



**Saigon Children's Charity CIO
(formerly known as
Saigon Children's Charity)**

Annual Report for the year ended
31 December 2015

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Annual Report
For the year ended 31 December 2015**

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Saigon Children's Charity CIO Organisation Information

Board of Trustees

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

Executive Director

Timothy John Mullett

Senior Management Team

Head of Programmes	Tran Vu Ngan Giang (until 17 July 2015) Nguyen Thi Duy Huong (from 8 July 2015)
Head of Fundraising & Communications	Pham Thanh Hai (until 6 February 2015) Nguyen Le Yeu Thuong (from 2 February 2015)
Head of Finance, Admin, HR Head of Finance & Admin	Nguyen Thi Van Anh (until 29 April 2016) Le Le An Na (from 19 September 2016)
CDP Programme Coordinator	Nguyen Thi Yen (until 4 December 2015) Gapped position covered by Head of Programmes
CDP Programme Manager	Tran To Nhu (from 5 September 2016)
School Building & Learning Environment Programme Manager	Nguyen Hoang Phuong
DIP Programme Manager	Nguyen Thi Duy Huong (until 7 July 2015) Gapped position covered by Head of Programmes Tran Thi Hue (from 1 June 2016)
WWO Programme Manager	Do Thi Hien

Saigon Children's Charity CIO Organisation Information

United Kingdom Charity Registration Number	1157774
Registered Office (United Kingdom)	24 Gloucester Road Teddington, Middlesex TW11 ONU
Main Operating Office (Vietnam)	59 Tran Quoc Thao District 3, Ho Chi Minh City, Vietnam
Bankers	HSBC United Kingdom, HSBC Vietnam, HSBC Hong Kong (closed on 4 June 2016), ANZ Vietnam, Singapore, New Zealand & Australia
Legal Advice	Frasers Law Company The Metropolitan, 235 Dong Khoi, District 1, Ho Chi Minh City, Vietnam
Auditor	KPMG Limited Vietnam

Saigon Children's Charity CIO

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

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, most disadvantaged children and families. Over the years that I have been a Trustee I have had the privilege of seeing many of the children we have supported grow and evolve into confident young people at work and earning enough to lift themselves out of poverty. It is seeing this success that encourages me to do what I can and to encourage others to do the same.

This year we have had an evolution of our own. On 1 January 2015 Saigon Children's Charity converted to become a Charitable Incorporated Organisation (CIO), with all staff, assets and programmes transferred fully to Saigon Children's Charity CIO. This legal structure, defined in the UK Charities Act of 2006, was first made available in 2013 and both provides a more robust legal status for SCC, and reduces the personal financial liability of the Trustees, an important consideration as the charity continues to grow.

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. I became Chairman of SCC in 2013, but in the interests of good governance and to avoid any legal conflict of interest during the transition period from SCC to SCC CIO, I formally resigned from the Chairmanship of the original SCC with effect from 15 December 2014. However I am delighted to be, and to remain, the Chairman of Saigon Children's Charity CIO.

Our thanks go to our Trustee Mark Fraser and Frasers Law Company for their excellent preparatory work: the transition was seamless. We are also most grateful to the People's Aid Co-ordinating Committee (PACCOM), which oversees the activities of INGOs in Vietnam, for their support in transitioning our Project Office license in Vietnam in a smooth and timely manner. On the ground, the SCC team, under new Executive Director Tim Mullett has ensured the transition involved little or no impact on the ongoing operation of the charity, its beneficiaries, donors and supporters.

A change of Director brings fresh eyes and new perspectives, and after several years of income growth, Tim, in full consultation with the Trustees, has adopted an initial consolidation strategy, learning, assessing and improving our internal systems, controls and infrastructure, to reinforce our foundations ahead of any further future growth.

Nevertheless there has been continued growth of income and activity this year, particularly in the school-building area and we are especially grateful once again to two major donors Prudential and ANZ for their tremendous partnership in this area.

The Saigon Cyclo Challenge received both a new location and a makeover to engage more participants, the Saigon Summer Ball was a great success once again, with a terrific evening delivering a record-equalling income, and we were able to greet friends old and new at a fundraising evening in Hong Kong organised by our Trustee Paul McGee.

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There were two notable farewells in 2015. In July we bid farewell to our longstanding Head of Programmes Ms Tran Vu Ngan Giang, who left after seven years at SCC to become Executive Director of a local NGO. Although sad, we are also delighted to see our team members grow and flourish and were equally delighted to be able to promote Ms Nguyen Thi Duy Huong from within our existing team as her successor.



In November we also said farewell to one of our longer-standing Trustees, Philip Turner, who stood down from the Board of Trustees of SCC in October 2015 after almost ten years of dedicated service, and from SCC CIO in January 2016. Philip's interest in, and commitment to, SCC over so many years has been of enormous value, alongside his keen financial advice to both the Board and the team. Thank you for your tremendous support and for helping SCC to develop. We wish you well.

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

This year we are reporting in accordance with a new UK standard, SORP (FRSSE) effective 1 January 2015. This has involved some changes to the way we present our accounts, and write about them. We are very happy to do this as it is always our intention to provide the highest levels of compliance and transparency about our work.

This Trustees Annual Report, audited by KPMG, and comprising the Chairman's report, Director's report, Final Accounts and Notes, has been approved by the Trustees of SCC CIO on 31 October 2016, and I am authorised to sign the report on their behalf.

Thank you



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

Declaration – Serious Incidents

Charity law requires us as Saigon Children's Charity's CIO Board of Trustees to submit and sign, as part of this Annual Return, a declaration that there were no serious incidents or other matters relating to Saigon Children's Charity CIO during the previous financial year, 2015, that we should have brought to the attention of the Charity Commission of England and Wales, but have not.



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SCC CIO DIRECTOR'S REPORT: 1 JANUARY – 31 DECEMBER 2015**PUBLIC BENEFIT**

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

OBJECTIVES OF SAIGON CHILDREN'S CHARITY CIO

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

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

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

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

Guiding Principles

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

1. Education is key to breaking the cycle of poverty, but simply getting children to school is not enough: ensuring they have the best quality and quantity of education is important too.
2. SCC works without discrimination for the benefit of all disadvantaged children and youngsters in Vietnam, and prioritises our work towards those who most need our help.
3. SCC fully recognises and supports the rights of children, but applies a needs-based approach to assessing how and where best to apply developmental programme activity.

