

TTSH Community Fund

(A Company limited by guarantee)

Registration Number: 201400920N

(Registered under the Companies Act, Chapter 50)

Annual Report

**Period from 8 January 2014 (date of incorporation) to
31 March 2015**

Directors' report

We are pleased to submit this annual report to the members of the Company together with the audited financial statements for the financial period from 8 January 2014 (date of incorporation) to 31 March 2015.

Directors

The directors in office at the date of this report are as follows:

Kuok Oon Kwong(Chairman)	(Appointed on 7 February 2014)
Saw Phaik Hwa	(Appointed on 7 February 2014)
Yap Wai Ming	(Appointed on 7 February 2014)
Seow Choke Meng	(Appointed on 7 February 2014)
Tan Kia Tong	(Appointed on 5 March 2014)
Eunice Toh	(Appointed on 8 January 2014)
Prof Choo Wee Jin Philip	(Appointed on 8 January 2014)
Liang Shih Tyh	(Appointed on 14 April 2015)

Directors' interests

The Company has no share capital and its member's liability is limited by guarantee. Accordingly, the directors do not hold any interest in the Company.

Neither at the end of, nor at any time during the financial period, was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of any body corporate.

No director has received or become entitled to receive, a benefit by reason of a contract made by the Company or a related corporation with the director, or with a firm of which he is a member or with a company in which he has a substantial financial interest.

Share options


The Company is limited by guarantee and has no issued share capital.

Auditors


Pursuant to the directors' resolution in writing dated 19 September 2014, KPMG LLP were appointed as auditors of the Company with effect from the date of their consent to act.

The auditors, KPMG LLP, have indicated their willingness to accept re-appointment.

On behalf of the Board of Directors



Kuok Oon Kwong
Chairman



Eunice Toh
Director

17 June 2015

Statement by Directors

In our opinion:


- (a) the financial statements set out on pages FS1 to FS14 are drawn up so as to give a true and fair view of the state of affairs of the Company as at 31 March 2015 and the results, changes in funds and cash flows of the Company for the period from 8 January 2014 (date of incorporation) to 31 March 2015 in accordance with the provisions of the Singapore Companies Act, Chapter 50, the Charities Act, Chapter 37 and Singapore Financial Reporting Standards; and
- (b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

The Board of Directors has, on the date of this statement, authorised these financial statements for issue.

On behalf of the Board of Directors



Kuok Oon Kwong
Chairman



Eunice Toh
Director

17 June 2015



KPMG LLP
16 Raffles Quay #22-00
Hong Leong Building
Singapore 048581

Telephone +65 6213 3388
Fax +65 6225 0984
Internet www.kpmg.com.sg

Independent auditors' report

Members of the Company
TTSH Community Fund

Report on the financial statements

We have audited the accompanying financial statements of TTSH Community Fund (the Company), which comprise the balance sheet as at 31 March 2015, the statement of comprehensive income and expenditure, statement of changes in funds, and statement of cash flows for the period from 8 January 2014 (date of incorporation) to 31 March 2015, and a summary of significant accounting policies and other explanatory information, as set out on pages FS1 to FS14.

Management's responsibility for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Singapore Companies Act, Chapter 50 (the Act), the Singapore Charities Act, Chapter 37 (the Charities Act) and Singapore Financial Reporting Standards, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair profit and loss accounts and balance sheets and to maintain accountability of assets.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, 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 for our audit opinion.

Opinion

In our opinion, the financial statements are properly drawn up in accordance with the provisions of the Act, the Charities Act and Singapore Financial Reporting Standards to give a true and fair view of the state of affairs of the Company as at 31 March 2015 and the results, changes in funds and cash flows of the Company for the period from 8 January 2014 (date of incorporation) to 31 March 2015.

Report on other legal and regulatory requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

During the course of our audit, nothing has come to our attention to cause us to believe that during the period:

- (a) the use of the donation moneys was not in accordance with the objectives of the Company as required under Regulation 16 of the Charities (Institutions of a Public Character) Regulations; and
- (b) the Company has not complied with the requirements of Regulation 15 (fund-raising expenses) of the Charities (Institutions of a Public Character) Regulations.


