>Income</b>					
<i>Donations</i>					
▪ School building		-	429,425	429,425	435,520
▪ Child Development Scholarship Program		-	330,516	330,516	248,163
▪ Getting Ready for work		-	115,457	115,457	118,554
▪ Special need education Program		-	39,977	39,977	50,862
▪ General donations		50,250	-	50,250	51,495
▪ Bank interest		-	2,887	2,887	942
▪ Others		-	1,710	1,710	6,548
Events and trading activities	3	268,896	-	268,896	422,742
Exchange differences		(3,026)	(3,182)	(6,208)	9,618
<b>Total Income</b>		<b>316,120</b>	<b>916,790</b>	<b>1,232,910</b>	<b>1,344,444</b>

*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 2018**  
**(continued)**

	Note	2018 Unrestricted funds USD	2018 Restricted funds USD	2018 Total USD	2017 Total USD
<b>Expenditure</b>					
<i>Charitable activities:</i>					
▪ School building		-	491,078	491,078	483,854
▪ Child Development Scholarship Program		-	372,938	372,938	341,225
▪ Getting Ready for work		-	186,543	186,543	192,512
▪ Special need education Program		-	82,206	82,206	85,443
<i>Cost of generating funds:</i>					
▪ Fund raising	4	117,139	103,288	220,427	224,863
Governance	5	6,163	17,767	23,930	22,679
<b>Total Expenditure</b>		<b>123,302</b>	<b>1,253,820</b>	<b>1,377,122</b>	<b>1,350,576</b>
<b>Net income/(expenditure) before transfers</b>		<b>192,818</b>	<b>(337,030)</b>	<b>(144,212)</b>	<b>(6,132)</b>
<b>Gross transfers between funds</b>		(337,030)	337,030	-	-
<b>Net expenditure after transfers</b>		<b>(144,212)</b>	<b>-</b>	<b>(144,212)</b>	<b>(6,132)</b>

The statement was approved and authorised for issue by the Board of Trustees on 1 August 2019.

Prepared by:

  
 Le Le An Na  
 Head of Finance and  
 Administration

Reviewed by:

  
 Damien Roberts  
 Executive Director

Approved by:

  
 Alain Xavier Gany  
 Chairman  
 on behalf of  
 the Board of Trustees

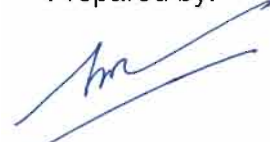
*The accompanying notes are an integral part of these financial statements*

**Saigon Children's Charity CIO**  
**Balance sheet as at 31 December 2018**

	Note	31/12/2018 USD	31/12/2017 USD
<b>Current assets</b>			
Accounts receivable	9	26,150	49,848
Cash	10	692,526	952,043
		<hr/> 718,676	<hr/> 1,001,891
<b>Long-term liabilities</b>			
Deferred income	12	(5,558)	(6,442)
<b>Current liabilities</b>			
Accrued expenses	11	(255,069)	(408,886)
Deferred income	12	(317,713)	(302,015)
		<hr/> (578,340)	<hr/> (717,343)
<b>Net assets</b>		<hr/> <b>140,336</b>	<hr/> <b>284,548</b>
<b>Funds</b>			
Funds brought forward at the beginning of the year		284,548	290,680
Net expenditure for the year		(144,212)	(6,132)
		<hr/>	<hr/>
<b>Funds carried forward at the end of the year</b>	<b>13</b>	<hr/> <b>140,336</b>	<hr/> <b>284,548</b>

The statement was approved and authorised for issue by the Board of Trustees on 1 August 2019.

