

HEALTHSERVE LTD

UEN. No. 200615440H

ACCOUNTS – 31 DECEMBER 2015

HEALTHSERVE LIMITED

C O N T E N T S

Directors' Statement	1
Independent Auditors' Report	2 - 3
Statement of Financial Position	4
Statement of Financial Activities	5 - 6
Statement of Changes in Funds	7
Statement of Cash Flows	8
Notes to the Accounts	9 - 20

HEALTHSERVE LIMITED

(Incorporated in Singapore, UEN 200615440H)

DIRECTORS' STATEMENT

The directors present this statement together with the audited financial statements of the Company for the year ended 31 December 2015.

DIRECTORS

The directors in office at the date of this statement are :

Goh Wei Leong
Soh Ling Ling
Saw Seang Kuan (Su Xiangguang)
Chan Lai Gwen
Koh Jianyi, Calvin
Chan Kum Kit
Chan Chia Lin
Chong Peng Choon Calvin

DIRECTORS' INTERESTS

As the Company is limited by guarantee and has no share capital, the statutory information required to be disclosed by the directors under Section 201 (6)(g) and Section 201 (12) of the Companies Act, Cap 50 does not apply.

The Company is limited by guarantee, whereby each member of the Company undertakes to meet the debts and liabilities of the Company, in the event of its liquidation, to an amount not exceeding \$10 per member.

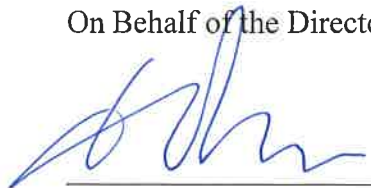
AUDITORS


The auditors, S H Ong LLP have expressed their willingness to accept re-appointment.

DIRECTORS' OPINION

In the opinion of the directors, the accompanying statements of financial position, financial activities, changes in funds and cash flows together with the notes thereon are properly drawn up in accordance with the provisions of the Singapore Companies Act, Cap 50 (the "Act"), Singapore Charities Act, Cap. 37 (the "Charities Act") and Singapore Financial Reporting Standards so as to give a true and fair view of the financial position of the Company as at 31 December 2015 and of the financial performance, changes in funds and cash flows of the Company for the year then ended. And 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.

On Behalf of the Directors



Director

Director

15 June 2016

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE HEALTHSERVE LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of Healthserve Limited, which comprise the statement of financial position as at 31 December 2015 and the statements of financial activities, changes in funds and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view in accordance with the provisions of the Singapore Companies Act, Cap. 50 (the "Act"), Charities Act, Cap. 37 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 financial statements 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.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE
HEALTHSERVE LIMITED**

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 so as to give a true and fair view of the financial position of the Company as at 31 December 2015 and of the financial performance, changes in funds and cash flows of the Company for the year ended on that date.

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 that causes us to believe that during the year:

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



S. H. ONG LLP
PUBLIC ACCOUNTANTS AND
CHARTERED ACCOUNTANTS
SINGAPORE

15 June 2016

HEALTHSERVE LIMITED**STATEMENT OF FINANCIAL POSITION - 31 DECEMBER 2015**

	Note	2015 \$	2014 \$
ASSETS			
NON-CURRENT ASSETS			
Plant & equipment	3	<u>177,488</u>	<u>54,097</u>
CURRENT ASSETS			
Other receivables	4	36,044	20,896
Cash & cash equivalents		<u>2,422,956</u>	<u>1,523,340</u>
		<u>2,459,000</u>	<u>1,544,236</u>
TOTAL ASSETS		<u><u>2,636,488</u></u>	<u><u>1,598,333</u></u>
FUNDS AND LIABILITIES			
Unrestricted Fund (General Fund)		2,191,411	1,360,928
Restricted Fund (Migrant Fund)	5	220,699 ✓	158,664
Restricted Fund (Medical Fund)	6	<u>117,000✓</u>	<u>-</u>
		<u>2,529,110</u>	<u>1,519,592</u>
NON-CURRENT LIABILITIES			
Deferred Capital Donations	7	18,223	46,471
Deferred Care & Share Grant	8	<u>52,378</u>	<u>-</u>
		<u>70,601</u>	<u>46,471</u>
CURRENT LIABILITIES			
Accruals and other creditors	9	3,799	32,270
Deferred Care & Share Grant	8	<u>32,978</u>	<u>-</u>
		<u>36,777</u>	<u>32,270</u>
TOTAL FUNDS AND LIABILITIES		<u><u>2,636,488</u></u>	<u><u>1,598,333</u></u>

