

HEALTHSERVE LTD

UEN. No. 200615440H

ACCOUNTS – 31 DECEMBER 2012

HEALTHSERVE LIMITED

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HEALTHSERVE LIMITED

(Incorporated in Singapore, UEN 200615440H)

DIRECTORS' REPORT

The directors present their report to the members together with the audited accounts of the Company for the year ended 31 December 2012.

DIRECTORS

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

Goh Wei Leong
Soh Ling Ling
Saw Seang Kuan
Chan Lai Gwen
Koh Jianyi, 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. As at 31 December 2012, the Company has 3 members.

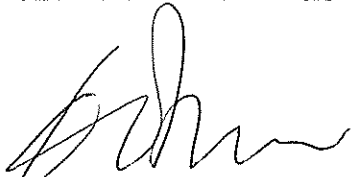
DIRECTORS' CONTRACTUAL BENEFITS

Since the beginning of the financial year, no director has received or become entitled to receive a benefit which is required to be disclosed under Section 201(8) of the Companies Act, Cap. 50, by reason of a contract made by the Company or a related corporation with the director or with a firm of which he or she is a member or with a company in which he or she has a substantial financial interest.

AUDITORS

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

On Behalf of the Directors



Director



Director

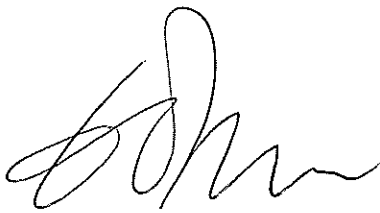
18 June 2013

HEALTHSERVE LIMITED

STATEMENT BY DIRECTORS

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 drawn up so as to give a true and fair view of the state of affairs of the Company as at 31 December 2012 and of the results, 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

Singapore, 18 June 2013

**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 2012, 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") 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 auditors' 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 and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Company as at 31 December 2012 and of the results, changes in funds and cash flows of the Company for the year ended on that date.

Other matters

The financial statements of the Company for the year ended 31 December 2011 were audited by another firm of certified public accountants who expressed an unmodified opinion on those financial statements in their report dated 2 May 2012.

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 came to our attention that caused us to believe that during the year :

- a) The Company did not comply with the requirements of Regulation 15 (Fund-raising expenses) of the Charities (Institutions of a Public Character) Regulations which states that the total relevant fund-raising expenses of the Company for the financial year shall not exceed 30% of the total relevant receipts from fund-raising and sponsorships for that financial year; and
- b) the use of donation monies have not been used 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
CERTIFIED PUBLIC ACCOUNTANTS
SINGAPORE

18 June 2013

HEALTHSERVE LIMITED**STATEMENT OF FINANCIAL POSITION - 31 DECEMBER 2012**

	Note	2012 \$	2011 \$
ASSETS			
NON-CURRENT ASSETS			
Plant & equipment	3	<u>26,817</u>	<u>20,368</u>
CURRENT ASSETS			
Other receivables	4	9,846	6,047
Cash & cash equivalents		<u>414,176</u>	<u>346,515</u>
		<u>424,022</u>	<u>352,562</u>
TOTAL ASSETS		<u><u>450,839</u></u>	<u><u>372,930</u></u>
FUNDS AND LIABILITIES			
Unrestricted Fund		390,280	318,528
Restricted Fund	5	<u>11,948</u>	<u>9,851</u>
		<u>402,228</u>	<u>328,379</u>
NON-CURRENT LIABILITIES			
Deferred Capital Donations	6	17,024	-
Loan from director	7	<u>13,000</u>	<u>13,000</u>
		<u>30,024</u>	<u>13,000</u>
CURRENT LIABILITIES			
Loans & borrowings		-	4,614
Accruals & other creditors	8	14,849	26,937
Grant received in advance		<u>3,738</u>	<u>-</u>
		<u>18,587</u>	<u>31,551</u>
		<u><u>450,839</u></u>	<u><u>372,930</u></u>