Prepared by:

  
**Le Le An Na**  
*Head of Finance and Administration*

Reviewed by:

  
**Damien Roberts**  
*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 2018**  
**(direct method)**

	Note	2018 USD	2017 USD
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Income</b>			
School building		401,326	478,652
Child Development Scholarship Program		346,463	252,223
Getting Ready for work		109,641	71,123
Special need education Program		59,749	50,640
Other activities		360,860	455,548
		<b>1,278,039</b>	<b>1,308,186</b>
<b>Expenditure</b>			
School building		615,315	473,868
Child Development Scholarship Program		396,340	341,212
Getting Ready for work		192,908	197,523
Special need education Program		68,531	91,142
Other activities		236,212	224,855
Operating expenses		22,042	28,033
		<b>1,531,348</b>	<b>1,356,633</b>
<b>Net cash flows from operating activities</b>		<b>(253,309)</b>	<b>(48,447)</b>
<b>Cash at beginning of the year</b>		<b>952,043</b>	<b>990,872</b>
<b>Effect of exchange rate fluctuations on cash</b>		<b>(6,208)</b>	<b>9,618</b>
<b>Cash at end of the year</b>	<b>10</b>	<b>692,526</b>	<b>952,043</b>

The statement was approved and authorised for issue by the Board of Trustees on 1 August 2019.

Prepared by:

  
**Le Le An Na**  
*Head of Finance and  
Administration*

Reviewed by:

  
**Damien Roberts**  
*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**

### **Notes to the financial statements for the year ended 31 December 2018**

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 until 11 April 2018. Its amendment was issued by the Ministry of Foreign Affairs of Vietnam dated 20 April 2018 and is valid until 11 April 2023.

#### **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.



**Saigon Children's Charity CIO**  
**Notes to the financial statements for the year ended 31 December 2018**  
**(continued)**

**(d) Accounts receivable**

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

**(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 Child Development Scholarship Program (formerly known as scholarships).

**3. Events and trading activities**

	<b>2018 Unrestricted funds USD</b>	<b>2018 Restricted funds USD</b>	<b>2018 Total USD</b>	<b>2017 Total USD</b>
Summer Ball events	172,259	-	172,259	167,771
Charity Cycle Adventure	52,122	-	52,122	97,365
Cyclo challenge	-	-	-	4,973
H2H bike ride	20,728	-	20,728	52,099
Cards, calendars and T-shirts	22,577	-	22,577	18,687
Photo books/ merchandising	-	-	-	231
Overseas fund raising	251	-	251	79,750
Others	959	-	959	1,866
	<b>268,896</b>	<b>-</b>	<b>268,896</b>	<b>422,742</b>

## Saigon Children's Charity CIO

### Notes to the financial statements for the year ended 31 December 2018 (continued)

#### 4. Fund raising

	2018 Unrestricted funds USD	2018 Restricted funds USD	2018 Total USD	2017 Total USD
Staff costs	32,353	93,261	125,614	94,606
Support costs	3,478	10,027	13,505	11,429
Summer Ball events	45,451	-	45,451	42,037
Charity Cycle Adventure	17,835	-	17,835	31,921
H2H bike ride	1,335	-	1,335	38,234
Cards, calendars and T-shirts	11,766	-	11,766	4,694
Photo books/merchandising	-	-	-	286
Others	4,921	-	4,921	1,656
	117,139	103,288	220,427	224,863

#### 5. Governance

	2018 Unrestricted funds USD	2018 Restricted funds USD	2018 Total USD	2017 Total USD
Staff costs	4,832	13,930	18,762	14,612
Rent and utilities	331	956	1,287	3,053
Office expenses	713	2,056	2,769	3,342
Travelling expenses	30	87	117	178
Bank charges	115	332	447	390
Others	142	406	548	1,104
	6,163	17,767	23,930	22,679

#### 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 2018 (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
<b>2018</b>					
Staff costs	158,757	50,300	10,060	219,117	(*)
Rent and utilities	18,027	6,438	1,287	25,752	(**)
Office expenses	18,927	6,759	1,352	27,038	(**)
Travelling expenses	1,636	585	116	2,337	(**)
Bank charges	6,250	2,232	446	8,928	(**)
Others	7,680	2,743	549	10,972	(**)
	211,277	69,057	13,810	294,144	
Cost type	Charitable activities USD	Cost of generating funds USD	Governance USD	Total USD	Basis of apportionment
<b>2017</b>					
Staff costs	137,665	49,166	9,833	196,664	(*)
Rent and utilities	18,064	4,325	3,053	25,442	(**)
Office expenses	19,772	4,734	3,342	27,848	(**)
Travelling expenses	1,055	253	178	1,486	(**)
Bank charges	2,306	552	390	3,248	(**)
Others	6,534	1,565	1,104	9,203	(**)
	185,396	60,595	17,900	263,891	

(\*) Staff time charges.