See Accompanying Notes

HEALTHSERVE LIMITED
STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2015

	Unrestricted Funds 2015 \$	Restricted Funds 2015 \$	Total 2015 \$	Unrestricted Funds 2014 \$	Restricted Funds 2014 \$	Total 2014 \$
INCOMING RESOURCES FROM GENERATED FUNDS						
<u>Voluntary income</u>						
Donations received	837,033	-	837,033	752,751	-	752,751
Migrant/Jubilee Fund	-	272,763	272,763	-	98,144	98,144
Medical Fund	-	117,000	117,000	-	-	-
	<u>837,033</u>	<u>389,763</u>	<u>1,226,796</u>	<u>752,751</u>	<u>98,144</u>	<u>850,895</u>
<u>Income from fund-raising activities</u>						
Gala & mini dinner	174,200	-	174,200	613,433	-	613,433
Book sales	1,915	-	1,915	20,228	-	20,228
	<u>176,115</u>	<u>-</u>	<u>176,115</u>	<u>633,661</u>	<u>-</u>	<u>633,661</u>
<u>Income from Charitable activities</u>						
Clinic services	20,533	-	20,533	16,614	-	16,614
Food Project	36,134	-	36,134	54,629	-	54,629
Medic Student Programme	41,000	-	41,000	35,000	-	35,000
Amortisation of Care & Share grant	365,424	-	365,424	-	-	-
	<u>463,091</u>	<u>-</u>	<u>463,091</u>	<u>106,243</u>	<u>-</u>	<u>106,243</u>
<u>Other incoming resources</u>						
Other income	183,991	-	183,991	49,836	-	49,836
	<u>1,660,230</u>	<u>389,763</u>	<u>2,049,993</u>	<u>1,542,491</u>	<u>98,144</u>	<u>1,640,635</u>
TOTAL INCOMING RESOURCES						
RESOURCES EXPENDED						
<u>Cost of generating voluntary income and charitable activities</u>						
Computer & equipment maintenance	8,532	-	8,532	-	-	-
Counselling fees	-	-	-	8,571	-	8,571
Depreciation	79,668	-	79,668	42,899	-	42,899
Geylang Food Project	38,133	-	38,133	53,246	-	53,246
Hospitality	965	-	965	3,286	-	3,286
Insurance	487	-	487	1,062	-	1,062
Interns	5,400	-	5,400	-	-	-
License Fees & Registration	5,404	-	5,404	4,490	-	4,490
Medical Expenses	29,682	-	29,682	11,952	-	11,952
Medic Student Select Programme	3,242	-	3,242	3,664	-	3,664
Migrant Social Assistance	-	210,728	210,728	-	99,135	99,135
Promotion & Publicity	13,758	-	13,758	13,225	-	13,225
Rental	37,465	-	37,465	-	-	-
Rental of dormitories	14,022	-	14,022	33,174	-	33,174
SG Gives Fees	686	-	686	4,949	-	4,949
Social assistance - Local	4,530	-	4,530	10,458	-	10,458
Staff costs	372,781	-	372,781	388,262	-	388,262
Stamp fees	1,341	-	1,341	-	-	-
Telephone & Internet	6,594	-	6,594	5,258	-	5,258
Transport	373	-	373	1,292	-	1,292
Travel - overseas	-	-	-	14,710	-	14,710
Utilities	7,564	-	7,564	6,606	-	6,606
Vehicle Expenses	25,279	-	25,279	24,230	-	24,230
	<u>655,906</u>	<u>210,728</u>	<u>866,633</u>	<u>631,334</u>	<u>99,135</u>	<u>730,469</u>

