



Saigon Children's Charity CIO

Annual Report for the year ended
31 December 2020

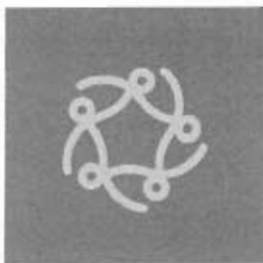




Saigon Children's Charity CIO
Annual Report
For the year ended 31 December 2020

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Saigon Children's Charity CIO Organisation Information

Board of Trustees

David Huw Appleton
(Chairman) (from 14 February 2020)
Alain Xavier Cany
(Chairman) (until 13 February 2020)
Paul Graham Cleves
Diana Simone Wells
Jonathon Ralph Alexander Waugh
Nguyen Thi Thanh Truc
Paul Theodore McGee
Richard James Burrage (from 15 March 2020)
Paul Adrian Smith (from 15 March 2020)
Seck Yee Chung (from 15 March 2020)
Tieu Yen Trinh (from 15 March 2020)

Executive Director

Damien Roberts

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

Nguyen Sinh Quang Anh

School Building & Learning
Environment Programme
Manager

Nguyen Hoang Phuong

Getting Ready for Work
Programme Manager

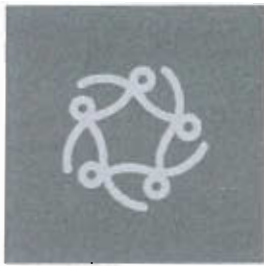
Phan Thanh Thuy Hang

Special Needs Educational
Senior Officer

Pham Thi Hanh Quyen

**United Kingdom Charity
Registration Number**

1157774



Saigon Children's Charity CIO Organisation Information

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

Bankers

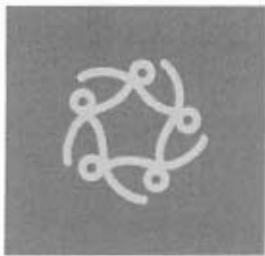
HSBC United Kingdom, HSBC Vietnam
Vietnam International Bank (VIB)
ANZ Vietnam, Singapore, New Zealand & Australia
Standard Chartered Hong Kong

Legal Advisor (pro bono)

Frasers Law Company
The Metropolitan, 235 Dong Khoi, District 1,
Ho Chi Minh City, Vietnam

Auditor (pro bono)

KPMG Limited
Vietnam



Chairman's Report

From the Chairman of Saigon Children's Charity CIO, Mr David Appleton

The global pandemic has led to the cancellation of many of our planned fundraising events, cancelled donations from supporters who find themselves economically-constrained and this has created more challenging conditions for Saigon Children's Charity ('saigonchildren') than have been experienced in many years. Despite these difficulties, I am pleased that the charity adapted quickly to global conditions and raised more money and helped more children than in any other year in our 28-year history.

While 2020 has been exceptionally challenging for the saigonchildren team, the conditions for our beneficiaries are worse still. They were already coping with severe disadvantages and the pandemic led to the near-total closure of Vietnam's borders, substantially reducing tourism and international trade, both of which support millions of jobs. Many of our beneficiary families experienced a dramatic reduction in their income, with many families facing tough choices about whether they could continue to support their children's educations.

In response to a dramatic initial fall in our income due to COVID, and an equally dramatic rise in the need for our help, the charity launched its first ever emergency appeals (first for COVID relief and later for flood relief) raising around half a million dollars for rapid disbursement to thousands of vulnerable families, enabling them to stay safe during the worst conditions Vietnam has seen in years.

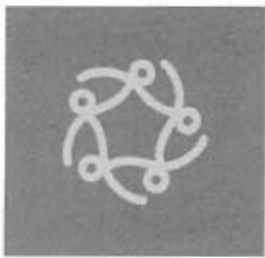
Saigonchildren's focus remains on the most disadvantaged in society: ethnic minority groups, girls, rural communities, and children with developmental challenges. Throughout our emergency appeals, we also maintained our core activity across all four programmes.

