



National Healthcare Group Endowment Fund
Registration Number: HEF0066/G
UEN No: T01CC1492K

Statements of Account
Period from 1 January 2010 to 31 March 2011



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Independent auditors' report

Management Committee Members
National Healthcare Group Endowment Fund

We have audited the accompanying Statements of Account of National Healthcare Group Endowment Fund (the Fund), which comprise the balance sheet as at 31 March 2011, the statement of comprehensive income and statement of cash flows for the period then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages FS1 to FS11.

Administrator's responsibility for the Statements of Account

The Administrator of the Fund, National Healthcare Group Pte Ltd, is responsible for the preparation and fair presentation of these Statements of Account in accordance with the Charities Act, Chapter 37, Charities (Institutions of A Public Character) Regulations 2007 and Charities (Institutions of A Public Character) (Amendment) Regulations 2008 (collectively known as the Rules) and Singapore Financial Reporting Standards.

The Administrator has acknowledged that its responsibility includes 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 Statements of Account 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 whether the Statements of Account are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Statements of Account. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Statements of Account, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the Statements of Account 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 the Administrator, as well as evaluating the overall presentation of the Statements of Account.

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 Statements of Account of the Fund are properly drawn up in accordance with the Charities Act, Chapter 37, Charities (Institutions of A Public Character) Regulations 2007 and Charities (Institutions of A Public Character) (Amendment) Regulations 2008 and Singapore Financial Reporting Standards to present fairly, in all material respects, the state of affairs of the Fund as at 31 March 2011 and the results and cash flows of the Fund for the period ended on that date.

Report on other legal and regulatory requirements

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

- (a) the Fund did not comply with Regulation 15 of the Charities (Institutions of A Public Character) (Amendment) Regulations 2008; and
- (b) the donation moneys have not been used in accordance with the objectives of the Fund as an institution of a public character.



KPMG LLP
*Public Accountants and
Certified Public Accountants*

Singapore
29 July 2011

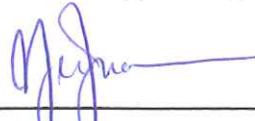
Balance sheet
As at 31 March 2011

	Note	31/3/2011 \$	31/12/2009 \$
Non-current assets			
Donation and other receivables	3	-	3,000,000
Total non-current assets		-	3,000,000
Current assets			
Donation and other receivables	3	2,661,000	12,068,920
Amounts due from:			
- Trustee	4	426,478	-
- Trustee's related corporations	5	34,795	-
- National University Hospital (Singapore) Pte Ltd	6	35,593	-
Interest receivables		5,157	1,990
Prepayments		9,948	-
Cash and cash equivalents	7	8,997,017	4,876,707
Total current assets		12,169,988	16,947,617
Current liabilities			
Accrued operating expenses		23,153	40,326
Amounts due to:			
- Trustee	4	-	648,705
- Trustee's related corporations	5	-	970,246
- National University Hospital (Singapore) Pte Ltd	6	-	9,620
Accrued charitable expenses		2,191,604	1,703,723
Total current liabilities		2,214,757	3,372,620
Net current assets		9,955,231	13,574,997
Net assets		9,955,231	16,574,997
Represented by:			
Reserves and funds			
Restricted funds			
Lee Foundation-NHG Lifetime Achievement	8(a)	58,612	68,612
The Cancer Institute Endowment Fund	8(b)	256,309	256,339
The Eye Institute Endowment Fund	8(c)	44,059	44,059
Tanoto Foundation	8(d)	68,116	68,116
Self Management Campaign	8(e)	46	9,500
Health TV Programme	8(f)	-	-
		427,142	446,626
Unrestricted Fund			
General fund		9,528,089	16,128,371
		9,955,231	16,574,997

The Statements of Account on pages FS1 to FS11 were approved by:



Ngiam Joke Mui
Chairman, Management Committee



Lim Yee Juan
Member, Management Committee

29 July 2011

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

Statement of comprehensive income
 Period from 1 January 2010 to 31 March 2011

	←-----Restricted Funds-----→						
	Lee Foundation- NHG Lifetime Achievement	The Cancer Institute Endowment Fund	The Eye Institute Endowment Fund	Self Management Campaign	Health TV Programme	Unrestricted fund	Total Funds
	\$	\$	\$	\$	\$	\$	\$
Period from 1 January 2010 to 31 March 2011							
Incoming resources							
Incoming resources from generated funds:							
Voluntary income							
- Donation income	-	-	-	-	17,878	159,359	177,237
Interest income	-	-	-	-	-	29,773	29,773
Other income	-	-	-	-	-	1,069,092	1,069,092
Total incoming resources	-	-	-	-	17,878	1,258,224	1,276,102
Resources expended							
Charitable activities							
- Grants made	(10,000)	(30)	-	(9,454)	(17,878)	(7,812,193)	(7,849,555)
Governance costs	-	-	-	-	-	(46,313)	(46,313)
Total resources expended	(10,000)	(30)	-	(9,454)	(17,878)	(7,858,506)	(7,895,868)
Net outgoing resources representing total comprehensive income for the period	(10,000)	(30)	-	(9,454)	-	(6,600,282)	(6,619,766)

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

*National Healthcare Group Endowment Fund
Statement of Comprehensive Income
Period from 1 January 2010 to 31 March 2011*

	← Restricted Funds →						
	Lee Foundation- NHG Lifetime Achievement \$	The Cancer Institute Endowment Fund \$	The Eye Institute Endowment Fund \$	Self Management Campaign \$	Health TV Programme \$	Unrestricted fund \$	Total Funds \$
Year ended 31 December 2009							
Incoming resources							
Incoming resources from generated funds:							
Voluntary income							
- Donation income	-	-	-	-	138,920	20,792,263	20,931,183
Interest income	-	-	-	-	-	10,448	10,448
Other income	-	-	-	-	-	225,605	225,605
Total incoming resources	-	-	-	-	138,920	21,028,316	21,167,236
Resources expended							
Charitable activities							
- Grants made	(10,000)	(188)	(8,000)	-	(138,920)	(7,807,364)	(7,964,472)
Governance costs	-	-	-	-	-	(57,422)	(57,422)
Total resources expended	(10,000)	(188)	(8,000)	-	(138,920)	(7,864,786)	(8,021,894)
Net (outgoing)/incoming resources representing total comprehensive income for the year	(10,000)	(188)	(8,000)	-	-	13,163,530	13,145,342

A separate statement of changes in fund has not been prepared as the total comprehensive income for the period/year would be the only component of this statement.

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

Statement of cash flows
Period from 1 January 2010 to 31 March 2011

	Period from	Year ended
	1/1/2010	31/12/2009
Note	to	31/12/2009
	31/3/2011	31/12/2009
	\$	\$
Operating activities		
(Deficit)/surplus for the period/year	(6,619,766)	13,145,342
Adjustments for:		
Interest income	(29,773)	(10,448)
	<u>(6,649,539)</u>	<u>13,134,894</u>
Changes in working capital:		
Donation and other receivables	12,407,920	(15,068,920)
Amounts due from:		
- Trustee	(426,478)	-
- Trustee's related corporations	(34,795)	-
- National University Hospital (Singapore) Pte Ltd	(35,593)	-
Prepayments	(9,948)	-
Accrued operating expenses	(17,173)	(16,050)
Amounts due to:		
- Trustee	(648,705)	537,433
- Trustee's related corporations	(970,246)	964,469
- National University Hospital (Singapore) Pte Ltd	(9,620)	(19,808)
Accrued charitable expenses	487,881	(92,639)
Cash flows from/(used in) operating activities	<u>4,093,704</u>	<u>(560,621)</u>
Investing activities		
Interest received	26,606	20,049
Cash flows from investing activities	<u>26,606</u>	<u>20,049</u>
Net increase/(decrease) in cash and cash equivalents	4,120,310	(540,572)
Cash and cash equivalents at beginning of the period/year	4,876,707	5,417,279
Cash and cash equivalents at end of the period/year	<u>7</u> <u>8,997,017</u>	<u>4,876,707</u>

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

Notes to the statements

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

The financial statements were authorised for issue by the Management Committee on 29 July 2011.

1 Domicile and activities

National Healthcare Group Endowment Fund (“the Fund”) was established on 5 March 2001 to receive donations towards the pursuit of medical research and development and improvement to health services in Singapore.

The Fund is a registered member of the Ministry of Health’s Health Endowment Fund (“MOH HEF”) under its Decentralised Special Account Scheme. The MOH HEF is approved as an institution of a public character in accordance with Section 37(9) of the Income Tax Act. The Fund was granted tax-exempt status by MOH HEF on 30 January 2009 for a 3-year period from 5 March 2009 to 4 March 2012.