See Accompanying Notes

HEALTHSERVE LIMITED

**STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED
31 DECEMBER 2012**

	Note	2012 \$	2011 \$
UNRESTRICTED FUND GENERAL FUND			
Revenue	9	669,892	727,602
Other income		5,000	5,000
NCSS reimbursement for Training		4,152	-
Amortisation of deferred capital donations	6	4,256	-
		<u>683,300</u>	<u>732,602</u>
Less: Expenditure			
Depreciation		(15,550)	(11,264)
Administrative expenses		(538,955)	(370,652)
Finance expense		(627)	(626)
Other operating expenses		(56,416)	(48,115)
		<u>(611,548)</u>	<u>(430,657)</u>
Surplus for the year before tax		71,752	301,945
Income tax benefit		-	2,549
Surplus for the year		<u>71,752</u>	<u>304,494</u>

HEALTHSERVE LIMITED

**STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED
31 DECEMBER 2012 (Continued)**

	2012	2011
	\$	\$
RESTRICTED FUND		
MIGRANT FUND		
Income		
Donations for Migrants	33,723	3,700
Less: Expenses		
Migrant Exp.- Meal Coupon	5,330	2,795
Migrant Exp.-Events	20,818	630
Migrant Exp.-Others	5,478	2,499
	<u>31,626</u>	<u>5,924</u>
Surplus/(deficit) for the year	<u>2,097</u>	<u>(2,224)</u>
Total Fund at beginning of year	<u>9,851</u>	<u>12,075</u>
Total Fund at end of year	<u><u>11,948</u></u>	<u><u>9,851</u></u>

**STATEMENT OF CHANGES IN FUNDS FOR
THE YEAR ENDED 31 DECEMBER 2012**

	2012	2011
	\$	\$
GENERAL FUND		
Balance as at beginning of year	318,528	14,034
Surplus for the year	<u>71,752</u>	<u>304,494</u>
Balance as at end of year	<u><u>390,280</u></u>	<u><u>318,528</u></u>
MIGRANT FUND		
Balance as at beginning of year	9,851	12,075
Surplus/(deficit) for the year	<u>2,097</u>	<u>(2,224)</u>
Balance as at end of year	<u><u>11,948</u></u>	<u><u>9,851</u></u>

See Accompanying Notes

HEALTHSERVE LIMITED**STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2012**

	2012	2011
	\$	\$
Cash flows from Operating Activities		
Surplus before tax	73,849	299,720
Adjustment for :		
Depreciation	15,550	11,264
Amortisation of deferred capital donations	(4,256)	-
Interest expense	627	626
Operating cash flows before working capital changes	<u>85,770</u>	<u>311,610</u>
Changes in working capital:		
Other receivables	(3,798)	(3,109)
Other payables	(12,964)	9,850
Cash from/(used in) Operating Activities	<u>69,008</u>	<u>318,351</u>
Interest paid	(627)	(626)
Tax refunded	-	2,549
Net cash flows from/(used in) Operating Activities	<u>68,381</u>	<u>320,274</u>
Cash Flow from Investing Activities:		
Purchase of plant & equipment	(22,000)	(2,162)
Capital donations received	21,280	-
Net cash flows from/(used in) Investing Activities	<u>(720)</u>	<u>(2,162)</u>
Cash Flow from/(used in) Financing Activities:		
Repayments of loans & borrowings	-	(4,641)
Net cash Flow from/(used in) Financing Activities:	<u>-</u>	<u>(4,641)</u>
Cash and cash equivalents:		
Net change	67,661	313,471
At beginning of year	<u>346,515</u>	<u>33,044</u>
At end of year (*)	<u>414,176</u>	<u>346,515</u>

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

See Accompanying Notes

HEALTHSERVE LIMITED

NOTES TO THE ACCOUNTS - 31 DECEMBER 2012

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 (IPC000733) with effect from 15 July 2011.