We have become Vietnam's leading autism-focused charity, even though this important area is still only 10% of our work. Our projects continue to build expertise and capacity nationally, with nationally-coordinated projects in partnership with Vietnam's leading experts in Hanoi, Ho Chi Minh City and Da Nang. We remain especially active in the areas of early identification and early intervention, ensuring that fewer children miss out on the chance to be supported to develop and communicate.

We continue to develop our network of specialists to ensure that the pedagogical, medico-therapeutic, and policy demands of this complex area are managed as we work towards the establishment of a dedicated centre of excellence to support sustained improvements in the care and education of children with development challenges such as autism.

Saigonchildren continues to enlarge and refine our vocational training offer to more than a thousand young people every year, ensuring it is fit to support future generations to enter the rapidly-changing workplace.





Our school building activity benefits the communities most in need, particularly remote rural areas with a large proportion of ethnic minority children across all of Vietnam. While COVID has made raising funds for school building more challenging this year, we have seen a greater demand for toilets and hygiene facilities in schools as communities recognise the importance of increasing sanitary conditions for their children.

We provide scholarships on the basis of need, not ability, so that the most vulnerable children and this ensures inclusion and empowerment for, reducing their risk of exploitation and hardship. Our scholarships are focused on the holistic development of each child and so social care, counselling and skills development are provided alongside food, uniform, books, stationery, glasses and bicycles.

At an individual level, our programmes remove barriers to education so that the poorest children can access the best possible education for as long as possible.

Our social workers, counsellors and teachers ensure our children's safety, wellbeing and motivation through continual engagement to support them to stay in education for as long as possible, dramatically improving their lives and their futures.

At a macro-scale, saigonchildren's programmes continue to support Vietnam's economic development, ensuring that it is sustainable and inclusive. Ensuring educational inclusion brings security and prosperity to communities beyond the major cities.

The Board of Trustees and I continue to focus on maintaining saigonchildren's world-class governance and financial transparency, enabling us to meet the due diligence standards of international and institutional funds.

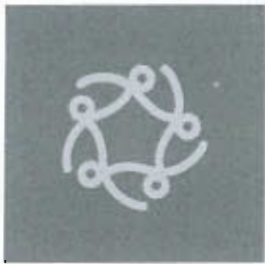
I thank our passionate supporters, volunteers and partners around the world for making it possible for us to transform the lives of Vietnamese children and young people, especially in their most difficult circumstances.

This Trustees Annual Report comprising the Chairman's report, Director's report, Financial Statements and Notes (audited by KPMG), has been approved by the Trustees of Saigon Children's Charity CIO on 25 October 2021, and I am authorised to sign the report on their behalf.

Thank you.



David Appleton
Chairman of the Board of Trustees
Saigon Children's Charity CIO
Charity Number 157774
25 October 2021

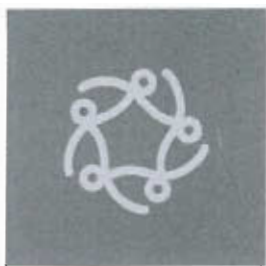


Declaration – Serious Incidents

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 previous financial year, 2019, that we should have brought to the attention of the Charity Commission of England and Wales, but have not.



David Appleton
Chairman of the Board of Trustees
Saigon Children's Charity CIO
Charity Number 157774
25 October 2021



Executive Director's Report

EXECUTIVE DIRECTOR'S NOTE

After the success of 2019 - achieving the highest income in the charity's 27-year history, and helping more children than ever before – 2020 proved both more challenging and more successful than could have been expected.

The pandemic led to the cancellation of close to half a million dollars of pledged donations over the course of ten days as our corporate donors, quite understandably, adjusted their discretionary spending in order to protect their employees from the sudden economic slowdown. Nonetheless, saigonchildren once again achieved the highest income in the charity's history, and once again helped more people than ever before, despite the pandemic dramatically altering our fundraising activity and our programme operations.

