

Saigon Children's Charity

Annual Report for the year ended
31 December 2013

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

It was a great pleasure for me to take over as Chairman in March 2013. I have had close links with SCC for many years and it has been my privilege to have been part of SCC's Board of Trustees since 2003 when I was the CEO of HSBC in Vietnam and I have been very pleased to continue to support SCC however I can since then. SCC is an organisation of which I am immensely proud to be part – providing, as it does, real measureable support to some of Vietnam's poorest children and families.

Over the 10 years that I have been a Trustee of SCC I have had the privilege of seeing many of the children we have supported grow into confident young people at work and earning enough to lift themselves out of poverty. It is seeing this success that encourages me to continue to do what I can.

2013 has continued to see SCC grow confidently under the leadership of the Director, Paul Finnis, and his team at SCC who I would like to recognise for all of the hard and effective work that they do.

My sincere thanks to all of our supporters, companies, individuals, foundations and families for everything you do for us and with us. I pledge to continue to ensure that SCC remains an effective organisation that honours your commitment in the best way possible – by achieving change for the children and young people we support.

Thank you



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

Saigon Children's Charity

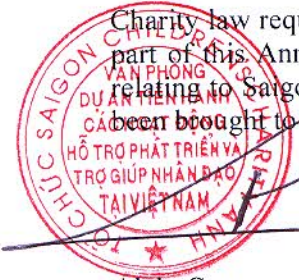
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Declaration – Serious Incidents

Charity law requires us as Saigon Children's Charity's Board of Trustees to submit and sign, as part of this Annual Return, a declaration that there were no serious incidents or other matters relating to Saigon Children's Charity over the previous financial year – 2013 - that should have been brought to the attention of the UK Charity Commission but have not.



Alain Cany
Chairman
Saigon Children's Charity Board of Trustees
Charity Number 1015484

Director's report

Public Benefit

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

Objectives of Saigon Children's Charity

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

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

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

'Children' for SCC means: any child up to and including 18 years old. The only exception being the provision of additional assistance to young people who have already been a recipient of SCC support in order for them to reach their full potential.

Guiding Principles

The strategy and approach are based on basic principles agreed by the Board of Trustees and reviewed periodically. These are our tactical fundamentals on which all of SCC's work is based.

1. Since education is fundamental to breaking the cycle of poverty, SCC will work to get children into school and ensure they have the best quality and quantity of education too.
2. SCC is never exclusive and will make its support available to all children that fall within its definitions and its mission.
3. We take a holistic view of each child in assisting them into school and to learn – and aim to tackle anything which affects their ability to enter and maintain education and to learn effectively.
4. We will ensure that our work and that of our partners is of the highest quality. The schools we work with are or commit to becoming 'beacons of excellence'.

5. SCC will act and be seen as conductor/social worker/facilitator. We will always look for existing solutions via partners we trust and create new programmes/activities only when we are sure of the need and our ability to meet that need. SCC will always 'add value'.
6. All of our work will be comprehensively researched, monitored and fully evaluated. Results will be disseminated widely.
7. We will always prioritise our work to the children who most need our help.
8. We will always look for ways to involve the local community in designing and delivering solutions and leave behind learning when we can.
9. SCC will always act in a transparent and accountable fashion.

SCC – 2013 Director's report

2013 was a stronger year than 2012 in many ways and this is reflected in our accounts with our restricted fundraising increasing 30% mainly as a result of an enhanced school building programme. We expect to see similar growth in this area in 2014 and beyond largely because of commitments received this year from 2 major corporate partners, Prudential and ANZ. Unrestricted income remained strong with SCC's own generated income increasing about 10% thanks to two activities doing particularly well in 2013 such as the Saigon Summer Ball and the Charity Cycle Adventure (CCA). Costs for CCA appear to have taken off but this is because, for the first and probably only time, SCC took responsibility for all of the travel and accommodation costs for the riders and these are met through a set fee for each rider and this element of the work is normally the domain of a travel agent. "General" unrestricted income is always difficult to predict and is down year on year. This form of unrestricted income tends to fluctuate, often as a result of a single item such as whether we have benefitted from an extraordinary event as we have done in the past – such as a group from Hong Kong running across the desert for us. In 2013, whilst we had support from many individuals, there was no one major event like that. We did however hold what we hope will be the first of an annual event in Hong Kong hosted by one of our Trustees, Paul McGee, and this is reflected in the change in "overseas" income year on year.