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

Vietnam Context

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

WEF – Global Competitiveness¹:

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

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

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

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 2014-15

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."

ACHIEVEMENTS AND PERFORMANCE

I took over as Director of SCC in October 2014, and SCC then transitioned to become SCC CIO from 1 January 2015. I am therefore technically both the last Director of SCC and the first Director of SCC CIO. However to all intents and purposes we remain exactly the same organisation, with the same principles, the same objectives, programmes, team, assets and fortunately the same generous and committed supporters and donors. Thanks to good preparation by all concerned the transition was managed and administered well and with little disruption.

In addition 2015 has seen the introduction of a new SORP (Statement of Recommended Practice) (FRSSE), effective 1 January 2015, which has led to adjustments in the way we present our accounts, including this report. You will see notes about the impact of this change in various different places, but we are very happy that it is helping us to present our information in a consistent way, as well as allowing us to fulfil our objectives of being fully compliant and transparent.

With SCC's previous strategy coming to an end in 2014, the Trustees approved a new short-term consolidation strategy for 2015-17. Being new in post, this allows time to review and assess our current position, before looking at any new direction, continuing existing programmes at the same or similar levels, while also looking, after several years of income growth and programme expansion, to review and strengthen our internal processes and infrastructure ahead of future development.

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

- **Maintain Current Direction:** Maintain and develop the core programmes of Child Development (CDP), School Building (SB), Development and Integration (DIP) and Working With Others (WWO), evolving them as need and opportunity dictates.

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-bacieu.com/images/c/c2/The_education_development_strategy_from_2011-2020.pdf (English)

- **Greater Engagement around Core Programmes:** Work more closely with schools, particularly, but also with families and communities to support children's development and build our expertise.
- **Development of SCC:** Update infrastructure, systems and processes to continue to make the organisation more professional without losing the soul of the charity, its core focus on improving the lives of children, or its reputation for quality and transparency.

Our work continues to be focused on 4 main programmes:

1. **Child Development Programme (CDP):**
 - o providing scholarships to disadvantaged children from primary school to university and college, allowing them the chance to get into and stay in school.
2. **School Building and Learning Environment (SB):**
 - o building or renovating small kindergarten and primary schools in remote rural areas, often satellites of central schools.
3. **Development and Integration Programme (DIP):**
 - o providing Vocational Training and Life Skills to older children and young adults, to help them transition from education to gainful employment.
4. **Working With Others (WWO):**
 - o building capacity in special needs education by providing small grants and supporting advice to centres supporting children with a disability, especially growing their management and teacher knowledge.

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

PROGRAMMES

In July we sadly said farewell to Ms Tran Vu Ngan Giang as Head of Programmes after seven years with the charity, but welcomed Ms Nguyen Thi Duy Huong, previously our Programme Manager for Development and Integration, as her replacement. Ms Giang has moved on to become Executive Director of a local NGO in HCMC and we wish her well and thank her for her enormous contribution to SCC over the years. We are fortunate to have had a very strong internal candidate among the many external applicants for the role, and Huong has stepped up and settled quickly into what is a busy and challenging role, ably supported by her programme teams.

Child Development Programme

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

At the end of School year 2014-15 we were supporting 2,183 students. We had hoped to be able to raise this up to 2,500 students for School Year 2015-16, but sufficient funding did not arrive in time to allow that, and so we had 2,203 students in the programme at the end of December 2015.

The scholarships we provide range from primary through to tertiary education. We do not recruit students at tertiary level but are delighted when children who we have supported at school are able to go on to further education. Of the 2,203 in the CDP programme at the end December 271 were in tertiary education, more than 12%, which is very encouraging.

In the past we have enrolled CDP students throughout the school year as funding has come in, but in order to simplify programme administration and accounting, we now intend to enrol students only up to the end of the calendar year, and new scholarship funding which arrives after that time will be deferred to support scholarships in the following school year. To avoid complications with later renewals of previous sponsorship, we are aiming to move our annual donor renewal request back in the year, separated from our reporting on student progress, with the ultimate objective that all CDP funding (whether renewal or new funding) is confirmed in place before the school year starts. As we only get one chance to progress this each year, this change may take some time to achieve, but in the interim we expect all funding for SY16-17 to be in place by December 2016.

An extensive Socio-economic and education survey of our current areas of scholarship operation was carried out by the CDP programme officers late in 2014, to review whether our presence was still really needed or whether local authorities and partners now had sufficient skills and resources to help families and children themselves. Interestingly the results were not as expected, with certain areas showing an unexpected ongoing need, often due to the impact of migrant workers and their families moving to more affluent areas in search of work and then finding life hard. Other districts however have shown strong development, and while we will continue to support children already in our programme through to completion of their education, we will not enroll new children in these areas. The main conclusion of the survey was that we should broadly consolidate where we are already working.

This valuable survey work will also feed in to development of our next stage strategy. We are always of course hoping to find increasing numbers of local partners who may be in a position to take on more of the work that we currently do for them but which is actually their responsibility.

In 2015 we were supporting students in Ho Chi Minh City, Tay Ninh, Tra Vinh, Tien Giang, Dong Nai, Binh Phuoc, and for the first time Hau Giang. The 300 students in Hau Giang are sponsored as part of the Project 3E partnership with ANZ Bank, which focuses on Long My District in Hai Giang province. Anh Duong Community Development & Support Centre, another NGO known well to us, was already offering scholarships in this province, and so we have partnered with them to oversee our scholarship delivery in this area, so as to ensure we do not upset the system that they have established there in the community. We expect this partnership to last for 3 years, and have chosen high school students, so that there is a lower ongoing support commitment should the specific project funding subsequently cease.