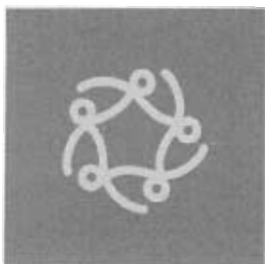
The pragmatism, hard work and enthusiastic creativity of our staff was central to achieving this tremendous result. By researching, creating, launching and successfully delivering our first ever emergency campaigns, they made it possible to feed 8000 very poor families for the toughest months many had known in years. Challenges included:

- A study by John Hopkins University and Hanoi Medical University found that two-thirds of households in Vietnam reported a fall in income of more than 20% due to COVID restrictions.
- According to Vietnam government figures, the tourism & hospitality sectors, which make up more than 10% of Vietnam's \$271bn GDP and employ many of our vocational training graduates, faced layoffs and redundancies as international visitor numbers dropped by 80% year-on-year and domestic travel was limited, costing the country at least \$21bn.
- The Vietnam News Agency reported that school closures due to COVID led to all 22 million of the country's students missing out on at least three months of learning.
- The tough conditions may have tripled the national school dropout rate, from 0.5% to 1.5%, according to World Bank estimates.

The saigonchildren team's efforts also raised the money needed to give emergency financial support to at-risk teenage students early on in the pandemic when a significant number of them lost the part-time hospitality sector work that helped fund their studies and were soon facing homelessness, and financial and sexual exploitation.

In addition to the substantial challenges of the pandemic, Vietnam also faced drought in the Mekong Delta, where we brought food, and water storage systems to eliminate the need for families to travel for water, and months of catastrophic flooding in the central region where we brought food, water and money to families, repaired and rebuilt schools, and provided schools supplies and backpacks which double as buoyancy aids to children in flood-prone areas.

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We attracted many new donors through our appeals and this has broadened our supporter-base which adds to our stability and growth prospects.

We continue to grow our digital communications and fundraising capacity in line with our strategy, adapting content and messaging for different channels and targeting new audiences to sustain our ambitious plans.

Our effective adoption and use of new fundraising technology, as well as the team's resilience and deep understanding of the fundraising landscape, positioned us extremely well to adapt quickly to the dramatic changes we faced in 2020. This was especially important when our traditional fundraising events became impossible to deliver. There were many highlights, but delivering Vietnam's first hybrid fundraising event, with a combination of decentralised live audiences and dining, coupled with online auctions and entertainment, is one achievement that stands out. The event also raised double our estimated income and set a standard for similar events.

While global restrictions made it impossible to physically engage with our supporters in Singapore, London and Hong Kong as we hoped, we still communicated effectively to keep them updated on our work and engaged with our campaigns. Our organisational resilience saw us come through a uniquely challenging year stronger than we started it.

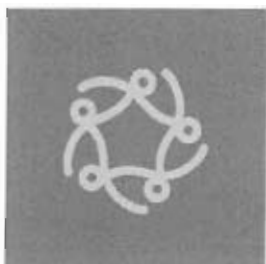
Our Special Needs Education Programme is now having a significant impact nationally, through our partnerships with Vietnam's leading experts, and through our continued training for practitioners and parents to support the development of children with autism or developmental delay. Much of this training was quickly and sensitively adapted for online delivery due to restrictions related to the pandemic.

Our Vietnamese-language library of research papers and training and education resources continues to expand and reach a wider audience, further building capacity and ensuring we can provide early intervention support for many more disadvantaged children.

Our English, IT & Vocational Training centre - Thang Long School in District 4 of Ho Chi Minh City – has continued its core activities through the pandemic, with online teaching effectively reaching the vast majority of students throughout the months of school closures. Our whole Getting Ready for Work programme adapted very well to provide meaningful and targeted help to our vulnerable children and young people throughout the pandemic, meeting their urgent needs to keep them safe, secure, and in a position to continue their education. Later in the year, as pandemic restrictions eased, Thang Long School also substantially expanded our creative arts classes at weekends in order to provide our beneficiaries with enjoyable and useful activities.