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 of the directors' report.

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 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.

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.

(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.

HEALTHSERVE LIMITED

NOTES TO THE ACCOUNTS - 31 DECEMBER 2012

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(c) 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	3 years
Renovation	5 years
Furniture & fittings	3 years
Motor vehicle	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.

(d) 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.

(e) 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.

(f) Payables and provisions

Financial liabilities include other payables and accruals. They are recognised when the Company becomes a party to the contractual agreements of the instrument. All interest-related charges are recognised as expenses in "finance cost" in the income statement. Financial liabilities are derecognised if the Company's obligations in the contract expire or are discharged or cancelled.

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.

HEALTHSERVE LIMITED

NOTES TO THE ACCOUNTS - 31 DECEMBER 2012

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(g) Government grants

Grants from the government are recognised as a receivable at their fair value when there is reasonable assurance that the grant will be received and the Company will comply with all the conditions.

Government grants receivable are recognised as income over the periods necessary to match them with the related costs which they are intended to reimburse on a systematic basis. Grants related to income are presented as a credit in the income statement either separately or under a general heading such as "Other income".

(h) Recognition of income

Donations are recognised upon receipt from donors.

Revenue from clinic services provided is recognised when the service is accepted by the customer. Revenue from sale of books is recognised when the risks and rewards of ownership is transferred to the customer. Revenue from other fees is recognised in the period in which the services are rendered.

(i) 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.

(j) 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. Obligations for future employee benefits, if material, are recognised as current expenses in the accounts. 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.

(k) Cash and cash equivalents

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

(l) 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. Donations and sponsorships received are taken directly to income and expenditure.

The income and expenditure relating to the fund are accounted for under restricted fund in income and expenditure.

HEALTHSERVE LIMITED

NOTES TO THE ACCOUNTS - 31 DECEMBER 2012

(m) Deferred capital donations

Deferred capital donations are recognised in the statement of financial activities as deferred capital donations 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 donations is recognised in income and expenditure to match the net book value of the assets written off.

3. PLANT AND EQUIPMENT

2012	Computer & Furniture & fittings				Motor vehicles	Total
	Renovation \$	equipment \$	& fittings \$	vehicles \$		
Cost						
At beginning of year	23,335	8,933	4,896	19,800	56,964	
Additions	-	-	-	22,000	22,000	
At end of year	23,335	8,933	4,896	41,800	78,964	
Accumulated Depreciation						
At beginning of year	18,412	7,821	2,443	7,920	36,596	
Charge for the year	4,923	1,112	1,156	8,360	15,551	
At end of year	23,335	8,933	3,599	16,280	52,147	
Net Book Value						
At end of year	-	-	1,297	25,520	26,817	
2011	Computer & Furniture & fittings				Motor vehicles	Total
	Renovation \$	equipment \$	& fittings \$	vehicles \$		
Cost						
At beginning of year	23,335	7,821	3,846	19,800	54,802	
Additions	-	1,112	1,050	-	2,162	
At end of year	23,335	8,933	4,896	19,800	56,964	
Accumulated Depreciation						
At beginning of year	13,745	5,953	1,674	3,960	25,332	
Charge for the year	4,667	1,868	769	3,960	11,264	
At end of year	18,412	7,821	2,443	7,920	36,596	
Net Book Value						
At end of year	4,923	1,112	2,453	11,880	20,368	

In the prior year, a donation of \$10,198 was received for the purchase of a vehicle but this was inadvertently not capitalised. In the current year, this vehicle was traded-in in connection with the purchase of a new vehicle and a loss of \$3,159 was recorded.

HEALTHSERVE LIMITED

NOTES TO THE ACCOUNTS - 31 DECEMBER 2012

4. OTHER RECEIVABLES

	2012	2011
	\$	\$
Refundable deposits	4,943	5,943
Other receivable	<u>4,903</u>	<u>104</u>
	<u>9,846</u>	<u>6,047</u>

5. 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.