Note 10

HEALTHSERVE LIMITED
STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2015

	Unrestricted Funds 2015 \$	Restricted Funds 2015 \$	Total 2015 \$	Unrestricted Funds 2014 \$	Restricted Funds 2014 \$	Total 2014 \$
<u>Fund-raising expenses</u>						
Fund-raising expenses	6,413	-	6,413	53,856	-	53,856
<u>Other operating and Administrative expenses</u>						
Audit fee	3,150	-	3,150	3,100	-	3,100
Bank Charges	510	-	510	1,641	-	1,641
Depreciation	16,702	-	16,702	-	-	-
Honorarium	-	-	-	32,000	-	32,000
Donations	200	-	200	4,600	-	4,600
Equipment expenses	1,868	-	1,868	448	-	448
Insurance	870	-	870	-	-	-
Maintenance & repairs	606	-	606	1,006	-	1,006
Misc. Expenses	433	-	433	106	-	106
Professional fees	3,396	-	3,396	38,233	-	38,233
Postage & Freight Charges	251	-	251	402	-	402
Printing & Stationery	3,042	-	3,042	2,023	-	2,023
Rental	1,972	-	1,972	7,896	-	7,896
Staff costs	128,261	-	128,261	56,247	-	56,247
Staff welfare	2,631	-	2,631	1,312	-	1,312
Subscription Fees	-	-	-	376	-	376
Telephone & Internet	267	-	267	1,564	-	1,564
Training/Seminar	3,002	-	3,002	5,529	-	5,529
Utilities	267	-	267	1,450	-	1,450
	167,428	-	167,428	157,933	-	157,933
TOTAL RESOURCES EXPENDED	829,747	210,728	1,040,475	843,123	99,135	942,258
NET MOVEMENT IN FUNDS	830,483	179,035	1,009,518	699,368	(991)	698,377

HEALTHSERVE LIMITED**STATEMENT OF CHANGES IN FUNDS FOR
THE YEAR ENDED 31 DECEMBER 2015**

	2015	2014
GENERAL FUND	\$	\$
Balance as at beginning of year	1,360,928	661,560
Surplus for the year	830,483	699,368
Balance as at end of year	<u>2,191,411</u>	<u>1,360,928</u>
MIGRANT FUND		
Balance as at beginning of year	158,664	159,655
Surplus/(Deficit) for the year	179,035	(991)
Balance as at end of year	<u>337,699</u>	<u>158,664</u>

See Accompanying Notes

HEALTHSERVE LIMITED**STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2015**

	2015 \$	2014 \$
Cash flows from Operating Activities		
Net surplus for the year	1,009,518	698,377
Adjustment for :		
Depreciation	96,370	42,899
Amortisation of Care & Share Grant	(472,455)	-
Amortisation of Capital Donations	(28,248)	(19,402)
Loss on disposal of vehicle	2,542	-
Operating surplus before working fund changes	<u>607,727</u>	<u>721,874</u>
Changes in working funds:		
Other receivables	(15,148)	7,481
Other payables	(28,471)	12,428
Net cash from Operating Activities	<u>564,108</u>	<u>741,783</u>
Cash Flow from Investing Activities:		
Purchase of plant & equipment	<u>(222,303)</u>	<u>(56,157)</u>
Net cash used in Investing Activities	<u>(222,303)</u>	<u>(56,157)</u>
Cash Flow from Financing Activities:		
Capital donations/grants received	<u>557,811</u>	<u>53,105</u>
Net cash flow from Financing Activities:	<u>557,811</u>	<u>53,105</u>
Cash and cash equivalents:		
Net change	899,616	738,731
At beginning of year	<u>1,523,340</u>	<u>784,609</u>
At end of year (*)	<u><u>2,422,956</u></u>	<u><u>1,523,340</u></u>

(*) Cash and cash equivalents comprise of cash and bank balances

See Accompanying Notes

HEALTHSERVE LIMITED

NOTES TO THE ACCOUNTS - 31 DECEMBER 2015

These notes form an integral part of the accounts.

1. GENERAL

The Company is incorporated in Singapore as a public company limited by guarantee. Its registered office is at 1 Lorong 23 Geylang #01-07 Building 4, Singapore 388352.

The Company became an approved charity on 25 May 2011 and an Institution of Public Character (IPC) with effect from 15 July 2011. Its present IPC status is effective from 15 July 2015 to 31 July 2017.