Our first Community Based Child Support Network (CBCSN) was established and piloted in Tra Vinh with the objectives of providing increased support to our children when SCC is not there, and long-term to create the knowledge transfer and organisational infrastructure which will allow local partners to replace SCC's work completely. The pilot raised some issues about local resource capacity to deliver the network properly and this has been put on hold pending a review and SCC resource to dedicate to its further development. As an adjunct to this we now aim to work primarily through identified partner schools to support groups of children, rather than scattered scholars. This allows much great communication and support from the schools and much quicker communication of problems and drop-out risks. This is working well.

The CDP Getting Ready for Work programme was implemented in 2014, and piloted at two schools in Tra Vinh Province, aiming to provide Life Skills and career advice to those who often have little exposure to career possibilities, and whose self-confidence and knowledge in many non-academic areas is lacking. Due to lack of both funding in and resource (maternity leave) we have not extended this programme further, but certainly plan to do so once funding is identified.

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

The SCC Alumni Network numbers continue to develop, with upwards of 700 students now registered both current and graduated. The Alumni Network exists to create connections between beneficiaries, provide skills, and to be ambassadors of people who have overcome difficulties. Seeing productive and employed graduate students returning to help current SCC scholars in their free time, with HR, careers and study advice shows the great potential for this alumni group, and demonstrates the level of commitment that these children have when given the chance.

CDP also includes our urgent Support Fund which provides item such as bicycles, glasses, short-term medical care and other issues which might prevent a child from attending or progressing at school. We thank Children for a Better World for their funding of this valuable element of our support, and to all those who have funded bicycles this year.

An additional string to our bow has been provided by funding from NovoNordisk, who have partnered with us to provide scholarships to children with chronic health conditions. Long-term treatment for such children has generally fallen outside the scope of our Urgent Support Fund, and we have had to seek help elsewhere. However with this fund, when one of our scholarship students is diagnosed with a serious health issue, we are able to help. The launch of the programme included health checks for a large number of children in Dong Nai.

Work was started in late 2014 to improve our internal contact management and records database, particularly for the scholarship programme which has been running on what is now redundant software. An outcome of this work was the decision to reallocate some of the responsibilities for the administration of the CDP programme and its donors, separating donor renewal from donor reporting. Once we have established this transition we will look for a suitable database to help make the work more efficient and to allow us to collate and measure students records and progress more efficiently. We hope that we will achieve this change smoothly and ask our donors for their patience as we do so.

School Building and Learning Environments Programme

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

Following 13 schools built in 2014, in 2015 we started 13 schools and 1 renovation project. These 43 new classrooms will benefit over 1000 children and their teachers each year, with greatly improved learning environments, hygiene facilities and a positive start to their education.

We had completed 6 schools by the end of the year and the other 8, subject to unexpected weather or administrative delays, were completed early in 2016. This year we built 8 kindergartens, 5 primary schools and one secondary and this is line with the greater need for kindergartens.

We had tremendous support from a variety of donors, but in particular once again from ANZ and Prudential who each funded 3 schools, from AEFA in Japan who funded two, and from Rob Drake-Brockman, Stuart Bamford and Chelsea Pre-Prep who also funded two schools. Our other esteemed donors included REE, Premier Oil, Murphy Oil, Credit Suisse, BASF and Nippon.

Geographically most were built in the Mekong Delta, in Hau Giang (6), Tra Vinh (2) and Kien Giang (3), but we also built again in Quang Tri in central Vietnam, and, notably for the first time, in response to a request from the Vietnamese authorities, we built two schools in the north of Vietnam, near Hanoi, a secondary school extension in Phu Tho and a kindergarten in Ninh Binh.

This move to the north was in line with our strategy of extending our geographic reach. We had assessed five provinces where the need for support was clearly identified and this year we tested our ability to deliver. Whilst it was not easy working with two new provinces, as well as different school design, climate and culture, the successful building of these two schools has allowed us to confirm our capability to do this work as part of our longer term strategy for a more geographically distributed school building programme. Congratulations go to Nguyen Hoang Phuong, our excellent School Building Programme Manager, and to his team, for making this happen.

Our partnership with ANZ, Project 3E delivered 3 further new schools in Long My District, Hau Giang Province, Project 3E has gone from strength to strength, focusing global ANZ employee interest on making a significant difference in a single geographic area, and this year the project extended to include scholarships for 300 children in the same District. It is terrific to see the difference this is making to the infrastructure and education system of a relatively small area.

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Operationally the development of the Community Management Unit continues to deliver real value and is now an integral element of the School Building programme, allowing much greater local community involvement in the building project, as well as the transfer of skills and knowledge in the supervision of the construction and the ongoing care and maintenance of the school.

We continued in 2015 to add a further layer of Learning Environment development, using a third party, Green Generation, to provide environmental training both in management of the environment and also in basic recycling of waste materials for use in the local community, or to be sold. These activities and awareness training are now built into our proposals for each new school.

The school building programme also provides a ready opportunity for engagement by donor staff, volunteers and individuals who want to do something practical to help. While we never want to take work away from, or in any way replace, the local contractor, our Challenge Days really do allow those from further afield to see for themselves the real need for their valuable support, and to engage with local community members in a more direct way.

Development and Integration Programme

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

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

Following the retirement of Ms Oanh in 2014, Ms Pham Thanh Thuy Hang, previously vocational training manager for SCC, was appointed as the new Principal of TLS. Ms Hang is the first Principal from outside D4 and it is greatly to the advantage of both SCC and TLS that we know her so well.

We supported 372 students with free courses at TLS in 2015 as follows:

- English: 285 students
- IT: 55 students
- Art class: 16 students
- Photography: 16 students

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

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Last year, with the support of volunteers from ILA and the British Council, TLS introduced new curriculum and updated textbooks for the English training programme, focusing more on communicative English than on traditional grammar. The teachers were also trained to be more interactive with students, and this aligns with our objective to build longer-term employability skills.

Outside the TLS curriculum DIP supported over 90 youngsters with other programmes.

- Japanese language: 31 students
- Saigon Hospitality: 37 students
- Other vocations: 22 students
- Psycho-social counseling: 30 students
- Social activities: 130 students (students of other courses)
- Life skills: 151 students (students of other courses)

The Japanese course has continued strongly with ongoing funding from Deers Brain, and while not seen as a direct entry into employment, certainly provides greater opportunities for the participating youngsters as they look at where they might be best employed in the future.