Our School Building programme, which has a large proportion of corporate funding, faced the greatest challenge of all of our programmes. The capital cost of each new school project proved beyond many corporate donors dealing with the economic slowdown, but the saigonchildren team adapted quickly to focus on smaller school projects such as toilet blocks, hygiene facilities, and renovations to schools, and by building consortia of donors





in order to co-fund larger school building projects. As a result we built the equivalent of 12 classrooms and five schools, ensuring that poor, rural communities have a safe sanitary and high-quality school environment in which to best educate generations of their children.

Our Child Development Scholarship Programme (CDSP) kept nearly 1800 disadvantaged children and young people in education, despite every difficulty that they faced in 2020. The CDSP team were also central in our emergency appeals, carrying out detailed research by phoning more than 1500 disadvantaged families to learn exactly what was needed to support them and their children through the worst of the pandemic. In this way we were confident of the impact of our substantial COVID relief work.

Furthermore, the team responded quickly when another children's education charity in Vietnam had to close down, and we were proud to be able to take on an additional 200 children with various disabilities and provide them with scholarships and other support.

CDSP continues to evolve as a central part of our work to help children overcome a disadvantaged childhood through their education and personal . Our children range from primary school to university, with an emphasis on secondary students who are at the highest risk of dropping out of education in order to support their families. Our case workers and social workers maintained strong communication with the beneficiaries and their families throughout the year to ensure we could quickly 'remove barriers to education' in line with our stated mission.

2020 cemented our position as an efficient and impactful grassroots organisation, enabling the safety, well-being and education of at-risk children and young people across all of Vietnam, particularly ethnic minority groups, girls and children with disabilities.

Saigonchildren endeavours to spend all of our income as soon as we can for the benefit of the poor children in our care, ensuring that donations to Saigon Children's Charity CIO are used quickly and effectively. Our cash reserves remain untouched and are enough to meet all of our scholarship liabilities for six months in case of serious unforeseen operational issues.

We have again produced a more engaging Annual Review on our website (www.saigonchildren.com) to better communicate the positive impact of our work, beyond the reporting required to maintain our strong transparency and good governance.

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 Saigon Children's Charity 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 Saigon Children's Charity 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 (referred to by the trademarked name '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.

OUR FOUR PROGRAMMES:

SCHOOL BUILDING AND LEARNING ENVIRONMENT PROGRAMME

Saigonchildren builds schools in disadvantaged areas, serving communities where existing facilities have become unsafe, unsanitary or unsuitable, and in areas where children must travel a long distance to school. Our schools are usually situated in areas with a high proportion of ethnic minorities. We use private donations, along with contributions from the Vietnamese government, to build schools which are publicly owned and operated.

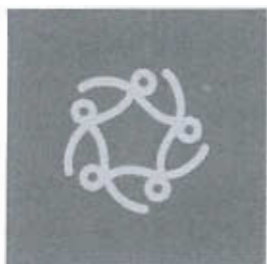
In addition to building safe, secure and beautiful schools, we provide hygienic toilet and wash facilities, libraries, playgrounds and equipment to enhance the school environment and improve the lives of the children who study in our schools.

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.

We provide essential training such as Positive Discipline in Schools, How to Identify Children with Intellectual Disabilities, Child Rights – Prevention against Child Abuse, and First Aid to teachers and school managers of the schools we build. This initiative is extremely popular with teachers and school staff.

Since the first saigonchildren school was built in Can Gio in 1993, more than 573 classrooms have opened doors to brighter futures for around 20,000 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 2020 we built and renovated 12 classrooms and a total of 5 schools in the provinces of Tra Vinh, Hau Giang and An Giang, providing access to enhanced learning facilities to 710 children, helping them to be safe and happy at school. In addition, we built a toilet block which serves 278 children of one primary school whose hygiene and health condition are improved.



CHILD DEVELOPMENT SCHOLARSHIP PROGRAMME

Our Child Development Scholarship Programme removes barriers to education by providing scholarships – including social care, tuition fees, books, rice, uniforms, and stationery – to disadvantaged children 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 social care team. We visit each family at home to assess their needs through an efficient and impartial process.