KPMG LLP
Public Accountants and
Chartered Accountants

Singapore
17 June 2015

Balance sheet
As at 31 March 2015

	Note	2015 \$
Current assets		
Cash and cash equivalents	4	47,035,327
Interest receivable		34,319
Prepayments		4,849
Total assets		<u>47,074,495</u>
Current liabilities		
Accrued expenses		98,100
Advances received	5	33,220
Amount due to Tan Tock Seng Hospital Pte Ltd	6	56,559
Total liabilities		<u>187,879</u>
Net assets		<u>46,886,616</u>
Funds:		
Restricted funds		
Needy Patients fund	7(a)	2,925,936
Medical Education fund	7(b)	2,144,826
Medical Research fund	7(c)	297,323
Patient Care fund	7(d)	1,200,413
Healthcare Innovative Program	7(e)	40,026,603
		<u>46,595,101</u>
Unrestricted fund		
General fund		291,515
Total funds		<u>46,886,616</u>

The accompanying notes form an integral part of these financial statements.

Statement of comprehensive income and expenditure
Period from 8 January 2014 (date of incorporation) to 31 March 2015

	Note	Period from 8/1/2014 (date of incorporation) to 31/3/2015		
		Restricted Funds	Unrestricted Funds	Total Funds
		\$	\$	\$
Incoming resources				
Incoming resources from generated funds:				
- Voluntary income	8	40,811,069	1,000	40,812,069
- Interest income		42,090	680	42,770
- Income from fund-raising activities	9	94,471	—	94,471
Incoming resources from charitable activities		178,971	2,078	181,049
Total incoming resources		41,126,601	3,758	41,130,359
Resources expended				
Costs of generating funds:				
- Fund-raising expenses	9	—	—	—
Charitable activities		1,267,976	5,011	1,272,987
Governance costs		—	10,508	10,508
Total resources expended		1,267,976	15,519	1,283,495
Net incoming resources	10	39,858,625	(11,761)	39,846,864
Transfer from Tan Tock Seng Hospital Community Charity Fund	15	6,736,476	303,276	7,039,752
Accumulated fund carried forward		46,595,101	291,515	46,886,616

The accompanying notes form an integral part of these financial statements.

Statement of changes in funds
Period from 8 January 2014 (date of incorporation) to 31 March 2015

	Note	Period from 8/1/2014 (date of incorporation) to 31/3/2015		
		Restricted Funds	Unrestricted Funds	Total
		\$	\$	\$
At 8 January 2014		—	—	—
Funds transferred during the year	15	6,736,476	303,276	7,039,752
Total comprehensive income for the period/Net incoming resources		<u>39,858,625</u>	<u>(11,761)</u>	<u>39,846,864</u>
At 31 March 2015		<u>46,595,101</u>	<u>291,515</u>	<u>46,886,616</u>

The accompanying notes form an integral part of these financial statements.

Statement of cash flows
Period from 8 January 2014 (date of incorporation) to 31 March 2015

	Note	Period from 8/1/2014 (date of incorporation) to 31/3/2015 \$
Operating activities		
Net incoming resources		39,846,864
Adjustment for:		
Interest income		<u>(42,770)</u>
		39,804,094
Changes in working capital:		
Prepaid expenses		(4,849)
Advances received		33,220
Accrued expenses		(121,188)
Amount due to Tan Tock Seng Hospital Pte Ltd		<u>(94,498)</u>
Cash flows from operating activities		<u>39,616,779</u>
Investing activity		
Interest received		<u>17,521</u>
Cash flows from investing activity		<u>17,521</u>
Net increase in cash and cash equivalents		39,634,300
Cash and cash equivalents at incorporation		-
Cash transferred from Tan Tock Seng Hospital Community Charity Fund	15	<u>7,401,027</u>
Cash and cash equivalents at end of the year	4	<u>47,035,327</u>

The accompanying notes form an integral part of these financial statements.

Notes to the statements of account

These notes form an integral part of the statements of account.

The statements of account were authorised for issue by the Board of Directors on 17 June 2015.