Looking at expenditure there are some notable matters such as the full introduction, now, of the Japanese Class at Thang long School and a shift at the school away from delivering set classes to helping young people with funding to access course outside of TLS. English continues to be a core class at TLS and the investment in 2013 was less in financial terms and more in people terms as we were fortunate to have substantial professional voluntary advice from ILA, The British Council and others. Working with Others continues to be a strong programme thanks to the unflagging support of Lufthansa HelpAlliance and grants increased during the year along with the quality of applications and partners that we now work with. In early 2014 we will review the work so far though a conference of all grant holders. With "Scholarships" or what we now call Child Development, broadly, you will note the shift away from material support, especially rice, towards providing support for school fees. This has been discussed at length and we are confident that not only is this the best way to help young people – especially those at High School – but that we are able to fully and properly manage this so that the money goes where it is intended. School fees have also increased not just because of this shift but also because we are now supporting more young people at High School. High School is a real crunch point for many young people as real costs increase and pressure on them to contribute to the family increase too. We have therefore increased the amount of support to them by 50% from \$100 to \$150 as a contribution to these increased costs which can include not only fees and text books but even things like accommodation as some young people have to travel too far to get to school and have to stay near the school during the term time. This, along with the university and college support programme, is also a great reflection on the work of the CDP team and the children and young people

themselves as more and more of them are qualifying for High School and for tertiary education opportunities too.

We have continued to operate prudently as it continues to remain difficult to foresee how funding might be affected in the longer term. SCC is now on a different and stronger financial footing and our great thanks to our patient, compassionate and abiding supporters and funders for helping us to double our income over the last few years. This is especially true as the last few years have been difficult for many people and yet they have continued to support our work. Increasingly individuals, companies and Foundations are making long-term commitments, where they can, and this has allowed us to focus our attentions on delivering the best programmes that we can for the children and their families.

The end of 2013 saw the culmination of our current strategy 2009 to 2013 and we were delighted by the impact that the strategy brought about and our ability to meet most of the aims that we set ourselves. 2013, therefore, also included a lot of work in discussions with external partners and within SCC around the development of a new SCC strategy for 2014-2018 and this will be finalised and published in 2014.

Core elements of the strategy for the years 2009-2013 were to:

- Maintain core activities current at the time – school building, individual child scholarships, Thang Long School and vocational training – but adjusted to meet current and future needs.
- Introduce new and complimentary programmes:
 - (a) Aim to do more for those we currently support
 - (b) Broaden to capture children we do not currently support
 - (c) Be and be recognised as a quality organisation

SCC's strategy and work for the next five years will be set against the context in Vietnam in 2013 that is best summed up by the following:

WEF – Global Competitiveness¹:

“Up five positions, Vietnam ranks 70th, regaining half of the ground it lost last year. Despite these encouraging developments, the foundation of Vietnam's economy and prosperity remain fragile.”

Millennium Development Goals – United Nations²

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

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

¹ World Economic Forum – Global Competitiveness Report 2012-2013

² United Nations Vietnam – October 2012

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

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

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

- **Vietnam Sustainable Development Strategy 2011 – 2020⁴**

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

- **Vietnam Education Development Strategy 2011 – 2020⁵**

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

Programmes

The Programmes Team is led by the talented Ngan Giang who, along with our children, has kept the teams extremely busy. SCC receives support from many people around the world and one of the highlights in early 2013 was a private meeting in Hanoi for some of our children from Tra Vinh with the newly reappointed Japanese Prime Minister, Mr Shinzo Abe. We built a school in Tra Vinh with him as part of a group of Japanese ministers a few years ago and this was a chance for him and his wife to meet some of the children now studying there. Amongst other things this involved children staying for the first time ever in a hotel, flying in an airplane and wearing warm clothes bought specially for the trip.

At a high level some of the work in 2013 involved planning forward and discussing and developing ideas for the 2014-2018 strategy. This also included discussions with children and families as well as survey work. Involving meetings with local partners in existing project areas as well as new areas and other experts, this has been a thorough piece of work which will be further discussed and agreed with Trustees in 2014.

We continue to have a commitment to developing our staff especially as it is difficult to find people with significant experience or directly relevant specialist training. So we grow our own as an investment for SCC but, looking more widely, as an investment in the sector as a whole as staff will take these skills with them wherever they go. This skill development is as much about individual skills and team work, for instance, as it is about child-facing and development skills.

We also share these skills with our partners and enjoy watching them develop and grow with the expectation being that they will increasingly be able to take on more of the work that we currently do for them but which is actually their responsibility.

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

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

School Building and Learning Environments

As of 1st January 2013 there were 2 schools with 5 classrooms that had been started in 2012 and went on to be completed in 2013. In 2013 we also started and completed 3 further schools with 7 classrooms and repaired and upgraded 8 further classrooms. By the end of calendar year 2013 we had started, but not yet completed, a further 7 schools with 13 classrooms and these will be completed in 2014. In total this work will help 852 children who will use these classrooms.

In 2013 the School Building Team, supported by the Head of Programmes, undertook an extensive and extremely good piece of research into other provinces as SCC started to look more widely at where we should expand our work. This expansion, as referred to in other reports, has been brought about by a mixture of the change in economies and fortunes of one or two of the provinces where we currently work as well as a recurring need to ensure that we continue to be doing our work where it is needed most.

The Team visited 7 new provinces to undertake surveys of need and considered 9 provinces in total. The final choice of 3 provinces was made on a variety of criteria including levels of poverty in the province, school attendance rates as well as judgments about the commitment and ability of the local authorities in each province to work in partnership with us. The three provinces finally chosen were Hau Giang, Ca Mau and Kien Giang, all in the Mekong Delta, and we will also continue to work separately in Quang Tri as and when the opportunities arise.