Our scholarships are not awarded to the children with the best grades, they are awarded to children who have expressed a strong desire to stay in education, but whose poverty and disadvantage makes this extremely unlikely.

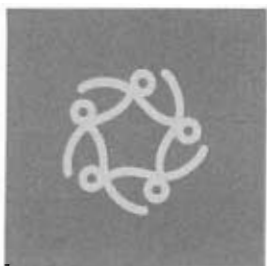
For the school year 2019-2020, saigonchildren was able to:

- Provide 1,794 scholarships to disadvantaged children and young adults in six provinces of Vietnam;
- Visit 704 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 110 children and their families so that they can overcome obstacles and do better at school;
- Provide long-term medical treatment to nine children who are suffering from chronic conditions;
- Provide 110 bicycles to children who live more than 3km from school in order to shorten their journey to school;
- Organise ten life skills training sessions for 308 students to help them learn more effectively, and to provide them with essential soft skills in preparation for employment;

Covid Emergency support: 7,974 packages of Covid emergency support provided to children within the programme and to poor families negatively affected by Covid outside of the programmes.

GETTING READY FOR WORK PROGRAMME

Our Getting Ready for Work Programme gives young adults in difficult circumstances the opportunity to learn vocational skills and develop themselves so they 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 continued to implement a project on providing short-term vocational training to children aged 14 to 17 years old to prevent them from being exploited through child labour.

We run three main projects within the Getting ready for Work Programme:

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 2020, 289 young adults took part in this activity.

2. English, IT and Social Activities:

In 2020, 425 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 2020 saigonchildren offered psychosocial counselling and life skills to 639 youngsters.

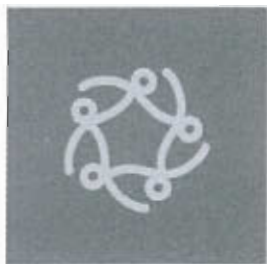
Saigonchildren also successfully completed its pilot project on career counselling in public high schools.

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 2020, the programme ran four projects: Early Intervention for children with ASD, Training for parents on How to play with children with ASD, Resources for autism and Community-based rehabilitation and inclusive education for children with mobility impairment that benefitted total 250 children and parents.

RISKS AND RESERVES

The key risks identified for saigonchildren are reputational and financial. saigonchildren's reputation is very good and we continue to be appreciated for the efficiency and efficacy of our programmes and the high standards we maintain in all areas of governance, accountability and transparency. We review and revise all 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:

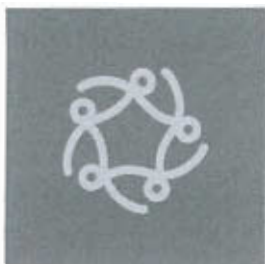
- To ensure that in all circumstances we can provide up to six months' support to scholarship children.
- To ensure that we can, in all circumstances, provide up to six months' notice to teachers and students at Thang Long School.
- To provide for above minimum levels of notice period and pay for existing staff of the charity
- In all above scenarios to provide enough operating time (up to six 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.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Saigon Children's Charity 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 2020 there were seven Trustees based in Ho Chi Minh City, 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 Saigon Children's Charity CIO 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, Damien Roberts, and this is managed through an approved strategy 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 3-4 times every year, and receive monthly reports on financial and operational matters from the Executive Director. Performance and pay of the Executive 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
Saigon Children's Charity CIO
25 October 2021



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115 Nguyen Hue Street, Ben Nghe Ward
District 1, Ho Chi Minh City, Vietnam
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INDEPENDENT AUDITORS' REPORT

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

Opinion

We have audited the financial statements of Saigon Children's Charity CIO ("the Organisation"), which comprise the balance sheet as at 31 December 2020, 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 as set out on pages 18 to 29.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Saigon Children's Charity CIO as at 31 December 2020, and its financial activities and its cash flows for the year then ended 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 2019.