1 Domicile and activities

TTSH Community Fund (the 'Company') was incorporated on 8 January 2014 to promote all medical and health-related services that are exclusively charitable and for the benefit of the Singapore community. Tan Tock Seng Hospital Community Charity Fund transferred all its assets and liabilities, and operations to the Company on 31 August 2014 (Note 15), after approval was obtained from Ministry of Health.

The Company is incorporated as a company limited by guarantee, and domiciled in the Republic of Singapore. The registered office of the Company is located at 11 Jalan Tan Tock Seng, Singapore 308433.

The Company is registered as a charity under the Charities Act, Chapter 37 on 16 May 2014.

The Company is approved as an Institution of a Public Character ("IPC") in accordance with Section 37(9) of the Income Tax Act. The Company has obtained its IPC status for a period of 3 years from 16 May 2014 to 19 July 2016.

The Company has three registered Members, which includes Tan Tock Seng Hospital Pte Ltd as at 31 March 2015. As at 17 June 2015, there are four registered Members, with the inclusion of MOH Holdings Pte Ltd.

2 Basis of preparation

2.1 Statement of compliance

The financial statements have been prepared in accordance with Singapore Financial Reporting Standards ("FRS").

2.2 Basis of measurement

The financial statements have been prepared on the historical cost basis except as otherwise described in the notes below.

2.3 Functional and presentation currency

The financial statements are presented in Singapore dollars which is the Company's functional currency. All financial information is presented in Singapore dollars unless otherwise stated.

2.4 Use of estimates and judgements

The preparation of the financial statements in conformity with FRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

3 Significant accounting policies

The accounting policies set out below have been applied consistently by the Company to all periods presented in these financial statements.

3.1 Financial instruments

Non-derivative financial instruments

(i) Financial assets

The Company initially recognises loans and receivables on the date that they are originated. All other financial assets (including assets designated at fair value through profit or loss) are recognised initially on the trade date, which is the date that the Company becomes a party to the contractual provisions of the instrument.

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred, or it neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control over the transferred asset. Any interest in transferred financial assets that is created or retained by the Company is recognised as a separate asset or liability.

Financial assets and liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Company's non-derivative financial assets comprise mainly loans and receivables.

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less any impairment losses.

Loans and receivables comprise cash and cash equivalents, and interest receivables. Cash and cash equivalents comprise cash balances and bank deposits.

The Company does not hold any financial assets in the following categories: financial assets at fair value through profit or loss, held-to-maturity financial assets and available-for-sale financial assets.

Impairment of financial assets

A financial asset not carried at fair value through profit or loss is assessed at the end of each reporting period to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event(s) has occurred after the initial recognition of the asset, and that the loss event(s) has an impact on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets (including equity securities) are impaired can include default or delinquency by a debtor, restructuring of an amount due to the Company on terms that the Company would not consider otherwise and indications that a debtor or issuer will enter bankruptcy.

The Company considers evidence of impairment for loans and receivables at both a specific asset and collective level. All individually significant loans and receivables are assessed for specific impairment. All individually significant loans and receivables found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Loans and receivables that are not individually significant are collectively assessed for impairment by grouping together receivables with similar risk characteristics.

In assessing collective impairment, the Company uses historical trends of the probability of default, the timing of recoveries and the amount of loss incurred, adjusted for the management's judgement as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognised in the statement of comprehensive income and expenditure and reflected in an allowance account against loans and receivables. Interest on the impaired asset continues to be recognised. When the Company considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss is reversed through the statement of comprehensive income and expenditure.

(ii) *Financial liabilities*

The Company initially recognises financial liabilities on the trade date at which the Company becomes a party to the contractual provisions of the instrument.

The Company derecognises a financial liability when its contractual obligations are discharged, cancelled or expire.

Financial assets and liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Company classifies non-derivative financial liabilities into the other financial liabilities category. Such financial liabilities are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest method.

Other financial liabilities comprise accrued expenses and amounts due to Tan Tock Seng Hospital Pte Ltd.

3.2 Incoming resources

Donations (General)

Donations are recognised as income in the accounting period in which they are received.