A regular part of the school building process is now complete and that sees us establishing and working with local Community Management Units (CMUs) for each of the schools we build. These units not only help to oversee the day-to-day construction work but also, importantly, help the local community to feel an ownership of the entire project and they will go on to help with maintenance of the school too. The Units are made of or local community members, teachers and community authority members.

We also spend more time in consideration of green issues such as location and materials and protecting the local environment but this has also now expanded to engaging the school and the pupils and teachers in green issues. Focusing more on the “Learning Environment” element of the department, in 2013, we worked with a voluntary group called Green Generation who helped to deliver training courses for our schools in Tra Vinh. These consisted of games and tuition on various aspects of the environment and waste recycling. Increasingly each school we build comes complete with a number of environmental factors – such as training for teachers and pupils as well as water purification systems and recycling bins and systems.

Increasingly we find that donors and individuals want to play a real “hands-on” role with the work and we continue to find interesting ways for volunteers to engage with the school building process. This can be in the form of Challenge Days such as we have run many times with Credit Suisse or volunteer days where we paint fences or build playgrounds or through providing specialist information to our families and children.

Development and Integration Programme

As supporters of SCC will know this is an area that has been slated to grow in importance for us and it is interesting to see that change start to take real shape.

We try and look holistically at each young person and ensure that we provide, for instance, not just access to vocational training, but also real help with development of other skills that will be useful for them as they grow up and start looking for work such as English, computing and life skills. This learning curriculum is designed to be of real practical use to them in future work roles. This “consolidation” of our support services combined with the increasing quality of the support we provide will ensure that the change we bring is stronger and more sustaining. A system is also being set up to help us assess the improvement of students and especially those taking English and computing.

2013 also saw us strengthen the introduction and counseling on vocational training for young people in local communities so that more young people in need can access the support. More vocational opportunities are now being offered in addition to those at TLS through other providers such as Hong Vuong with which we signed a 2 year MOU providing, amongst other things, a 40% discount to SCC applicants on all of the courses. We work hard to ensure the quality of trainers is also supported by real work opportunities. Our young people find it difficult to be in training and out of work for more than a few months and making a commitment like this means that we feel a real obligation to ensure that their investment of time pays off for them in terms of increased and enhanced employment opportunities.

One of the issues, here in Vietnam, with vocational training is that many young people don’t really know what’s on offer and so we have produced a video introducing 10 vocational courses. The video was produced by one of our former scholarship students and each course is introduced through the voice of another young person to make it accessible. The video also forms part of our career counseling work (“Getting Ready for Work”) programme for secondary and High School students that is being trialed successfully at the moment.

Our reputation for the quality of our work in this area is broadening and we were delighted to have been approached by one of the 24 key Districts in Ho Chi Minh City to work with them in solving a problem with youngsters who are 15+ and who have dropped out of school but are still too young to work and often lack any skills or, indeed, motivation. District 8 is generally regarded as the poorest District in Ho Chi Minh and they have been concerned to find the right response to this growing problem for them. We worked with them in the second half of 2013 to better understand each other and to develop a good working relationship and will pilot work there in 2014. The answer is, of course, not easy or straightforward but will consist of a mixture of work with young people still at school to encourage them to stay (and solve the problem at source) as well as helping those who have already fallen out of the system to develop skills and interests and have the opportunity to participate in the growing wealth and opportunities in the city.

Our work with children with a disability continues well too with the consistent and constant support of Lufthansa HelpAlliance – support which comes in terms of personal contact and advice as well as financial aid through support for the grants scheme. In 2013 a number of new projects started with grants from WWO from the November 2012 grant round. WWO also strengthened its cooperation with CSDIEPD – a government agency – in the field of building capacity for administrators and teachers working with children with disabilities in order to improve the quality of education provision for them. Calls for the 2013 grant round launched in June with a workshop being held for potential applicants and we held a successful panel meeting funding 8 new projects in total with \$29,000.

Each of the SCC teams have worked more and more closely together and especially cooperation between CDP and DIP in projects such as planning the “Getting Ready For Work” programme. Part of this new internal cooperation also saw the movement of support for some 112 children to CDP from DIP with effect from school year 2013-2014.

We were not able to initiate as much change at Thang Long School as we had hoped after our survey work with the children, young people, families and others in the District. This was primarily as a result of a struggle to get the government meetings we needed to give us the framework and the partnership that we need to work within. Whilst that time lag was frustrating and difficult, the result has been a better developed understanding and working relationship with the Board of Labour Invalids and Social Affairs (BOLISA) of District 4 who we now meet more regularly. As a result, at the latter end of 2013, we managed to start a radical reformatting of our English programme which has been needed for a while. Due mainly to some outstanding voluntary support from teachers and staff at ILA and The British Council who have started the process of teacher training, developing a new curriculum and better testing language levels that will see us deliver substantially better targeted English language support to the young people who need it.