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 Vietnam, 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 Executive Director's Report included on pages 4 to 14, 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 Management and Those charged with Governance for the Financial Statements

Management is 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, and for such internal control as the management determines is necessary to enable the preparation of financial statements that are free of material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Organisation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Organisation's financial reporting process.

Auditors' 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 management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Organisation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Organisation to cease to continue as a going concern.
- 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.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

**On behalf of KPMG Limited's Branch in Ho Chi Minh City
Vietnam**

Audit Report No.: 21-01-00176-21-1



Trương Vĩnh Phúc
Practicing Auditor Registration
Certificate No. 1901-2018-007-1
Deputy General Director

Ho Chi Minh City, 25 October 2021

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Saigon Children's Charity CIO
Statement of financial activities for the year ended 31 December 2020

	Note	2020 Unrestricted funds USD	2020 Restricted funds USD	2020 Total USD	2019 Total USD
Income					
<i>Donations</i>					
▪ School building		-	169,699	169,699	489,810
▪ Child Development Scholarship Program		-	389,149	389,149	339,409
▪ Getting Ready for work		-	196,587	196,587	175,776
▪ Special need education Program		-	66,840	66,840	92,103
▪ Covid Appeal		-	348,297	348,297	-
▪ General donations		133,862	-	133,862	71,114
▪ Bank interest		12,834	-	12,834	6,561
▪ Others		-	898	898	1,636
Events and trading activities	3	295,889	-	295,889	375,362
Exchange differences		3,757	-	3,757	(8,286)
Total Income		446,342	1,171,470	1,617,812	1,543,485

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 2020
(continued)

	Note	2020 Unrestricted funds USD	2020 Restricted funds USD	2020 Total USD	2019 Total USD
Expenditure					
<i>Charitable activities:</i>					
▪ School building		-	180,908	180,908	470,318
▪ Child Development Scholarship Program		-	419,284	419,284	394,591
▪ Getting Ready for work		-	215,072	215,072	220,135
▪ Special need education Program		-	70,932	70,932	131,823
▪ Covid Appeal		-	379,423	379,423	-
<i>Cost of generating funds:</i>					
▪ Fund raising	4	111,990	116,853	228,843	279,086
Governance	5	5,463	14,460	19,923	19,934
Total Expenditure		117,453	1,396,932	1,514,385	1,515,887
Net income/(expenditure) before transfers		328,889	(225,462)	103,427	27,598
Gross transfers between funds		(225,462)	225,462	-	-
Net income after transfers		103,427	-	103,427	27,598

The statement was approved and authorised for issue by the Board of Trustees on 25 October 2021.

Prepared by:


Le Le An Na
*Head of Finance and
Administration*

Reviewed by:


Damien Roberts
Executive Director

Approved by:


David Huw Appleton
*Chairman
on behalf of
the Board of Trustees*

Saigon Children's Charity CIO
Balance sheet as at 31 December 2020

	Note	31/12/2020 USD	31/12/2019 USD
Current assets			
Accounts receivable	9	440,175	419,701
Cash	10	575,566	597,085
		<hr/> 1,015,741	<hr/> 1,016,786
Current liabilities			
Accrued expenses	11	(146,794)	(242,918)
Deferred income	12	(597,586)	(605,934)
		<hr/> (744,380)	<hr/> (848,852)
Net assets		<hr/> 271,361	<hr/> 167,934
Funds			
Funds brought forward at the beginning of the year		167,934	140,336
Net expenditure for the year		103,427	27,598
Funds carried forward at the end of the year	13	<hr/> 271,361	<hr/> 167,934

The statement was approved and authorised for issue by the Board of Trustees on 25 October 2021.