Donations (fund-raising activities)

Donations are recognised as income upon occurrence of the fund-raising events.

Interest income

Interest income from fixed and bank deposits is recognised as it accrues, on an effective interest rate on the principal outstanding and at the rate applicable.

3.3 Resources expended

Resources expended comprise cost of generating funds, charitable activities expenses and governance costs. Resources expended are recognised as they are incurred in the accounting period in which approval is obtained from the Board, appointed to exercise stewardship over the Company, and upon receipt of invoices from the applicants. Fund-raising expenses are recognised in the accounting period in which the event occurs.

3.4 Funds structure

General fund - unrestricted

The general fund is available for use at the discretion of the Board in furtherance of the objectives of the Company.

Restricted fund

The restricted fund is available for use at the discretion of the Board within projects in furtherance of the objectives of the Company that have been identified by donors of the Company or communicated to donors when sourcing for the funds.

3.5 New standards and interpretations not yet adopted

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 8 January 2014, and have not been applied in preparing these financial statements. None of these are expected to have a significant effect on the financial statements of the Company. The Company does not plan to adopt these standards early.

4 Cash and cash equivalents

	2015 \$
Fixed deposits	30,738,360
Cash on hand and at bank	16,296,967
Cash and cash equivalents in the statement of cash flows	47,035,327

The weighted average effective interest rate per annum relating to cash and cash equivalents at the balance sheet date is 0.139%. The interest rate re-pricing intervals are between 3 to 12 months.

5 Advances received

These relate to sponsorship and participation fees received in advance for fund-raising activities expecting to occur subsequent to year end.

6 Amount due to Tan Tock Seng Hospital Pte Ltd

The amount due to Tan Tock Seng Hospital Pte Ltd is unsecured, interest-free and repayable on demand.

7 Restricted funds

- (a) The Needy Patients fund is set up to provide financial assistance to needy patients of Tan Tock Seng Hospital for their treatment and related medical needs.
- (b) The Medical Education fund is set up to provide funds for furtherance of continued medical education, nursing, paramedical, and caregiver education and training programmes. This also includes holding of or attending medical conference, seminars, fellowships, attachment programmes, as well as public health education and workshops.
- (c) The Medical Research fund is set up to provide funds for provision and improvement of equipment and facilities as well as necessary manpower services and consumables for research and development.
- (d) The Patient Care fund is set up to provide funds for patient care facilities and equipment for Tan Tock Seng Hospital's patients and the community. It may also include funding for one or more of the above purposes.
- (e) The Healthcare Innovative Program is set up to provide funds for developing and building human capital via healthcare-related training and innovation.

8 Voluntary income

	Period from 8/1/2014 (date of incorporation) to 31/3/2015 \$
Tax deductible donations	40,649,907
Other donations	162,162
	40,812,069

9 Income from fund-raising activities

	Period from 8/1/2014 (date of incorporation) to 31/3/2015 \$
Income from fund-raising activities	
- Tax deductible donations	46,943
- Other donations	47,528
	94,471
Fund-raising expenses	-
Fund-raising efficiency	-

10 Net incoming resources

All manpower services to support the management and administration of the Company's activities are provided by Tan Tock Seng Hospital Pte Ltd and no consideration was paid for services rendered. Tan Tock Seng Hospital Pte Ltd has allowed the Company to use its premise and pays for the operating expenses of the Company. It does not charge rental for the usage of its premise or seek reimbursement of expenses paid on behalf of the Company, except as disclosed below.

During the year, significant transactions with the Tan Tock Seng Hospital Pte Ltd are as follows:

	Period from 8/1/2014 (date of incorporation) to 31/3/2015 \$
Payment for charitable activities	(751,103)
Reimbursement receipts	202,519
	(548,584)

11 Income taxes

The Company is an approved charity organisation under the Charities Act, Chapter 37 and an Institution of Public Character. No provision for tax has been made in the financial statements as the Company is exempt from income tax.