The principal activity of the Company is to educate, promote and organise healthcare services for the alleviation of ill-health ignorance and suffering.

The financial statements were authorised for issue by the Board of Directors on the date stated in the Directors' Statement.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Preparation

The financial statements, expressed in Singapore Dollars, which is also its functional currency, are prepared in accordance with the Charities Act, Cap.37 and the Singapore Financial Reporting Standards (FRS) as required by the Companies Act, Cap. 50 and under the historical cost convention, except as modified by the accounting policies below.

(b) Accounting estimates

The preparation of financial statements in conformity with FRS requires management's best ability and knowledge to make judgement, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Such judgement, estimates and assumptions are assessed on an on going basis and are based on current events, historical experience and other apparent factors under the circumstances. Actual results may differ from those estimates and assumptions which the Company makes concerning the future.

(c) Changes in accounting policies

The Company adopted all the new and revised FRS that are applicable and relevant to its operations and effective for this financial year. The Company is of the view that the adoption of FRS which have been issued but not yet effective until future periods will have no material impact on the financial statements.

HEALTHSERVE LIMITED

NOTES TO THE ACCOUNTS - 31 DECEMBER 2015

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(d) Standards issued but not yet effective

The Company has not adopted the following standards and interpretations that have been issued but not yet effective :

<u>Description</u>	<u>Effective for annual periods beginning on or after</u>
Amendments to FRS 1 Disclosure Initiative	1 January 2016
Amendments to FRS 16 and FRS 38 Clarification of Acceptable Methods of Depreciation and Amortisation	1 January 2016
Amendments to FRS 27 Equity Method in Separate Financial Statements	1 January 2016
FRS 115 Revenue from Contracts with customers	1 January 2018
FRS 109 Financial Instruments	1 January 2018

Except for FRS 115 and FRS 109, the management expects that the adoption of the other standards and interpretations above will have no material impact on the financial statements in the period of initial application. The nature of the impending changes in accounting policy on adoption of FRS 115 and FRS 109 are described below:

FRS 115 Revenue from Contracts with customers

FRS 115 was issued in November 2014 and establishes a new five-step model that will apply to revenue arising from contracts with customers. Under FRS 115, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The principles in FRS 115 provide a more structured approach to measuring and recognising revenue. The new revenue standard is applicable to all entities and will supersede all current revenue recognition requirements under FRS. Either a full or modified retrospective application is required for annual periods beginning on or after 1 January 2018 with early adoption permitted. The Company is currently assessing the impact of FRS 115.

FRS 109 Financial Instruments

In December 2014, the Accounting Standards Council issued the final version of FRS 109 Financial Instruments which reflects all phases of the financial instruments project and replaces FRS 39 Financial Instruments: Recognition and Measurement. The standard introduces new requirements for classification and measurement, impairment and hedge accounting. FRS 109 is effective for annual periods beginning on or after 1 January 2018, with early application permitted. Retrospective application is required, but comparative information is not compulsory in the year of adoption. The Company is currently assessing the impact of FRS 109.

HEALTHSERVE LIMITED

NOTES TO THE ACCOUNTS - 31 DECEMBER 2015

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(e) Plant and Equipment

Plant and equipment are stated at cost less accumulated depreciation and impairment loss, if any. Depreciation is calculated on the straight-line method to write off the cost of the assets over their estimated useful lives as follows :

Computers & equipment	3 years
Renovation	3-5 years
Furniture & fittings	3years
Motor vehicles	2-5 years

The carrying amount is reviewed annually to assess whether it needs to be written down to its recoverable amount. Fully depreciated assets are retained in the accounts until they are no longer in use. The useful lives and depreciation method are reviewed annually to ensure that these are consistent with the pattern of economic benefits provided by the assets.

(f) Receivables

Receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method unless the effect of discounting would be immaterial, in which case they are stated at cost. They are included in current assets unless the maturity is more than 12 months, in which case, they are classified as non-current assets.

(g) Impairment of financial assets

The Company at each reporting date assesses whether there is objective evidence that a financial asset is impaired. Whenever there is an indication that an asset is impaired, as adjudged or estimated by the management based on currently available information, the difference between the carrying amount and the estimated recoverable amount is recognised in the statement of financial activities.