2013 also saw the full development of a Japanese Class at Thang Long School with our first full class opening catering for 16 young people. All of the course students are either SCC alumni or continue to receive scholarships from SCC while they are studying at college/university This is funded by a very philanthropic and successful Japanese organisation called Dears Brain – whose idea it originally was to start this. The response from young people was fast and positive and we will now offer this course regularly. With nearly 3,000 Japanese companies operating here, having some Japanese language skills really does open new doors for some of the young people here.

The ever-successful Saigon Hospitality Course finished its 10th course on November 1st with another 28 graduates who all went straight into work. This programme is now funded in the long term by a Canadian company called Talisman Energy who have brought many other things to the course and to SCC such as volunteers and mentoring and even polo shirts for all of the students. They have committed to support the programmer over the long term which enables us to plan and build the course sure of their support.

Child Development Programme – scholarships

2013 was a year of agreements and training as well as continuing our programme of visiting children and their families at home.

It remains difficult to give an exact figure for the number of children supported within our ‘scholarship’ programme each year as this varies from term to term and month to month as children drop out, join or graduate. We also have to wait at the start of each school year to be clear about which children have been able to stay in school and which have had to stop. There is then a frantic process of meeting those that have stopped to find the reasons why and, if possible, to try and persuade them to return. Nevertheless we know it is important to give you a good guide.

At 1st January 2013 we had 2,299 (2,568 in 2012) children and young people in the programme that were funded during the 2012-2013 school year ending in June 2013. We commenced the new 2013-2014 academic year in September (schools) and October (Colleges and Universities) 2013 with 2,428 (2,237 in 2012) children and young people and, at year end, this number was 2,385 (2,289 in 2012).

With all of our work we are required to have signed partnership agreements in each province and area that we work. This is normally quite straightforward but still involves many discussions and negotiations as well as the inevitable paperwork. In addition we have wanted to introduce the Community Based Supporting Children Network (CBSCN) to all of the places where we work and this has meant different work patterns with and for our partners for which they need to prepare. Most of these agreements are now in place. The next step involves SCC working with local partners to choose the network of local volunteers and key teachers in each school. We will evaluate the needs for technical and social work skills training of network members and provide the training they need to fully understand the mechanism and their roles. We will then hold a series of training sessions for them with the aim being for CBSCN to be ready for 2014 after the pilot finishes in Tra Vinh.

One outcome from these meetings is that some essential changes have been made and the most important is that communication between SCC and our local partners will now be managed through quarterly and monthly meetings and these have been set up as well as the new system for identifying and following up students dropping out and ensuring that we hear about this as soon as possible and can respond immediately as time is often of the essence here.

The SCC Alumni Network now has 400 members including 300 current students and 100 ex-students. The Network is self-managing with coaching/supervision from the CDP team and others. The network developed a plan for 2013 which delivered seminars and training for members and also made calls for participation of members in SCC activities such as volunteering. This continues to be a very useful vehicle for the young people combining, as it does, networking opportunities with support and real advice and guidance for the future.

We now make a special visit to all High School students in their final year. This is mainly to see what their thoughts are for the future and whether or not they plan to apply for college or vocational training. In 2013 there were **169 students in their last year. All of their sponsors received letters** about the forthcoming change and seeking support from them to maintain the youngsters at University/College or in vocational training. Thanks to the huge number of supporters who replied so positively as well as the new supporters who particularly like supporting young people entering college.

Our “post High School” education programme continues to do extremely well and there are 280 children in our post high school programme this year including 174 young people who are in their second or subsequent year. During the 2012/2013 academic year, 50 of our young people successfully graduated from their various programmes at university, college and vocational college.

As well as High School students and the normal practice of school and home visits we visited 100 of our graduate students who were currently receiving post-school scholarships to check their progress as well as identifying some 200 children in need who we have not yet supported to add into our programme. We also make emergency home visits to all of our children who drop out to do what we can to understand and get them back to school or find other solutions for them.

There were two or three areas where we struggled this year. Firstly we missed our targets for getting reports out to supporters. Some of you had to wait until late in the year and some were even missed. Our many apologies for this and please be assured that this element of our communication with you remains a high priority to get right and we will continue to do what we can to make this better and faster and more accurate.

One of our problems is having an antiquated database and we have struggled to find anything to replace it. We have worked with a variety of specialist IT organisations and examined many software packages but nothing has yet fitted our needs. This will continue to remain a focus for us.

The third matter we struggled with was to find enough time for the “baseline” survey we had hoped to do. We need this to help with our future monitoring and assessment work as well as contributing to the strategic plans and we hope, instead, to find the time and expertise we need for this in 2014.

Communications (Fundraising and IT)

Fundraising within SCC continues to go from strength to strength. We continue to be project-led rather than fundraising led which means that we firstly identify what we work we need to do and only then do we find people and organisations willing to help rather than chase funding per se. This ensures that our core programme work is funded in advance and helps enormously with planning. A number of our funders now support us for an extended period too – sometimes defined (3 years often) and sometimes open-ended and these longer-term commitments are invaluable and provide us with great strength.

Projects where we occasionally struggle to find funding – especially our work with “older” young people are gaining more understanding and support from funders and particular thanks to organisations like Fondation Albatros, Children for a Better World, and Talisman Energy as well as one particular private foundation which prefers to remain nameless for having the foresight and confidence in us to support this type of work.