Prepared by:


 Le Le An Na
 Head of Finance and
 Administration

Reviewed by:


 Damien Roberts
 Executive Director

Approved by:


 David Huw Appleton
 Chairman
 on behalf of
 the Board of Trustees

Saigon Children's Charity CIO
Statement of cash flows for the year ended 31 December 2020
(direct method)

	Note	2020 USD	2019 USD
CASH FLOWS FROM OPERATING ACTIVITIES			
Income			
School building		173,545	359,515
Child Development Scholarship Program		419,541	308,040
Getting Ready for work		197,804	206,304
Special need education Program		90,923	98,041
Covid appeal		417,753	-
Other activities		564,204	570,003
		<hr/> 1,863,770	<hr/> 1,541,903
Expenditure			
School building		272,221	475,297
Child Development Scholarship Program		431,203	393,936
Getting Ready for work		186,110	219,206
Special need education Program		77,555	132,431
Covid appeal		395,791	-
Other activities		215,821	263,538
Operating expenses		34,783	14,742
		<hr/> 1,613,484	<hr/> 1,499,150
Net cash flows from operating activities		<hr/> 250,286	<hr/> 42,753
CASH FLOWS FROM INVESTING ACTIVITIES			
Placements of term deposits		(466,536)	(141,027)
Receipts of term deposits and interest		190,974	11,119
Net cash flows from investing activities		<hr/> (275,562)	<hr/> (129,908)

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 2020
(direct method - continued)

	Note	2020 USD	2019 USD
Net cash flows during the year		(25,276)	(87,155)
Cash at beginning of the year		597,085	692,526
Effect of exchange rate fluctuations on cash		3,757	(8,286)
Cash at end of the year	10	575,566	597,085

The statement was approved and authorised for issue by the Board of Trustees on 25 October 2021.

Prepared by:


Le Le An Na
*Head of Finance and
Administration*

Reviewed by:


Damien Roberts
Executive Director

Approved by:


David Huw Appleton
*Chairman
on behalf of
the Board of Trustees*

Saigon Children's Charity CIO
Notes to the financial statements for the year ended 31 December 2020

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 2020
(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

	2020 Unrestricted funds USD	2020 Restricted funds USD	2020 Total USD	2019 Total USD
Summer Ball events	147,162	-	147,162	159,797
Charity Cycle Adventure	109,981	-	109,981	62,951
H2H bike ride	15,552	-	15,552	21,151
Cards, calendars and T-shirts	14,793	-	14,793	15,788
Step challenge	8,380	-	8,380	32,530
Overseas fund raising	-	-	-	5,693
Passion week	-	-	-	31,774
Wine dinner	-	-	-	25,488
Christmas event	-	-	-	15,060
Others	21	-	21	5,130
	295,889	-	295,889	375,362

Saigon Children's Charity CIO**Notes to the financial statements for the year ended 31 December 2020
(continued)****4. Fund raising**

	2020 Unrestricted funds USD	2020 Restricted funds USD	2020 Total USD	2019 Total USD
Staff costs	40,164	106,309	146,473	139,868
Support costs	3,983	10,544	14,527	12,628
Summer Ball events	23,828	-	23,828	50,716
Charity Cycle Adventure	35,206	-	35,206	17,967
Cards, calendars and T-shirts	2,212	-	2,212	9,952
Step challenge	4,196	-	4,196	24,477
Overseas fund raising	-	-	-	2,553
H2H bike ride	11	-	11	84
Photo books/merchandising	-	-	-	82
Others	2,390	-	2,390	20,759
	111,990	116,853	228,843	279,086

5. Governance

	2020 Unrestricted funds USD	2020 Restricted funds USD	2020 Total USD	2019 Total USD
Staff costs	3,477	9,205	12,682	12,472
Rent and utilities	867	2,296	3,163	3,407
Office expenses	443	1,174	1,617	2,025
Travelling expenses	23	60	83	256
Bank charges	350	927	1,277	816
Others	303	798	1,101	958
	5,463	14,460	19,923	19,934

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 2020 (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
2020					
Staff costs	159,611	47,588	9,518	216,717	(*)
Rent and utilities	14,811	6,348	3,163	24,322	(**)
Office expenses	7,571	3,245	1,617	12,433	(**)
Travelling expenses	389	166	83	638	(**)
Bank charges	5,979	2,562	1,277	9,818	(**)
Others	5,147	2,206	1,099	8,452	(**)
	193,508	62,115	16,757	272,380	