The Saigon Hospitality programme has continued to flourish with the 13th course running in 2015. This programme, generously funded once again by Talisman/Repsol, has an excellent record of job placement following completion of the programme and this reflects the continued growth of this sector within Vietnam. It is a real pleasure to meet "Hospi" course graduates at hotels, restaurants, coffee shops and bars across the city.

We also increasingly use third party providers to deliver other higher quality specialist vocational training which they can deliver better than we could do ourselves, such a motorbike maintenance, metal cutting and now also hairdressing and beauty classes.

As can be seen students also benefit from psycho-social counseling, and from social activities and life skills classes which help to grow their self-confidence and readiness for the workplace.

Finally we also continued to develop the Careers Advisory and Life Skills programme for District 8 which helps to address the problem of school drop-out and lack of skills and motivation amongst group of their young disadvantaged youngsters. With funding now in place from a private regional donor we will launch delivery of this programme in 2016.

Working with Others

With continued funding and support from Lufthansa Help Alliance, our Working with Others programme, supporting children with disability, was able to make four grants this year to support capacity building in Special Needs education. Applicants for grants are coached in proposal writing if needed by Ms Hien our Programme Manager, and short-listed proposals are then assessed by an board of independent experts from the NGO, healthcare and special needs education worlds. We thank them for their help and guidance in choosing the right programmes to support. This year WWO disbursed \$19,639 in grants in total to the following programmes:

- a. Enhancing professional capacity of early intervention and methods of organising teaching-learning activities for autistic students (in Ca Mau Province).

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- b. Professional training in audiology and early intervention for children with autism, for medical staff, teachers and parents (in Khanh Hoa Province).
- c. Enhancing the professional capacity of teachers of teaching hearing-impaired children in special and inclusive schools (in Ho Chi Minh City).
- d. Enhancing the understanding of WWO about special education. (in Ho Chi Minh City).

We hope in the future to increase both the number and scale of the programmes supported by WWO, subject to the quality of the proposals submitted and the quantity of funds we can raise for this very important and under-resourced area.

FUNDRAISING AND COMMUNICATIONS

Early 2015 saw the arrival of a new Head of Fundraising and Communication, Ms Nguyen Le Yeu Thuong, who has brought great enthusiasm to the role and to the team. Thrown in at the deep end in organising the Cyclo Challenge and the Summer Ball, she coped well, kept energy levels high and led the team to success in both events.

As ever SCC has been project led, identifying projects before raising funds to support them. This approach helps to make sure that our programmes are funded in advance, and fortunately we have found donors for all projects this year.

We would very much prefer to have all funding in place before the start of our financial year, but in fact our programmes run to different calendars and so this is not realistic. However, for the majority of our programmes, we only start once committed funding has been secured. For our CDP scholarship programme we will continue to work to have majority funding in place before the school year starts and will be liaising with donors where necessary to try and change their renewal timetables in order to facilitate this.

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

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

The relationship with SCC USA has rather slowed during 2015 as focus on both sides has been elsewhere, coinciding with reduced Board capacity in the US. However rejuvenating this relationship is very much part of our strategy, to increase our long-term fundraising capability in the US.

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

Saigon Children's Charity CIO

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Registered charity number: England - 1157774 • Vietnam-21/CNV-VPDA

Our main fundraising activities in 2015 were:

- The 15th Cyclo Challenge, a corporate team-building event, was once again held in March, but this time at Celadon City, a new development area, and with an expanded format. The event drew more teams and a good crowd for a Sunday morning and generated much needed funding, although we would like to see a higher income level in return for the greater expenditure of both organisational time and money. This event also generates extensive media exposure and this helps to raise awareness of SCC itself, as well as of the work we do.
- In May we held a Friend-raising and Fundraising event in Hong Kong, thanks to the efforts of several of our Trustees, especially Paul McGee who is based in Hong Kong, and kindly underwrote expenses for the event. We intend to expand our regional fundraising and hope this may now become an annual event.
- The Annual Saigon Summer Ball, one of the main social events of the year in Ho Chi Minh City, was held in June at the InterContinental Asiana Saigon for a second time. Over 300 guests enjoyed not only a successful fundraiser but also a great evening, and the Ball raised over \$90,000 net of costs, a record for SCC, mainly due to some tremendous Main Auction bids and the incredible generosity of our those attending.
- The Charity Cycle Adventure, in its 6th edition, was once again a great success. The route from Buon Me Thuot to Dalat to Nha Trang proved grueling, particular on the second day, but the group, including the Director this year, pushed through and made it triumphantly to the beach. Great thanks go to Tom Duncan for leading the Challenge again this year. The riders raised over \$55,000 in total this year, with fundraising continuing into the new year, and have now raised over \$200,000 in total for SCC in the last few years, an outstanding effort.
- Once again I would also like to acknowledge the effort and contribution made by the riders in the H2H (Hanoi to Ho Chi Minh City) ride who raised a wonderful \$35,000 this year. This valiant group of riders each take a month off work to make the 2000km ride in support of a collection of children's charities, covering their own costs and raising considerable sums. SCC is the lead beneficiary and we have been delighted to continue supporting Chris Rolls and his team in any way we can as they prepare for future rides.

We are of course immensely grateful to all our funders, donors and supporters, and we are delighted too to have had several new donors working with us in 2015, in particular OFMA (Our Fellow Man Alliance) from Taiwan who funded our English Programme, Hitachi and Murphy Oil who sponsored and participated in the Cyclo Challenge, and three organisations, Palazzo Club, Dnata Group and Urban Art Gallery who gave substantial unrestricted donations. Premium Deluxe Design Ltd have also kindly donated paint, pencils and colouring books in large quantities for us to distribute to the schools and children we work with. Thank you to you all.

Additionally we would like to recognise Rob Drake-Brockman from London, who visited Vietnam with his son in November 2014 and who has, in partnership with Stuart Bamford (Head of Chelsea Pre-Prep) and the parents of the Kindergarten, funded two new schools in the Mekong Delta this year: it has been an absolute delight to work with them and we hope to see them back in Vietnam soon.