SCC continues to work hard, too, to raise money for its work through its own funding activities and this helps to ensure that more of every dollar invested by individuals and organisations and restricted to particular projects and activities is spent directly on the projects and the children. Our aim is to be self-sustaining in this way and we are well on our way to achieving that.

Amongst the activities that SCC runs the following are highlights:

The Cyclo Challenge is now in its 13th year and whilst it has evolved particularly over the last 5 years it continues to be a great crowd pleaser as well as bringing in much needed financial support. It also generates outstanding media coverage and this helps raise awareness not just of SCC and our work but of the wider issues too. Many people – especially those in the major cities, have no idea how tough life still is for those in rural Vietnam.

We produced a beautiful photobook called “Saigon – the Future”. This was supported by three organisations - Jardine Matheson, Hoang Long Hoang Vu and by KPMG. This will sell for \$30 in Vietnam and \$50 elsewhere and do take a look at our website for more on this.

We held the 5th Saigon Summer Ball on 7th June at The Sheraton once more and this event just gets stronger and stronger. It is generally regarded as the best event of the year by everyone in Ho Chi Minh City and 2013 was no different. We raised a record amount of \$70,000 net and nearly 400 people had a wonderful night.

The Charity Cycle Adventure, held each year in November, was again a huge success. This year we changed the route to travel through the Mekong Delta – altogether different from the Hue to Hoi An route but equally challenging and beautiful and with something for the complete novice as well as the keener amateur. Our great thanks once more to Craig Eldred for whom this was the last CCA for a while as he leaves Vietnam next year. We will miss his energy and commitment but he leaves behind him a very successful event that has already raised hundreds of thousands of dollars and will continue to do so.

We offer a range of ways for companies to engage with us –and an ever-popular route is through participating in one of our superb Challenge Days. Organisations like Credit Suisse took part this year and the day provides real team-building opportunities as well as giving people the chance to participate in a very real way in small rural communities. Credit Suisse has done this a number of times and the volunteers have enjoyed the experience so much that, between them, they raised enough money to build a school. Credit Suisse will also support our photo exhibition planned in Singapore next year.

We are grateful to Paul McGee, our Hong Kong based Trustee, who organised an event at the Foreign Correspondent's Club on 26th November for 100 or so friends of his and others who we hope will become friends of SCC now too. As well as raising a significant amount on the night itself, many people made regular commitments and the hope is that the event might be held every year.

We aim to start each year with all of our projects funded for the year ahead but this is difficult and often it will be March or April before everything can definitely move ahead. Fortunately we are able to adapt start dates for some of our projects while committed funding is found and put in place. This is especially true, for instance, of our school building programme where we only initiate building contracts when funding is in place.

Currently funding comes from a wide range of places and sources. We are fortunate to enjoy support from many different countries including UK, Germany, the USA and Vietnam and, increasingly, from places and countries closer to home such as Japan, Hong Kong and Singapore. Our partners also come in different shapes and sizes from individuals supporting us with \$10 through to schools doing a fundraising drive but also companies and charitable foundations. We are grateful to everyone for their shared desire to bring change here and we take that responsibility very seriously.

In April 2013 we put a concept paper to ANZ, at their request, in competition with ngos in other SE Asian countries where they operate. We were absolutely delighted to find, just a few short weeks later, that we had been selected to be their focal ngo for a brand new way of working on their CSR. ANZ's idea being to target one big problem and to bring a variety of resources together to support that and bring real visible, tangible change rather than spread support too widely and across too many areas which can sometimes mean not achieving the type or level of change that we would all like to see. This means that SCC and more importantly, the community in Long My District in Hau Giang Province will benefit from the attention of ANZ people around the world and especially the Chief Operating Officers and their teams. This has the full support of the ANZ team in Vietnam and our particular thanks to Tareq Muhmood, the CEO and to Lachlan Halstead, the COO. The work has already started but will start in earnest in 2014 and will result in a number of schools being built over the next 3 years, providing school scholarships as well as support in areas such as volunteering and financial and IT advice and school equipment.

One area where we continue to struggle – as does our Child Development Programme Team – is with maintaining good accurate records as we don't have a reliable database or CRM system. We have received a number of offers for support in this area and worked with a few of them but none has yet turned into anything really tangible. We do see it as a priority and will continue to identify help in getting what we need.

Finance and Administration

SCC was delighted to have successfully been through the process of renewing our license under the new Vietnamese government Decree 12. This decree is designed, amongst other things, to simplify matters for international ngos operating in Vietnam and one major change is that licenses will now last for 3 to 5 years rather than having to be renewed every 1 or 2 years. Every ingo in Vietnam had to go through the process even if, like us, they had a current license in place. A lot of work is required to meet the requirements and it is always good to see the final piece of paper arrive.

We have been pleased to see the relationship with SCC USA develop and at the end of 2013 we agreed a "Social Investment Agreement" (SIA) which will help both organisations to ensure that we support each other as well as we can. SCC USA and SCC Vietnam share some common ambitions but are entirely separate and individual organisations. The SIA also helps to describe that relationship.