With effect from 13 March 2001, National Healthcare Group Endowment Fund has been registered as a Charity under the Charities Act, 1994.

National Healthcare Group Pte Ltd (“NHG”) is the Trustee of the Fund and it holds bequests, demises, cash and other donations received or to be received by the Fund.

2 Summary of significant accounting policies

2.1 Statement of compliance

The Statements of Account have been prepared in accordance with Singapore Financial Reporting Standards (FRS).

2.2 Basis of measurement

The Statements of Account have been prepared on the historical basis except as disclosed in the accounting policies below.

2.3 Functional and presentation currency

The Statements of Account are presented in Singapore dollars which is the Fund’s functional currency.

2.4 Use of estimates and judgements

The preparation of Statements of Account in conformity with FRS requires the Administrator 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.

A statement of changes in equity has not been prepared as the Fund has no equity.

2.5 Financial assets

Financial assets comprise donation and other receivables, amount due from Trustee, amount due from Trustee's related corporations, amount due from National University Hospital (Singapore) Pte Ltd, interest receivables and cash and cash equivalents.

The Fund classifies its financial assets in the following categories:

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 other receivables, including interest receivables. Cash and cash equivalents comprise cash balances and bank deposits. Subsequent to initial recognition, these financial assets are measured at amortised cost.

Impairment of financial assets

A financial asset not carried at fair value through the income statement is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect 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 Fund on terms that the Fund would not consider otherwise, indications that a debtor or issuer will enter bankruptcy, the disappearance of an active market for a security. In addition, for an investment in an equity security, a significant or prolonged decline in its fair value below its cost is objective evidence of impairment.

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

In assessing collective impairment, the Fund uses historical trends of the probability of default, timing of recoveries and the amount of loss incurred, adjusted for 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 profit or loss and reflected in an allowance account against receivables. Interest on the impaired asset continues to be recognised through the unwinding of the discount. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through the statement of comprehensive income.

2.6 Financial liabilities

Financial liabilities comprise accrued operating expenses, amount due to Trustee, amount due to Trustee's related corporations, amount due to National University Hospital (Singapore) Pte Ltd and accrued charitable expenses. A financial liability is recognised initially on the trade date at which the Fund becomes a party to the contractual provisions of the instrument. The Fund 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 Fund 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. A financial liability is 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.

2.7 Income recognition

Donations

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

Interest income

Interest income is recognised using effective interest method.

3 Donation and other receivables

	31/3/2011	31/12/2009
	\$	\$
Non-current		
Donation receivables from NHG Institutions	-	3,000,000
Total non-current	-	3,000,000
Current		
Donation receivables from NHG Institutions	2,661,000	12,000,000
Other receivables	-	68,920
Total current	2,661,000	12,068,920
	2,661,000	15,068,920

Donation receivables from NHG Institutions relates to one-off donation made by NHG Institutions to cater for increased demand for training and research activities.

4 Amounts due from/to Trustee

The amounts due from/to Trustee are unsecured, interest-free and repayable on demand.

5 Amounts due from/to Trustee's related corporations

The amounts due from/to Trustee's related corporations are unsecured, interest-free and repayable on demand.

6 Amounts due from/to National University Hospital (Singapore) Pte Ltd

The amounts due from/to National University Hospital (Singapore) Pte Ltd are unsecured, interest-free and repayable on demand.

7 Cash and cash equivalents

	31/3/2011	31/12/2009
	\$	\$
Fixed deposits	8,006,977	4,650,493
Cash at bank	990,040	226,214
Cash and cash equivalents in the cash flow statement	8,997,017	4,876,707

The weighted average effective interest rate per annum relating to bank deposits at the date of statement of affairs is 0.15% to 0.47% (31/12/2009: 0.15% to 0.4%). Interest rate re-prices monthly.

8 Reserves

- (a) The Lee Foundation-NHG Lifetime Achievement was set up with the objective of recognising individuals who have made significant and impactful lifetime contributions to NHG institutions and Singapore, particularly in the development of healthcare services and the well being of Singapore. A maximum of three awards will be given out annually. The award will comprise a citation, a crystal trophy and a cash award of \$10,000.
- (b) The Cancer Institute Endowment Fund was established to receive contributions and donations for the pursuit of medical research and development, as well as the promotion, development and provision of oncology-related services in Singapore.
- (c) The Eye Institute Endowment Fund is set up to focus on the prevention of blindness through training of doctors locally and in regional countries to counteract the shortfall of expertise.
- (d) Tanoto Foundation is a fund set up for the training of Tan Tock Seng Hospital's staffs in departments that were directly exposed to SARS.