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Communication

On the communication front we recognise that we could be doing much better, both in the regularity and quality of our communications with donors, sponsors and supporters. Recognition is the first step to change, and I hope that you will see continual improvement from us in this area. Upgrading the information management and associated IT tools is one necessary step, but our whole approach and discipline in this area has been somewhat lacking, and the planning and execution in this area have therefore not been below the standard we would expect of ourselves. In some cases, such as our larger partnerships with corporate, these are challenges we have not faced before in terms of the quantity and type of stories and communication required, and we seeking external assistance to help us develop our capacity in this key area.

FINANCIAL REVIEW

The change to SCC CIO has also coincided with the introduction of the Charities SORP (FRSSE) "Accounting and Reporting by Charities", effective 1 January 2015. This new standard has required and allowed us to make some changes to our final accounts, disclosures and annual report, and to the accounting practices which generate those outputs. In particular the SORP places additional requirements on the presentation of information about restricted and unrestricted funds. This set of accounts is the first under this SORP, and although we have included 2014 figures from SCC as a comparator, they have not been restated against the new SORP. Even though direct comparisons in all areas may not be possible, particularly in the costs, comparison of the headline figures is certainly valid. We have added notes where most relevant, but are always ready to answer questions should they arise.

During the year we have worked on improving some of our internal systems, processes and reporting, both financial and operational. This healthy internal quality focus will continue into 2016 and will link with the projects for CRM implementation and programme database already mentioned.

Our audit this year was conducted again by the superb team from KPMG Vietnam who kindly do this on a pro bono basis. SORP (FRSSE) has definitely been a challenge as we are probably the only organisation in Vietnam following that standard. Our finance systems are run through SunSystems which helps enormously in the job of properly tracking, recording and reporting on income and expenditure. This year the initial audit work was finished quickly but there has been much subsequent work done by the team to ensure that our new Final Accounts structure, the first year for SCC CIO is compliant, accurate and representative.

Analysis of accounts

2015 has seen a 6% growth in income from 2014, with our restricted income slightly increasing.

This has again been a strong school building year, not least due to the commitments of two major corporate partners, Prudential Vietnam and the Prudence Fund and ANZ with Project 3E.

As always SCC aims to identify programmes and then raise money to support them, and this is particularly apparent in the school building programme area where we both identified schools that needed support and were then able to raise funds deliver more schools built than in 2014. Six of fourteen schools had opening ceremonies in the fourth quarter, and the remaining eight were opened in January or February 2016.

Unrestricted income was supported by a record-equalling income from the Saigon Summer Ball, and from a redesigned Cyclo Challenge, which encourage greater team participation from our corporate sponsors. May also saw a fundraising event in Hong Kong with great support from our Trustee Paul McGee. We aim to make such regional events a more regular occurrence in the future. Finally this year's charity Cycle Adventure, in which the Director personally participated for the first time, raised over \$55,000 for SCC, a remarkable achievement by a very committed group of cyclists.

Looking at our expenses in this area, the new format of the Cyclo challenge cost more to stage than in 2014, but we hope to build the event for greater future income. The Summer Ball cost us less to put on and we achieved a greater net income, and the Charity Cycle Adventure (CCA) costs were minimal as riders cover the costs of the ride themselves.

Still with expenses, the new SORP has changed how we allocate and present both our income and our expenditure, and this means that comparison with the 2014 figures from SCC are difficult. It is also clear to see that the restricted funds we raise for our programmes need to be supplemented by the unrestricted funds we raise each year, in particular to cover support costs, and raising these unrestricted funds is an ongoing and growing challenge.

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

Governance v Administrative expenses

The presentation of this year's accounts is different to that used by SCC in previous years, due to the new SORP, and this can make direct comparison with 2014 figures difficult this year. Nowhere is this more apparent than in the Governance line. Governance costs were not specifically presented in previous years, but Administrative expenses were, as a percentage of total support costs. We now apportion all support costs to our key activities, which include our Programme work (charitable activities), Fundraising, and Governance. In fact our Governance costs are very low, with the Trustees claiming only a few travel expenses, and also include an apportionment of part of the senior management and administration team's costs. Detailed explanation can be seen in the Notes.

Risks and Reserves

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

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

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

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

To avoid excessive reserve holdings the Trustees have also agreed our reserves should not exceed 20% of income at current levels. The budgeted maximum reserve for 2015 was therefore \$325,000. The closing balance for 2015 was \$312,417, within which a designated UK reserve account held \$281,381 at 31 December 2015.

That level of reserve is considered appropriate although further reserve will need to be generated, particularly before scholarship numbers are increased further.

HR, ADMINISTRATION AND INFRASTRUCTURE

We have had some significant change on the HR side within 2015, and into 2016, specifically changes in all the Heads of Department.

The new Head of Fundraising arrived shortly after the Director, and in July we bid farewell to our longstanding Head of Programmes Ms Giang, who left after seven years at SCC to become Executive Director of a local NGO. It was sad to see her leave, but at the same time great to see her move on to such a terrific opportunity. From a strong field of candidates, we were delighted to be able to promote Ms Nguyen Thi Duy Huong from within as her successor and Huong has settle very quickly with the support of the whole team around her.

Finding the right staff to replace Ms Huong, and to fill a new Programme Manager role for CDP, has proved challenging, with false starts or drop out in both cases. This meant that Huong was covering both positions for an extended period, until we successfully recruited strong candidates in June and September of 2016. That she has been able to maintain and make progress in both areas within 2015 is greatly to Huong's credit, but having the full team in place will now allow her a broader focus.

In addition, after almost 10 years at SCC, Ms Nguyen Thi Van Anh, Head of Finance, Admin & HR decided to move on in April 2016, and it has taken us several months to find a suitable replacement. In the interim we separated out the HR function. However we are delighted to confirm that Ms Le Le An Na, originally a senior auditor at KPMG, joined SCC CIO as Head of Finance and Administration in September 2016 and has overseen the final preparation of these 2015 accounts.