We continue to commit to staff training as individuals as well as a single unit and especially to training in areas such as child protection. We now have a full training plan for all SCC staff and many thanks especially to Paul Wong and the team at Radical Coaching for their help in delivering this.

Our audit this year was conducted again by the superb team from KPMG who do this pro bono. This year the initial audit work was finished in just 4 days and that is a great reflection on how well the finance side is now managed. Our finance systems are run through SUN systems which has helped enormously in the job of properly tracking, recording and reporting on income and expenditure.

Governance

SCC is managed by a Deed of Trust and is unincorporated. The organisation is governed by a Board of Trustees. Trustees are selected 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. The current Board consists of 8 Trustees but there is provision for this to increase to 10. In 2013 there were 8 Trustees with 6 being based in Ho Chi Minh City, one in Hong Kong and one in England. More information about the Trustees and about SCC generally can be found on our website – www.saigonchildren.com.

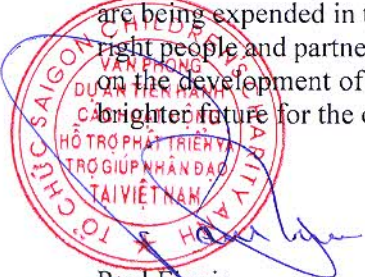
The Trustees delegate management of the day-to-day activities of the organisation to the Director of SCC and this is managed through an agreed policy paper. This ensures an appropriate degree of autonomy for the Director whilst ensuring that the Trustees remain informed and involved in a timely manner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

- Significant policy, procedural or project changes
- Financial concerns
- Major personnel issues
- Other matters of significance

Trustees receive regular financial and activity update reports on all aspects of the organisation. In addition the Trustees aim to meet formally as a Board at least 3 times per year and more frequently if required. SCC Trustees take an active involvement with the organisation and will often be involved in supporting aspects of the work, when required, as well as participating in events and

Looking ahead

Our core objectives and values remain unchanged, but it will be clear from this account of 2013 that we are continuing to adapt and respond to an ever-changing world and to the nature of the progress which is especially evident here in Vietnam. A priority is to improve the link for our children between education and work: that is most evident in the further development of vocational training such as the very successful Saigon Hospitality course. We will seek to further improve our ability to measure the fruits of our – and your – labour: to ensure that our resources are being expended in the most efficient way possible that that we have the right programmes, the right people and partners in place and the right approach. We will focus, as we commented above, on the development of our own staff to give them the best chance possible of helping to ensure a brighter future for the children of Vietnam.



Paul Finnis
September 2014

INDEPENDENT AUDITORS' REPORT

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

Scope

We have audited the accompanying balance sheet of Saigon Children's Charity ("the Organisation") as of 31 December 2013 and the related statement of income and expenditure for the year then ended and the explanatory notes thereto which were authorised for issue by the Board of Trustees on 29 September 2014, as set out on pages 18 to 27.

Trustees' Responsibility for the Financial Statements

The Organisation's Trustees are responsible for the preparation and fair presentation of the financial statements in accordance with the accounting policies set out in Note 1 to the financial statements. This responsibility 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosure in the financial statements. The procedures selected depend on our judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Organisation's Trustees, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our audit opinion.



Audit opinion

In our opinion, the financial statements give a true and fair view of the state of the Organisation's affairs as of 31 December 2013 and its incoming resources and resources expended for the year then ended, which have been properly prepared in accordance with the Charities Act 1993 and Regulation 3 of the Charities Act (Account and Reports) Regulation 2000.

KPMG Limited

KPMG Limited

Vietnam

Operating registration certificate No.: 4114000230

Ho Chi Minh City, 29 September 2014

Saigon Children's Charity
Balance sheet at 31 December 2013

	Note	31/12/2013 USD	31/12/2012 USD
Fixed assets			
Tangible fixed assets	2	-	-
Current assets			
Accounts receivable	3	156,619	105,815
Cash	4	673,319	527,037
		829,938	632,852
Current liabilities			
Accounts payable		(140,402)	(79,511)
Accrued expenses		(43,258)	(46,051)
Unearned income	5	(332,092)	(162,704)
		314,186	344,586
Net current assets			
		314,186	344,586
Long-term liabilities			
Provision for severance allowance	6	(16,194)	(44,352)
		297,992	300,234
NET ASSETS			
		297,992	300,234
FUNDS			
Funds brought forward at the beginning of the year		300,234	301,784
Net expenditure for the year		(2,242)	(1,550)
FUNDS CARRIED FORWARD AT THE END OF THE YEAR	7	297,992	300,234



Alain Cany
Chairman

The accounts were approved and authorised for issue by the Board of Trustees on 29 September 2014 and signed on their behalf by:

The accompanying notes are an integral part of these financial statements

Saigon Children's Charity

Statement of income and expenditure for the year ended 31 December 2013

		2013 USD	2012 USD
Incoming resources			
<i>Unrestricted funds:</i>			
Donations		86,224	140,584
<i>Restricted funds:</i>			
School building		359,997	188,782
Scholarships		337,525	336,348
Teaching and training		97,306	71,926
Working with other organisations		61,997	58,221
Bank interest		-	7
Exchange differences		(172)	927
Other income	8	288,063	257,226
TOTAL INCOMING RESOURCES		1,230,940	1,054,021
Resources expended			
<i>Cost of generating funds:</i>			
Fund raising costs	9	74,953	70,908
<i>Charitable activities:</i>			
School building		405,028	310,384
Scholarships		423,457	351,447
Vocational training		183,735	174,227
Special hardship		10,816	13,168
Working with other organisations		75,999	63,954
Administrative expenses	10	59,194	71,483
TOTAL RESOURCES EXPENDED		1,233,182	1,055,571
NET EXPENDITURE		(2,242)	(1,550)

The accounts were approved and authorised for issue by the Board of Trustees on 29 September 2014 and signed on their behalf by:



Alain Cany
Chairman

The accompanying notes are an integral part of these financial statements

Saigon Children's Charity
Notes to the financial statements for the year ended 31 December 2013

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

1. 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 statement preparation

The financial statements are expressed in United States Dollars ("USD") and have been prepared on the accrual basis using the historical concept. The accounting policies have been consistently applied by the Organisation and are consistent with those used in the previous year.

(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 income and expenditure.

(c) Cash

Cash comprises cash balances and call deposits.

(d) Accounts receivable

Trade and other receivables are stated at cost less allowance for doubtful debts.

(e) Tangible fixed assets

(i) Cost

Tangible fixed assets are stated at cost less accumulated depreciation. The initial cost of a tangible fixed asset comprises its purchase price, including import duties, non-refundable purchase taxes and any directly attributable costs of bringing the asset to its working condition for its intended use. Expenditure incurred after tangible fixed assets have been put into operation, such as repairs and maintenance and overhaul costs, is charged to the statement of income and expenditure in the year in which the cost is incurred. In situations where it can be clearly demonstrated that the expenditure has resulted in an increase in the future economic benefits expected to be obtained from the use of tangible fixed assets beyond their originally assessed standard of performance, the expenditure is capitalised as an additional cost of tangible fixed assets.

Saigon Children's Charity
Notes to the financial statements for the year ended 31 December 2013 (continued)

(ii) Depreciation

Depreciation is computed on a straight-line basis over the estimated useful lives of tangible fixed assets. The estimated useful life for office equipment is 3 years.

(f) Trade payables

Trade payables are stated at their cost.

(g) Provisions

A provision is recognised if, as a result of a past event, the Organisation has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Severance allowance

Under the Vietnamese Labour Code, when employees who have worked for 12 months or more ("eligible employees") voluntarily terminates his/her labour contract, the employer is required to pay eligible employees severance allowance calculated based on years of service and employees' compensation at termination. Provision for severance allowance has been provided based on employees' years of service and their current salary level.

Pursuant to Law on Social Insurance, effective from 1 January 2009 the Organization and its employees are required to contribute to an unemployment insurance fund managed by the Vietnam Social Insurance Agency. The contribution to be paid by each party is calculated at 1% of the lower of the employees' basic salary and 20 times the general minimum salary level as specified by the Government from time to time. With the implementation of the unemployment insurance scheme, the Organization is no longer required to provide severance allowance for the service period after 1 January 2009. However, severance allowance to be paid to existing eligible employees as of 31 December 2013 will be determined based on the eligible employees' years of service as of 31 December 2008 and their average salary for the six-month period prior to the termination date.

(h) Incoming resources

Unrestricted funds are available for use at the discretion of the Organisation's Trustees in furtherance of the charitable objectives of Saigon Children's Charity. Donations received represent all cash donations received during the year. Restricted income are funds subject to specific restrictions imposed by donors or by the purpose of the appeal. All income is accounted for as soon as Saigon Children's Charity has entitlement to the income, there is certainty of receipt and the amount is quantifiable.

Saigon Children's Charity
Notes to the financial statements for the year ended 31 December 2013 (continued)

2. Tangible fixed assets

	Office equipment USD
Cost	
Opening balance/closing balance	6,313
Accumulated depreciation	
Opening balance/closing balance	6,313
Net book value	
Opening balance/closing balance	-

3. Accounts receivable

	31/12/2013 USD	31/12/2012 USD
Receivables	144,541	96,343
Others	12,078	9,472
	156,619	105,815

4. Cash

	31/12/2013 USD	31/12/2012 USD
Cash on hand	15,785	15,020
Cash in banks	657,534	512,017
	673,319	527,037

Saigon Children's Charity**Notes to the financial statements for the year ended 31 December 2013 (continued)****5. Unearned income**

	31/12/2013	31/12/2012
	USD	USD
Unrestricted donations:		
Management expense (a)	5,000	-
Restricted donations:		
Scholarships (b)	119,229	81,133
School building (c)	190,283	68,311
Development and Vocational Training Projects (b)	17,580	13,260
	<hr/> 332,092	<hr/> 162,704

- a. Unearned income relates to donations for the Organisation's management expenses in 2013 but will not be used until 2014.
- b. Unearned income relates to donations for Scholarships, Development and Vocational Training Projects received during 2013 but will not be used until 2014.
- c. Unearned income for School Building relates to money received for particular School Building projects which had not been started by the end of 2013 and are expected to be built during 2014 and 2015.