Cost type	Charitable activities USD	Cost of generating funds USD	Governance USD	Total USD	Basis of apportionment
2019					
Staff costs	162,148	48,403	9,681	220,232	(*)
Rent and utilities	17,034	5,765	3,407	26,206	(**)
Office expenses	10,126	3,427	2,025	15,578	(**)
Travelling expenses	1,281	434	256	1,971	(**)
Bank charges	4,081	1,381	816	6,278	(**)
Others	4,788	1,621	958	7,367	(**)
	199,458	61,031	17,143	277,632	

(*) 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 2020
(continued)

7. Staff numbers

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

	Average number	
	2020	2019
Director	1	1
Charitable activities	14	15
Fundraising	6	5
Finance, Admin, HR, IT	10	9
	<hr/>	<hr/>
	31	30
	<hr/>	<hr/>

8. Staff costs

	2020 USD	2019 USD
Salaries, wages and benefits	355,437	369,959
Insurance	88,992	84,706
Others	4,336	11,689
	<hr/>	<hr/>
	448,765	466,354
	<hr/>	<hr/>

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

	Number of employees	
	2020	2019
USD100,000 - 110,000	-	1
	<hr/>	<hr/>

9. Accounts receivable

	31/12/2020 USD	31/12/2019 USD
Donation receivables	44,565	285,299
Others	395,610	134,402
	<hr/>	<hr/>
	440,175	419,701
	<hr/>	<hr/>

Saigon Children's Charity CIO
Notes to the financial statements for the year ended 31 December 2020
(continued)

10. Cash

	31/12/2020 USD	31/12/2019 USD
Cash on hand	4,680	11,995
Cash in banks	570,886	585,090
	<u>575,566</u>	<u>597,085</u>

11. Accrued expenses

	31/12/2020 USD	31/12/2019 USD
School building	96,676	195,918
Bonus and 13th salary	25,646	34,082
Others	24,472	12,918
	<u>146,794</u>	<u>242,918</u>

12. Deferred income

	31/12/2020 USD	31/12/2019 USD
Current liabilities		
Restricted donations:		
School building (a)	82,793	72,311
Child Development Scholarship Program (b)	279,981	243,273
Getting Ready for work (b)	32,115	140,110
Special need education Program (b)	117,403	125,622
Covid Appeal (b)	76,702	-
Others	8,592	24,618
	<u>597,586</u>	<u>605,934</u>

- (a) Deferred income for School Building related to money received for particular School Building projects which had not been started by the end of 2020 and are expected to be built during 2021.
- (b) Deferred income related to donations for Child Development Scholarship Program, Getting Ready for work, Special need education Program and COVID Appeal received but for 2021 onwards.



Saigon Children's Charity CIO
Notes to the financial statements for the year ended 31 December 2020
(continued)

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

	USD
Opening balance	605,934
Increase in deferred income during the year	598,143
Deferred income realised during the year	(606,491)
	<hr/>
Closing balance	597,586
	<hr/>

13. Funds

	Unrestricted funds USD	Restricted funds USD	Total USD
Income	446,342	1,171,470	1,617,812
Expenditure	(117,453)	(1,396,932)	(1,514,385)
	<hr/>	<hr/>	<hr/>
Net income/(expenditure) before transfers	328,889	(225,462)	103,427
Gross transfers between funds (*)	(225,462)	225,462	-
	<hr/>	<hr/>	<hr/>
Net expenditure after transfers	103,427	-	103,427
Total funds brought forward at 1 January 2020	167,934	-	167,934
	<hr/>	<hr/>	<hr/>
Total funds carried forward at 31 December 2020	271,361	-	271,361
	<hr/>	<hr/>	<hr/>

(*) 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:

	31/12/2020 USD	31/12/2019 USD
Within one year	15,359	25,834
Within two to five years	-	15,644
	<hr/>	<hr/>
	15,359	41,478
	<hr/>	<hr/>