On the administrative side work progressed to review and document internal processes and to improve our IT infrastructure. We identified that shortcomings in our donor information and communication management could be helped by software solutions, and implemented a mailing software to be followed by a CRM system. Assessing suitable CRM solutions has involved some detailed analysis of our working practices and workflows, which has led us to introduce necessary process change before we attempt to layer an IT solution on top. This internal focus has been very healthy and has also allowed newer members of the team to gain a much deeper understanding of how SCC works. This remains a work in progress and will continue into 2016.

STRUCTURE, GOVERNANCE AND MANAGEMENT

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

In 2015 there were 8 Trustees of SCC CIO with 6 being based in Ho Chi Minh City, one in Hong Kong and one in England. The current Board consists of 9 Trustees but there is provision in the Constitution for this to increase to 12. Having resigned as Trustee of SCC on 27 Oct 2015, Philip Tuner subsequently resigned as a Trustee of SCC CIO on 9 January 2016.

Phil Turner was a long-standing Trustee after nine years of dedicated service, and I would like to thank him for his support, wise advice and guidance, especially in the financial area, and for his commitment to SCC over so many years. He has added enormous value in helping SCC to develop. I am sorry to see him stand down and wish him well.

However we have welcomed two new Trustees in 2016. Hoang Tri Mai is Managing Director of Rolls Royce Vietnam, based in Hanoi, reflecting our strategy of increasing geographic reach and our intention to do more work in the North of Vietnam, and David Appleton, a long term supporter of SCC, is Partner at xtab studios, and brings his valuable marketing and digital experience to the Board. A second UK-based Trustee has also been identified and is awaiting confirmation.

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

Saigon Children's Charity CIO

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

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

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

Transition to Saigon Children's Charity CIO

On 1 January 2015 The Saigon Children's Charity converted from an unincorporated charity to become The Saigon Children's Charity CIO, a Charitable Incorporated Organisation (CIO).

All Trustees, staff, assets, strategy and programmes transferred to Saigon Children's Charity CIO on 1 January 2015, by Resolution of the Trustees of SCC, and all contracts and agreements, bank accounts and other payment channels were migrated.

As mentioned above, the CIO structure was defined in the UK Charities Act of 2006 but only became available in 2013. It provides a more robust legal and contractual status for SCC CIO, and reduces the personal financial liability of the Trustees, an important consideration as the charity continues to grow both its income and expenditure.

I would like to add my thanks to our Trustee Mark Fraser and the team at Fraser's Law Company for their invaluable research, advice and support in preparing for all legal aspects of this transition. The Administration team here also executed the transition smoothly to ensure there was little or no impact on ongoing operations of the charity, its beneficiaries, donors and supporters.

Legally we are now The Saigon Children's Charity CIO, with a new Charity number 1157774, however we continue to be known as, and to operate on a daily basis, as SCC. Once all transition processes are fully complete and verified, in accordance with the guidance of the Charity Commission of England and Wales, The Saigon Children's Charity will be dissolved.

As a result of the transition we also needed to amend our Vietnam Project Office License (No 21/CNV-CPDA) and our thanks go to Mr Phan Anh Son General Director of PACCOM and Mr Nguyen Trung Dung, for their guidance and support in ensuring that process in Vietnam was also smooth and timely.

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LOOKING AHEAD

Our new CIO structure is a reflection of our responsiveness to the changing world around us and new possibilities that improve and strengthen us. As SCC CIO our core vision, mission, objectives and values remain unchanged. We will continue to adapt to changes happening around us, both within Vietnam and outside, while continuing to support the disadvantaged young people for whom life unfortunately does not change as much or as fast.

We will continue our internal consolidation process in 2016. We are looking to identify a CRM system, to upgrade the website, and to overhaul our IT system, if funding permits. We will do this without detracting from the programmes that we run, or the support we provide.

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

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

Looking further ahead, 2017 will be when we produce our next longer term strategy: there is much research and consultation to do before we can finalise that.

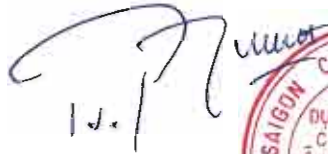
Secondly we will be looking at how to mark and celebrate the 25th Anniversary of the founding of SCC, a real milestone of 25 years of helping children to get an education and a better start in life.

FINAL THOUGHTS

There are so many people to thank who otherwise may not be publicly acknowledged. We can nothing without our donors, and we thank you all for your interest, your trust and your commitment. We also cannot work here in Vietnam without our local partners, who help us not only to identify those who need support, but also to deliver help in an efficient and cost-effective way.

I particularly want to acknowledge and thank our terrific Trustees, along with the many other wonderful volunteers who give their time to help us in such a variety of ways: teaching English; translating and proofing materials; advising on specialist areas; helping us to organise and promote events such as the Summer Ball; sourcing raffle and auction items; helping at the event itself (we have over 300 volunteers to help us stage the Cyclo Challenge). You are all very special and we really cannot do what we do without you.

My first year as Director of SCC CIO has been a wonderful experience, getting to know a terrific team, and gaining more understanding of the excellent work we do, the children we support and the wonderful donors who provide the funding for us to do so. With your support we will continue to help to give those children who need it most, that priceless opportunity of an education which can transform their lives, lift them from poverty and contribute to the ongoing development of their country. We did this for over twenty years as SCC and now continue to do so as SCC CIO.



Tim Mullett
Executive Director
Saigon Children's Charity CIO
October 2016





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INDEPENDENT AUDITOR'S REPORT

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

Scope

We have audited the accompanying balance sheet of Saigon Children's Charity CIO ("the Organisation") as at 31 December 2015 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 31 October 2016, as set out on pages 27 to 38.

Trustees' Responsibility

The Organisation's Trustees are responsible for the preparation and fair presentation of the financial statements in accordance with the Statement of Recommend Practice, Charities SORP (FRSSE), and the Charities Act 2011. This SORP is applicable to the accounts of relevant charities for reporting periods beginning on or after 1 January 2015. 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 2015 and its income and expenditures for the year then ended, which have been properly prepared in accordance with the Statement of Recommended Practice, Charities SORP (FRSSE), this SORP is applicable to the accounts of relevant charities for reporting periods beginning on or after 1 January 2015.