12 Financial instruments

Risk management framework

Risk management is integral to the operations of the Company. The Company has a system of controls in place to create an acceptable balance between the cost of risks occurring and the cost of managing the risks. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

Credit risk

Exposure to credit risk is monitored on an ongoing basis. Cash and cash equivalents are placed with financial institutions which are regulated.

At the balance sheet date, except for cash and cash equivalents placed with financial institutions, there were no significant concentrations of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the balance sheet.

Liquidity risk

The Board monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by the Board to finance the Company's operations and to mitigate the effects of fluctuations in cash flows.

The following are the expected contractual undiscounted cash outflows of financial liabilities, excluding the impact of netting agreements:

	Carrying amount	Contractual cash flow	Within 1 year
	\$	\$	\$
31 March 2015			
Non-derivative financial liabilities			
Accrued expenses	98,100	98,100	98,100
Amount due to Tan Tock Seng Hospital Pte Ltd	56,559	56,559	56,559
	154,659	154,659	154,659

Interest rate risk

The Company's exposure to market risk for changes in interest rates relates primarily to fixed deposits placed with financial institutions.

Sensitivity analysis

For interest-earning financial assets, an increase of 100 basis points (bp) in interest rate at the balance sheet date would increase the statement of comprehensive income and expenditure (including accumulated fund) by the amount shown below. A decrease in 100 bp in interest rate would have an equal but opposite effect. This analysis assumes that all other variables remain constant.

	Surplus or deficit	
	100 bp increase	100 bp decrease
	\$	\$
31 March 2015		
Fixed deposits	307,384	(307,384)

Foreign currency risk

The financial assets and financial liabilities of the Company are denominated in Singapore dollars. The Company has no significant exposure to foreign currency risk.

13 Fair value of financial instruments

Fair value is defined as the amount at which the instrument could be exchanged in a current transaction between knowledgeable willing parties in an arm's length transaction, other than in a forced or liquidation sale. Fair values are obtained from quoted market prices, discounted cash flow models and option pricing models as appropriate.

The carrying amounts of financial assets and liabilities with a maturity of less than one year (including cash and cash equivalents, interest receivable, accrued expenses and amount due to Tan Tock Seng Hospital Pte Ltd) are assumed to approximate their fair values because of the short period to maturity.

Fair values versus carrying amounts

The fair value of recognised financial assets and liabilities together with the carrying amounts shown in the balance sheets are as follows:

	Loans and receivables	Liabilities at amortised cost	Total carrying value	Fair value
	\$	\$	\$	\$
31 March 2015				
Assets				
Cash and cash equivalents	47,035,327	–	47,035,327	47,035,327
Interest receivable	34,319	–	34,319	34,319
	47,069,646	–	47,069,646	47,069,646

	Loans and receivables \$	Liabilities at amortised cost \$	Total carrying value \$	Fair value \$
31 March 2015				
Liabilities				
Accrued expenses	–	98,100	98,100	98,100
Amount due to Tan Tock Seng Hospital Pte Ltd	–	56,559	56,559	56,559
	–	154,659	154,659	154,659

14 Key management personnel compensation

Key management personnel of the Company are those persons having the authority and responsibility for planning, directing and controlling the activities of the Company. The Board of Directors are considered to be key management personnel of the Company. The Board of Directors did not receive any form of remuneration in the financial year.

15 Related party transaction

On 31 August 2014, the operations, assets and liabilities of Tan Tock Seng Hospital Community Charity Fund were transferred to the Company at their carrying values as at 31 August 2014.

The effect of the transfer is as follows:

	31/8/2014 \$
Current assets	
Cash and cash equivalents	7,401,027
Interest receivable	9,070
Total assets	7,410,097
Current liabilities	
Accrued expenses	219,288
Amount due to Trustee	151,057
Total liabilities	370,345
Net assets	7,039,752
Funds:	
Restricted funds:	
Needy Patients fund	3,158,477
Medical Education fund	2,060,850
Medical Research fund	296,642
Patient Care fund	1,220,507
	6,736,476
Unrestricted fund	
General fund	303,276
Total funds	7,039,752

16 Comparative information

No comparative figures are provided as this is the first set of financial statements prepared for the Company since the date of its incorporation.