(h) Payables and provisions

Payables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method. Past events are reviewed to ascertain whether provisions are required and to recognise such obligations in the financial statements if these can be estimated reliably.

(i) Government grants

Grants from the government to meet the Company's operating expenses are recognised as income to match the related operating expenditure.

Grants from the government received by the Company to construct, furnish and equip the Company and to purchase depreciable assets are taken to the deferred capital grants account.

HEALTHSERVE LIMITED

NOTES TO THE ACCOUNTS - 31 DECEMBER 2015

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(i) Government grants/capital donations (cont'd)

Deferred capital grants are recognised in the statement of financial position as deferred capital grants amortised over the periods necessary to match the depreciation or amortisation of the related donated assets. Upon disposal of the assets, the balance of the related Deferred capital grants is recognised in income and expenditure to match the net book value of the assets written off.

Both operating and capital grants are accounted for on an accrual basis.

(j) Funds

General Fund

Income and expenditure are accounted for under the General Fund in the income and expenditure unless they relate to funds for specific purposes. The use of these reserves is subject to the approval of the Board.

Restricted Fund

This fund is created from donations and sponsorships from individuals and external bodies for specific purposes. The income and expenditure relating to the restricted fund are accounted for under the restricted fund's income and expenditure.

(k) Income recognition

Income is included in the statement of financial activities when the following three criteria are met:

- the Company becomes entitled to the income;
- when it is virtually certain that the Company will receive the income; and
- the monetary value of the income can be measured with sufficient reliability.

Cash donations and fund raising income are recognised upon receipt of the monies.

Donations in kind are recognised as income when they are of substantial value and can be reliably and reasonably quantified. The donations in kind are included in the statement of financial activities at their estimated gross value which is the current value that the Company estimates it would have to pay in the open market for an equivalent item.

(l) Resources expended

All expenditure are accounted for on an accrual basis and has been classified under headings that aggregate all costs related to that activity.

Cost of generating funds

The cost of generating funds are those costs attributable to generating income for the Company other than those costs incurred in undertaking charitable activities.

HEALTHSERVE LIMITED

NOTES TO THE ACCOUNTS - 31 DECEMBER 2015

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(l) Resources expended (cont'd)

Charitable activities

Costs of charitable activities comprise all costs incurred in the pursuit of the charitable objects of the Company. Such costs include the direct costs of the charitable activities of the Company together with any support costs incurred that enable these activities to be undertaken.

Governance costs

Governance costs comprise all costs attributable to the general running of the Company in providing the governance infrastructure and in ensuring public accountability. These costs include costs related to constitutional and statutory requirements, and include an apportionment of overhead and support costs.

(m) Operating leases

Rent paid for operating leases is included in the statement of financial activities on a straight line basis over the period of the lease.

(n) Employee benefits

Contributions to defined contribution pension plan (Central Provident Fund) are recognised as an expense in the same period as the employment that gives rise to the contribution.

Employees' leave entitlement

No provision is made for employees' unconsumed annual leave as the Company in principle, does not allow unconsumed annual leave to be carried forward for future claims or monetary compensation.

(o) Cash and cash equivalents

These comprise cash and bank balances excluding any pledged bank deposit utilised for bank overdraft and financing activities.

HEALTHSERVE LIMITED

NOTES TO THE ACCOUNTS - 31 DECEMBER 2015

3. PLANT AND EQUIPMENT

2015	Renovation \$	Computers & equipment \$	Furniture & fittings \$	Motor vehicles \$	Total \$
Cost					
At beginning of year	25,225	17,585	11,546	105,207	159,563
Additions	24,310	124,285	21,208	52,500	222,303
Disposals	-	-	-	(30,500)	(30,500)
At end of year	49,535	141,870	32,754	127,207	351,366
Accumulated Depreciation					
At beginning of year	24,595	14,708	7,970	58,193	105,466
Charge for the year	8,733	44,305	9,495	33,837	96,370
Disposals	-	-	-	(27,958)	(27,958)
At end of year	33,328	59,013	17,465	64,072	173,878
Net Book Value					
At end of year	16,207	82,857	15,289	63,135	177,488
2014	Renovation \$	Computers & equipment \$	Furniture & fittings \$	Motor vehicles \$	Total \$
Cost					
At beginning of year	25,225	17,585	8,096	52,500	103,406
Additions	-	-	3,450	52,707	56,157
At end of year	25,225	17,585	11,546	105,207	159,563
Accumulated Depreciation					
At beginning of year	23,965	11,821	5,274	21,508	62,568
Charge for the year	630	2,887	2,696	36,685	42,898
At end of year	24,595	14,708	7,970	58,193	105,466
Net Book Value					
At end of year	630	2,877	3,576	47,014	54,097