KPMG Limited

KPMG Limited

Vietnam

Ho Chi Minh City, 31 October 2016

Saigon Children's Charity CIO
Statement of financial activities for the year ended 31 December 2015

	Note	2015 Unrestricted funds USD	2015 Restricted funds USD	2015 Total USD	2014 Total USD
Income					
<i>Donations</i>					
School building		-	594,917	594,917	661,948
Scholarships		-	417,649	417,649	332,356
Vocational training		-	144,374	144,374	97,880
Working with others		-	28,421	28,421	33,884
General donations		79,134	-	79,134	107,076
Events and trading activities	3	301,686	-	301,686	256,039
Exchange differences		1,240	3,860	5,100	(11,139)
Total Income		382,060	1,189,221	1,571,281	1,478,044

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 2015
(continued)


	Note	2015 Unrestricted funds USD	2015 Restricted funds USD	2015 Total USD	2014 Total USD
Expenditures					
<i>Charitable activities:</i>					
School building		-	682,500	682,500	745,873
Scholarships		-	407,014	407,014	414,814
Vocational training		-	175,700	175,700	191,311
Working with others		-	48,395	48,395	46,115
<i>Cost of generating funds.</i>					
Fund raising	4	94,297	79,521	173,818	70,393
Governance	5	2,903	9,034	11,937	67,030
Total Expenditures		97,200	1,402,164	1,499,364	1,535,536
Net income/(expenditure) before transfers		284,860	(212,943)	71,917	(57,492)
Gross transfers between funds (*)		(212,943)	212,943	-	-
Net income/(expenditure) after transfers		71,917	-	71,917	(57,492)

(*) Gross transfers between funds' amount was approved by SCC CIO Trustees to balance the deficit of restricted funds for the year ended 31 December 2015.

The accounts were approved and authorised for issue by the Board of Trustees on 31 October 2016.

Prepared by:

Le Le An Na
 Head of Finance and
 Administration

Reviewed by:

Timothy John Mullett
 Executive Director

Approved by:

Alain Xavier Dang
 Chairman,
 on behalf of
 the Board of Trustees

The accompanying notes are an integral part of these financial statements

Saigon Children's Charity CIO
Balance sheet at 31 December 2015

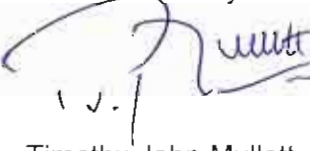
	Note	31/12/2015 USD	31/12/2014 USD
Fixed assets			
Tangible fixed assets	9	-	-
Current assets			
Accounts receivable	10	121,147	126,982
Cash	11	870,256	812,830
		<hr/> 991,403	<hr/> 939,812
Current liabilities			
Accounts payable		(540)	(265,367)
Accrued expenses	12	(315,972)	(20,900)
Unearned income	13	(362,474)	(413,045)
		<hr/> (678,986)	<hr/> (699,312)
Net assets		<hr/> 312,417	<hr/> 240,500
Funds			
Funds brought forward at the beginning of the year		240,500	297,992
Net income/(expenditure) for the year		71,917	(57,492)
Funds carried forward at the end of the year	14	<hr/> 312,417	<hr/> 240,500

The accounts were approved and authorised for issue by the Board of Trustees on 31 October 2016.

Prepared by:


Le Le An Na
 Head of Finance and
 Administration

Reviewed by:


Timothy John Mullett
 Executive Director

Approved by:


Alain Xavier Cany
 Chairman
 on behalf of
 the Board of Trustees



The accompanying notes are an integral part of these financial statements

Saigon Children's Charity CIO

Notes to the financial statements for the year ended 31 December 2015

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

1. Reporting organisation

From 1 January 2015, The Saigon Children's Charity has converted to a Charitable Incorporated Organisation (CIO) under UK Charity Law and is now legally known as The Saigon Children's Charity CIO ("SCC CIO"). The Saigon Children's Charity CIO was entered on the Register of Charities of the Charity Commission of England and Wales on 8 July 2014, with registered charity number 1157774. The SCC CIO's operation in Vietnam was authorised by the Organisation's Establishment Decision of Vietnam No. 21/CNV-VPDA issued by the Ministry of Foreign Affairs of Vietnam dated 31 December 2014 and is valid for 4 years.

2. Summary of significant accounting policies

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

(a) Basis of financial statements preparation

The financial statements are expressed in United States Dollars ("USD") and have been prepared on the accrual basis using the historical concept. The accounting policies are in accordance with the Statement of Recommend Practice, Charities SORP (FRSSE), this SORP is applicable to the accounts of relevant charities for reporting periods beginning on or after 1 January 2015. They are therefore not consistent with the previous year (see Note 16), although SCC's 2014 figures have been included for high level comparison.

(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.

Saigon Children's Charity CIO

**Notes to the financial statements for the year ended 31 December 2015
(continued)**

(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.

(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) Income

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 CIO. Restricted income are funds subject to specific restrictions imposed by donors or by the purpose of the appeal. Income is recognised when earned by the Saigon Children's Charity CIO and there are no significant uncertainties regarding the consideration due.

Unrestricted fund income is earned when donors are committed to the donation or, if there are significant uncertainties regarding the consideration due, when the donation is received.

Restricted fund income is earned (i) when donors are committed to the donation or, if there are significant uncertainties regarding the consideration due, when the donation is received; and (ii) when activities for which the fund is donated are started or time prorated in case of scholarship.