- (e) Self Management Campaign is a set up to promote the importance of self management at a national level and to augment Singapore's chronic disease management efforts. NHG is adopting a health promotion strategy to raise patients' and caregivers' awareness on the importance of self-management, especially those with chronic conditions.
- (f) Health TV Programme was set up to provide the latest and most authoritative medical information on chronic diseases, encourage and empower viewers to take charge of their health by acting on the information provided in the programme.

9 Key management personnel compensation

Key management personnel of the Fund are those persons having the authority and responsibility for planning, directing and controlling the activities of the Fund. The management of the Trustee are considered as key management personnel of the Fund. The Administrator of the Fund did not receive any form of remuneration in the financial period.

10 Change of financial year-end

During the financial period, the Fund changed its financial year-end from 31 December to 31 March.

11 Financial risk management

Overview

Risk management is integral to the operations of the Fund. The Administrator has established 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 Fund'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.

As at the balance sheet date, none of the financial assets were past due and there were no significant concentrations to 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 Administrator monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by the Administrator to finance the Fund's operations and to mitigate the effects of fluctuations in cash flows.

The expected contractual undiscounted cash outflows of accrued operating expenses, amounts due to Trustee, amount due to Trustee's related corporations, amount due to National University Hospital (Singapore) Pte Ltd and accrued charitable expenses approximate the carrying value and are due within one year.

Interest rate risk

The Fund's exposure to market risk for changes in interest rates relate primarily to fixed deposits placed with various financial institutions. The Fund manages its interest rate risks by placing such balances on varying maturities and fixed interest rate terms.

At the balance sheet date, there were no concentrations of interest rate risk.

Sensitivity analysis

At the balance sheet date, there were no variable rate financial assets.

Foreign currency risk

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

Fair values

The carrying amounts of financial assets and liabilities with a maturity of less than one year (including donation and other receivables, cash and cash equivalents, accrued operating expenses, amount due from/to Trustee, amount due from/to Trustee's related corporations, amount due from/to National University Hospital (Singapore) Pte Ltd) and accrued charitable expenses are assumed to approximate their fair values.

	Loans and receivables	Other financial liabilities	Total carrying amount	Fair value
	\$	\$	\$	\$
31 March 2011				
Donations and other receivables	2,661,000	-	2,661,000	2,661,000
Amounts due from:				
- Trustee	426,478	-	426,478	426,478
- Trustee's related corporations	34,795	-	34,795	34,795
- National University Hospital (Singapore) Pte Ltd	35,593	-	35,593	35,593
Interest receivables	5,157	-	5,157	5,157
Cash and cash equivalents	8,997,017	-	8,997,017	8,997,017
	<u>12,160,040</u>	<u>-</u>	<u>12,160,040</u>	<u>12,160,040</u>
Accrued operating expenses	-	23,153	23,153	23,153
Accrued charitable expenses	-	2,191,604	2,191,604	2,191,604
	<u>-</u>	<u>2,214,757</u>	<u>2,214,757</u>	<u>2,214,757</u>

	Loans and receivables	Other financial liabilities	Total carrying amount	Fair value
	\$	\$	\$	\$
31 December 2009				
Donations and other receivables	15,068,920	-	15,068,920	15,031,005
Interest receivables	1,990	-	1,990	1,990
Cash and cash equivalents	4,876,707	-	4,876,707	4,876,707
	<u>19,947,617</u>	-	<u>19,947,617</u>	<u>19,909,702</u>
Accrued operating expenses	-	40,326	40,326	40,326
Amounts due to:				
- Trustee	-	648,705	648,705	648,705
- Trustee's related corporations	-	970,246	970,246	970,246
- National University Hospital (Singapore) Pte Ltd	-	9,620	9,620	9,620
Accrued charitable expenses	-	1,703,723	1,703,723	1,703,723
	-	<u>3,372,620</u>	<u>3,372,620</u>	<u>3,372,620</u>

12 New accounting standards and interpretations not yet adopted

New standards, amendments to standards and interpretations that are not yet effective for the period ended 31 March 2011 have not been applied in preparing these financial statements. None of these are expected to have significant effect on the financial statements of the Fund.