4. OTHER RECEIVABLES

	2015 \$	2014 \$
Refundable deposits	15,630	5,723
Prepayments	3,060	4,973
Other receivables	17,354	10,200
	<u>36,044</u>	<u>20,896</u>

HEALTHSERVE LIMITED

NOTES TO THE ACCOUNTS - 31 DECEMBER 2015

5. MIGRANT FUND – RESTRICTED FUND

The Migrant Fund was set up to help the migrants to cater for their needs during emergencies. The fund is also used for food supplies, transport and migrant events.

	2015	2014
	\$	\$
Balance at beginning of the year	158,664	159,655
Donations	272,763	98,144
	<u>431,427</u>	<u>257,799</u>
Less: Expenses		
Migrant Expenses - Emergency	21,898	28,539
Migrant Expenses - Events	145,510	16,659
Migrant Expenses - MRT	10,265	11,314
Migrant Expenses - Beds/Room	15,624	23,288
Migrant Expenses - Others	3,031	7,572
Migrant - Jubilee expenses	14,400	11,763
	<u>210,728</u>	<u>99,135</u>
Balance at end of year	<u>220,699</u>	<u>158,664</u>

6. MEDICAL FUND – RESTRICTED

This Fund was set up to provide all medical services, clinic, dental and all direct expenses

7. DEFERRED CAPITAL DONATIONS

	2015	2014
	\$	\$
Balance at beginning of year	46,471	12,768
Capital donations received	-	54,707
Amortisation of deferred capital donations	(28,248)	(21,004)
	<u>18,223</u>	<u>46,471</u>

Capital donations received refer to donations for the purchase of motor vehicles.

8. CARE & SHARE MATCHING GRANT

The Care & Share Matching grant is a dollar-for-dollar donation provided by the Government to encourage donations and to develop social service related voluntary welfare organisations (VWOs) and their programmes to better serve beneficiaries. The matching grant can be used for capability building, capacity building, new initiatives/expansion of existing services and critical existing needs (up to 20%).

HEALTHSERVE LIMITED

NOTES TO THE ACCOUNTS - 31 DECEMBER 2015

8. CARE & SHARE MATCHING GRANT (cont'd)

During the year grant amounting to \$1,859,369.96 (2014: nil) was approved and \$557,810.99 (2014: nil) was received. Of the amount received, \$192,386.90 (2014: nil) utilized for renovation works, office furniture and equipment, computer software, clinic equipment and motor vehicle was amortised over their useful lives, and \$365,424.09 (2014: nil) used on Computer and equipment expenses, dental clinic expenses, repairs and maintenance, rental & related expenses, and manpower, was amortised over their useful lives.

	2015	2014
	\$	\$
<u>Care & Share Matching Grant</u>		
Balance at beginning of year	-	-
Grant received during the year	557,811	-
Utilised during the year	(557,811)	-
Balance at end of year	-	-
	\$	\$
<u>Deferred Care & Share Matching Grant</u>		
Balance at beginning of year	-	-
Grant utilised during the year	557,811	-
Amortisation during the year	(472,455)	-
Balance at end of year	85,356	-
Classified as :		
Current	32,978	
Non-current	52,378	

9. ACCRUALS & OTHER CREDITORS

This comprise mainly of accrued operating expenses.