Saigon Children's Charity CIO

**Notes to the financial statements for the year ended 31 December 2015
(continued)**

3. Events and trading activities

	2015 Unrestricted funds USD	2015 Restricted funds USD	2015 Total USD	2014 Total USD
Cards, calendars and T-shirts	15,928	-	15,928	19,572
Cyclo challenge	29,020	-	29,020	31,823
Ball events	145,295	-	145,295	136,990
H2H bike ride	35,685	-	35,685	14,038
Charity Cycle Adventure	47,073	-	47,073	39,625
Photo books	532	-	532	3,241
Others	28,153	-	28,153	10,750
	301,686	-	301,686	256,039

4. Fund raising

	2015 Unrestricted funds USD	2015 Restricted funds USD	2015 Total USD	2014 Total USD
Staff costs	21,875	68,091	89,966	-
Support costs	3,672	11,430	15,102	-
Cards, calendars and T-shirts	5,513	-	5,513	3,927
Cyclo challenge	13,713	-	13,713	4,949
Ball events	41,983	-	41,983	52,718
H2H bike ride	4,274	-	4,274	2,663
Charity Cycle Adventure	960	-	960	1,319
Photo books	1,877	-	1,877	713
Others	430	-	430	4,104
	94,297	79,521	173,818	70,393

Saigon Children's Charity CIO

**Notes to the financial statements for the year ended 31 December 2015
(continued)**

5. Governance

	2015 Unrestricted funds USD	2015 Restricted funds USD	2015 Total USD	2014 Total USD
Staff costs	1,985	6,179	8,164	48,406
Severance allowance	-	-	-	1,224
Rent and utilities	479	1,490	1,969	4,642
Office expenses	354	1,103	1,457	6,495
Travelling expenses	14	42	56	3,728
Bank charges	20	61	81	862
Others	51	159	210	1,673
	2,903	9,034	11,937	67,030

The accounting policies are in accordance with the Statement of Recommend Practice, Charities SORP (FRSSE), this SORP is applicable to the accounts of relevant charities for reporting periods beginning on or after 1 January 2015. They are therefore not consistent with the previous year (see Note 16), although SCC's 2014 figures have been included for high level comparison. The 2014's figures were represented as Administrative expenses, and are not comparative.

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 2015
(continued)****6. Allocation and apportionment of support costs**

Support costs are apportioned to the key activity areas of 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 in 2015, 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
Staff costs	114,302	40,822	8,164	163,288	(*)
Rent and utilities	29,541	7,878	1,969	39,388	(**)
Office expenses	21,854	5,828	1,457	29,139	(**)
Travelling expenses	840	224	56	1,120	(**)
Bank charges	1,215	324	81	1,620	(**)
Others	3,183	853	210	4,246	(**)
	170,935	55,929	11,937	238,801	

(*) Staff time.

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

7. Staff numbers

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

	2015 Average Number
Charitable activities	14
Fundraising	4
Finance, Admin, HR, IT	8
Director	1
	27

Saigon Children's Charity CIO**Notes to the financial statements for the year ended 31 December 2015
(continued)****8. Staff costs**

	2015 USD
Salaries, wages and benefits	283,633
Insurance	71,917
Others	10,405
	<hr/>
	365,955
	<hr/>

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

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

9. Tangible fixed assets

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

Saigon Children's Charity CIO
Notes to the financial statements for the year ended 31 December 2015
(continued)

10. Accounts receivable

	31/12/2015 USD	31/12/2014 USD
Donation receivables	106,506	101,071
Others	14,641	25,911
	<u>121,147</u>	<u>126,982</u>

11. Cash

	31/12/2015 USD	31/12/2014 USD
Cash on hand	6,076	11,412
Cash in banks	864,180	801,418
	<u>870,256</u>	<u>812,830</u>

12. Accrued expenses

	31/12/2015 USD	31/12/2014 USD
School building	275,411	-
Bonus and 13th salary	13,325	16,120
Vocational Training	9,648	4,780
Others	17,588	-
	<u>315,972</u>	<u>20,900</u>

13. Unearned income

	31/12/2015 USD	31/12/2014 USD
Restricted donations:		
Scholarships (a)	152,760	301,338
School building (b)	130,655	62,134
Vocational Training and Working with Others (a)	79,059	49,573
	<u>362,474</u>	<u>413,045</u>

Saigon Children's Charity CIO**Notes to the financial statements for the year ended 31 December 2015
(continued)**

- a. Unearned income related to donations for Scholarships, Vocational Training and Working with Others received during 2015 but for Scholarships, Vocational Training and Working with Others in 2016 onwards.
- b. Unearned income for School Building related to money received for particular School Building projects which had not been started by the end of 2015 and are expected to be built during 2016 and 2017.

14. Funds

	Unrestricted funds USD	Restricted funds USD	Total USD
Income	382,060	1,189,221	1,571,281
Expenditures	(97,200)	(1,402,164)	(1,499,364)
Net income/(expenditure) before transfers	284,860	(212,943)	71,917
Gross transfers between funds	(212,943)	212,943	-
Net income/(expenditure) after transfers	71,917	-	71,917
Total funds brought forward at 1 January 2015 (*)	240,500	-	240,500
Total funds carried forward at 31 December 2015	312,417	-	312,417

(*) SORP (FRSSE) 2015 requires that opening and closing balances of each Fund must be shown. As presentation of the financial accounts in previous years did not require this information, and as SCC for many years has run a deficit on the Restricted Fund, as part of the transition arrangement for SCC CIO to report in accordance with SORP (FRSSE) 2015, it is assumed that at the point of asset transfer, any deficit on the Restricted Fund was cleared by transfer from the Unrestricted Fund, and therefore that the funds brought forward at 1 January 2015 were all reclassified as Unrestricted funds.

Saigon Children's Charity CIO

Notes to the financial statements for the year ended 31 December 2015 (continued)

15. Commitments

Leases

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

	31/12/2015 USD	31/12/2014 USD
Within one year	25,600	10,530
Within two to five years	39,504	-
	<hr/> 65,104	<hr/> 10,530

16. Corresponding figures

From 1 January 2015, The Saigon Children's Charity has converted to a Charitable Incorporated Organisation (CIO) under UK Charity Law and is now legally known as The Saigon Children's Charity CIO ("SCC CIO"). SCC CIO has presented this 2015 Trustee Annual Report and financial statements in accordance with the Charities SORP (FRSSE), effective for annual accounting periods on or after 1 January 2015, and the Charities Act 2011.

In order to allow comparison with the previous year, the financial statements of the previous unincorporated Saigon Children's Charity for the year ended 31 December 2014 have been included and represented on a proforma basis on 1 January 2015. They have not been restated in accordance with the new SORP, and are therefore, in some areas, especially costs, not directly comparable.