6. Provision for severance allowance

Movements of provision for severance allowance during the year were as follows:

	31/12/2013	31/12/2012
	USD	USD
Opening balance	44,352	36,467
Provision made during the year	12,498	13,551
Provision used during the year	(40,656)	(5,666)
	<hr/> 16,194	<hr/> 44,352

For the year ended 31 December 2013, the Organization contributed USD 40,656 (31/12/2012: USD1,109) to the unemployment insurance fund and the amount is recorded as part of labour and staff costs in the statement of income and expenditure.

Saigon Children's Charity**Notes to the financial statements for the year ended 31 December 2013 (continued)****7. Funds**

	Unrestricted funds USD	Restricted funds USD	Total USD
Incoming resources	374,115	856,825	1,230,940
Resources expended	(134,147)	(1,099,035)	(1,233,182)
Net income/(expenditure) for the year	239,968	(242,210)	(2,242)
Total funds brought forward at 1 January 2013	907,632	(607,398)	300,234
Total funds carried forward at 31 December 2013	1,147,600	(849,608)	297,992

8. Other income

	2013 USD	2012 USD
Cards, calendars and T-shirts	14,785	15,120
Cyclo challenge	32,603	42,546
Ball events	91,440	69,652
H2H bikeride	29,862	49,935
Charity Cycle Adventure	59,735	53,654
Photo books	10,083	15,024
Others	49,555	11,295
	288,063	257,226

Saigon Children's Charity**Notes to the financial statements for the year ended 31 December 2013 (continued)****9. Fund raising costs**

	2013 USD	2012 USD
Cards, calendars and T-shirts	5,352	9,288
Cyclo challenge	4,057	3,813
Ball events	36,179	30,402
H2H bikeride	13,509	12,346
Charity Cycle Adventure	8,120	654
Photo books	1,719	10,149
Others	6,017	4,256
	<hr/>	<hr/>
	74,953	70,908
	<hr/>	<hr/>

10. Administrative expenses

	2013 USD	2012 USD
Staff costs	31,141	42,105
Severance allowance	13,395	13,551
Rent and utilities	3,510	4,279
Telephone and internet	1,303	1,642
Office expenses	2,549	2,532
Travelling expenses	2,126	1,550
Bank charges	1,280	920
Others	3,890	4,904
	<hr/>	<hr/>
	59,194	71,483
	<hr/>	<hr/>

An element of relevant administrative expenses is apportioned to each of our key areas of charitable activity in a ratio agreed each year with SCC Trustees.

11. Employee information

As at 31 December 2013, the Organisation had 24 employees (31/12/2012: 31 employees).

Saigon Children's Charity**Notes to the financial statements for the year ended 31 December 2013 (continued)****12. Commitments****(a) Capital expenditure**

As at 31 December 2013 the Organisation had the following outstanding capital commitment approved but not provided for in the balance sheet:

	31/12/2013	31/12/2012
	USD	USD
Approved but not contracted	192,127	55,022

(b) Leases

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

	31/12/2013	31/12/2012
	USD	USD
Within one year	35,040	34,147
Within two to five years	2,480	30,030
	37,520	64,177

Saigon Children's Charity Organisation Information

Board of Trustees	Alain Cany (Chairman) (from 31 January 2013) Diana Simone Wells Mark Anthony Fraser Phillip Jeffery Turner Jonathan Ralph Alexander Waugh Paul Graham Cleves Nguyen Thi Thanh Truc Paul McGee Theodore
Director	Paul Finnis
Scholarship Program Committee	Vu Khanh Truong (Scholarship Manager) Nguyen Thi Van Anh Pham Thi Viet Ha Pham Thi Thu
School Building and Learning Environment Program Committee	Tran Vu Ngan Giang (Head of Programmes) Nguyen Hoang Phuong (School building and Learning Environment Manager) Nguyen Hoang Hung
Development and Vocational Training Program Committee	Nguyen Thi Duy Huong (Development and Vocational Training Manager) Pham Thi Kim Oanh (Thang Long School Principal) Phan Thanh Thuy Hang (Saigon Hospitality Manager) Nguyen Thi Thuy
Administration	Nguyen Thi Van Anh (Finance and Office Manager) Nguyen Kim Thao Mai Kim Lien Bui Van Lam Nguyen Loc Thanh Nguyen Loc Vinh
Communications Committee	Pham Thanh Hai (Head of Coms) Do Thi Xuan Phuc Dong Thanh Ngan Nguyen Thao Nguyen Phan Thi Phuong Truc
Registered Number	1015484
Registered Office	24 Gloucester Road Teddington, Middlesex TW11 ONU
Main Operating Office	59 Tran Quoc Thao District 3
Auditors	KPMG Limited 10th Floor, Sun Wah Tower 115 Nguyen Hue Street, District 1 Ho Chi Minh City, Vietnam