HEALTHSERVE LIMITED

NOTES TO THE ACCOUNTS - 31 DECEMBER 2015

10. OTHER INCOME

The following were other income received, excluding Migrant Fund contributions :

	2015	2014
	\$	\$
Amortisation of capital donation	28,248	19,402
Amortisation of care & share grant	107,031	-
Donations – Vehicle fund	-	4,952
Gain – Vehicle disposal	11,138	-
NCSS/VCF	17,307	19,028
Wage credit scheme	20,267	6,454
	<u>183,991</u>	<u>49,836</u>

11. FUND RAISING ACTIVITIES

The fund-raising efficiency ratio (total fund-raising expenses/total fund-raising income) for the year was 3% (2014: 8%). The Company met the 30/70 fund-raising rule under the Charities (Registration of Charities) Regulations 2007 issued by the Commissioner of Charities in both financial years.

12. REMUNERATION OF EMPLOYEES

	2015	2014
	\$	\$
Staff Salaries	352,938	309,722
Bonus	60,384	48,410
CPF	60,798	56,305
	<u>474,120</u>	<u>414,437</u>

The average number of staff employed by the Company was 10 (2014:11).

HEALTHSERVE LIMITED

NOTES TO THE ACCOUNTS - 31 DECEMBER 2015

13. RELATED PARTIES

A related party is defined as follows:

- (a) A person or a close member of that person's family is related to the Company if that person:
 - (i) has control or joint control over the Company;
 - (ii) has significant influence over the Company; or
 - (iii) is a member of the key management personnel of the Company.
- (b) An entity is related to the Company if any of the following conditions applies:
 - (i) the entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
 - (ii) one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
 - (iii) both entities are joint ventures of the same third party.
 - (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity.
 - (v) the entity is a post-employment benefit plan for the benefit of the employees of either the Company or an entity related to the Company. If the Company is itself such a plan, the sponsoring employers are also related to the Company.
 - (vi) the entity is controlled or jointly controlled by a person identified in (a);
 - (vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

The highest decision making authority is the Board of Directors. All Directors are volunteers and received no monetary remuneration for their contributions and services rendered during the year.

Key Management compensation:

	2015	2014
	\$	\$
Salaries and other short-term employee benefits	86,000	32,000

The above amounts are included under remuneration of employees.

Number of key management in remuneration bands:

	2015	2014
\$0 to \$100,000	1	1

HEALTHSERVE LIMITED

NOTES TO THE ACCOUNTS - 31 DECEMBER 2015

14. OPERATING LEASE COMMITMENTS

Lease commitments under non-cancellable operating leases where the Company is the lessee:

	2015	2014
	\$	\$
Payable within 1 year	85,000	53,042
Payable more than 1 year but not later than 2 years	41,800	56,520
	<u>126,800</u>	<u>109,562</u>

Lease payments recognised as an expense for the financial year ended 31 December 2015 amounted to \$70,082 (2014 : \$64,359).

15. TAXATION

The Company is registered under the Charities Act Cap.37 and its income is exempt from income tax.

During the financial year, the Company issued tax-exempt receipts for donations collected from voluntary income and income from fund-raising activities amounting to \$963,721 (2014 : \$1,232,209).

16. FINANCIAL RISK MANAGEMENT

The Company's activities expose it to minimal financial risks. The Directors have oversight to the overall risk management of the Company. The policies for managing these risks are briefly as follows:

Liquidity risk

The Company is primarily exposed to liquidity risk. In the management of liquidity risk, the Company monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance its operations and mitigate the effects of fluctuations in cash flows.

Credit risk

Credit risk is the loss that may arise on outstanding financial instruments should a counterparty default on its obligation. The Company does not have any significant concentration of credit risk except for bank balances which are placed with reputable financial institutions. The maximum exposure to credit risk is represented by the carrying value of each class of financial asset recognised in the statement of financial position.

HEALTHSERVE LIMITED

NOTES TO THE ACCOUNTS - 31 DECEMBER 2015

17. FAIR VALUES

The fair values of the current financial assets and current financial liabilities in the Statement of Financial Position approximate their carrying values due to their short-term nature.

18. FUND MANAGEMENT

The Company's funds are managed so as to maintain adequate working funds for the development of its principal activities over the longer term through significant support in the form of donations, training fees and sale of material. No changes were made in objectives, policies or processes during the financial years ended 31 December 2015 and 31 December 2014.

19. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform with the current year's presentation.