(\*\*) Average equivalent key number of people employed within each activity.

**Saigon Children's Charity CIO**  
**Notes to the financial statements for the year ended 31 December 2018**  
**(continued)**

**7. Staff numbers**

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

	<b>Average number 2018</b>	<b>2017</b>
Director	1	1
Charitable activities	16	17
Fundraising	4	4
Finance, Admin, HR, IT	10	8
	<hr/>	<hr/>
	31	30
	<hr/>	<hr/>

**8. Staff costs**

	<b>2018 USD</b>	<b>2017 USD</b>
Salaries, wages and benefits	352,748	318,890
Insurance	81,104	93,601
Others	8,059	7,935
	<hr/>	<hr/>
	441,911	420,426
	<hr/>	<hr/>

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

	<b>Number of employee: 2018</b>	<b>2017</b>
USD100,000 - 110,000	1	1
	<hr/>	<hr/>

**Saigon Children's Charity CIO****Notes to the financial statements for the year ended 31 December 2018  
(continued)****9. Accounts receivable**

	<b>31/12/2018 USD</b>	<b>31/12/2017 USD</b>
Donation receivables	21,656	35,038
Others	4,494	14,810
	<hr/>	<hr/>
	26,150	49,848
	<hr/>	<hr/>

**10. Cash**

	<b>31/12/2018 USD</b>	<b>31/12/2017 USD</b>
Cash on hand	4,447	4,268
Cash in banks	688,079	947,775
	<hr/>	<hr/>
	692,526	952,043
	<hr/>	<hr/>

**11. Accrued expenses**

	<b>31/12/2018 USD</b>	<b>31/12/2017 USD</b>
School building	227,824	369,656
Bonus and 13th salary	22,241	15,169
Getting Ready for work	943	943
Others	4,061	23,118
	<hr/>	<hr/>
	255,069	408,886
	<hr/>	<hr/>

**Saigon Children's Charity CIO**  
**Notes to the financial statements for the year ended 31 December 2018**  
**(continued)**

**12. Deferred income**

	31/12/2018 USD	31/12/2017 USD
<b>Long-term liabilities</b>		
<b>Restricted donations:</b>		
Child Development Scholarship Program	5,558	6,442
<b>Current liabilities</b>		
<b>Restricted donations:</b>		
School building (a)	77,847	100,136
Child Development Scholarship Program (b)	163,952	141,987
Getting Ready for work (b)	33,723	36,601
Special need education Program (b)	36,269	17,369
Others	5,922	5,922
	317,713	302,015
	323,271	308,457

(a) Deferred income for School Building related to money received for particular School Building projects which had not been started by the end of 2018 and are expected to be built during 2019 and 2020.

(b) Deferred income related to donations for Child Development Scholarship Program, Getting Ready for work and Special need education Program received but for 2019 onwards.

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

	USD
Opening balance	308,457
Increase in deferred income during the year	301,439
Deferred income realised during the year	(286,625)
Closing balance	323,271



**Saigon Children's Charity CIO**  
**Notes to the financial statements for the year ended 31 December 2018**  
**(continued)**

**13. Funds**

	Unrestricted funds USD	Restricted funds USD	Total USD
Income	316,120	916,790	1,232,910
Expenditure	(123,110)	(1,254,012)	(1,377,122)
Net income/(expenditure) before transfers	193,010	(337,222)	(144,212)
Gross transfers between funds (*)	(337,222)	337,222	-
Net expenditure after transfers	(144,212)	-	(144,212)
Total funds brought forward at 1 January 2018	284,548	-	284,548
Total funds carried forward at 31 December 2018	140,336	-	140,336

(\*) 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:

	31/12/2018 USD	31/12/2017 USD
Within one year	25,924	14,916
Within two to five years	41,981	-
	67,905	14,916