6. DEFERRED CAPITAL DONATIONS

	2012	2011
	\$	\$
Balance at beginning of year	-	-
Capital donations received	21,280	-
Amortisation of deferred capital donations	<u>(4,256)</u>	<u>-</u>
	<u>17,024</u>	<u>-</u>

Capital donations received refer to donations for the purchase of a vehicle.

7. LOAN FROM DIRECTOR

Amount owing to a director is unsecured, non-interest bearing and repayable on demand.

8. ACCRUALS & OTHER CREDITORS

This comprise mainly of accrued operating expenses.

HEALTHSERVE LIMITED

NOTES TO THE ACCOUNTS - 31 DECEMBER 2012

9. REVENUE

Revenue consists of the following:-

	2012	2011
	\$	\$
Book Sales	3,462	2,503
Clinic services	19,427	25,676
Donations - tax deductible	517,705	511,760
Donations - non tax deductible	89,493	185,781
Fees Collected	39,463	-
NCSS grant for Training	10,543	-
Other Income	5,342	1,882
Value of sponsored fixed assets	22,000	10,198

10. EMPLOYEE BENEFITS / STAFF COSTS

KEY MANAGEMENT PERSONNEL

Key management personnel of the Company are those persons having the authority and responsibility for planning, directing and controlling the activities of the Company.

All key management personnel are volunteers and received no monetary remuneration for their services.

11. RELATED PARTIES

A related party includes the board of directors and key management of the Company. It also includes an entity or person that directly or indirectly controls, is controlled by, or is under common or joint control with these persons. It also includes members of the key management personnel or close members of the family of any individual referred to herein and others who have the ability to control, jointly control or significantly influence by or for which significant voting power in such entity resides with, directly or indirectly, by any such individual.

The Company is governed by the Board of Directors. All members of the Board are volunteers and received no monetary remuneration for their contributions and services rendered during the year.

HEALTHSERVE LIMITED

NOTES TO THE ACCOUNTS - 31 DECEMBER 2012

12. OPERATING LEASE COMMITMENTS

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

	2012	2011
	\$	\$
Payable within 1 year	31,650	28,600
Payable more than 1 year but not later than 2 years	3,242	22,694
	<u>34,892</u>	<u>51,294</u>

Lease payments recognised as an expense for the financial year ended 31 December 2012 amounted to \$32,335 (2011 : \$33,568).

13. TAXATION

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

14. FINANCIAL RISK MANAGEMENT

The main risks arising from the Company's financial instruments and the policies for managing each of these risks are summarized below :

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 2012

15. 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.

16. COMPARATIVE FIGURES

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

Auditors' Report - Pages 3 & 4

HEALTHSERVE LIMITED

**DETAILED STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED
31 DECEMBER 2012**

	2012 \$	2011 \$
Income		
Book sales	3,462	2,503
Clinic services	19,427	25,676
Donations	606,148	697,541
Donations for migrants	33,723	3,700
Donation - emergency fund	1,050	-
Fees collected	39,463	-
Other income	342	1,882
	<u>703,615</u>	<u>731,302</u>
Other income	5,000	5,000
NCSS reimbursement for training	4,152	-
Amortisation of deferred capital donations	4,256	-
	<u>717,023</u>	<u>736,302</u>
Administrative expenses		
Accountancy fees	1,200	1,000
Audit fee	2,800	1,600
Bank charges	119	237
Community health resource	512	472
Community resource	65,968	-
Conference/training expenses	4,311	-
Contract services	22,000	41,100
Course fees	-	(240)
CPF & SDL	34,272	29,998
Donations	3,500	800
Dormitory expenses	13,422	14,878
Events expenses	65,956	45,832
Hospitality expenses	1,782	1,817
Interns	4,000	-
Equipment expenses	694	319
Insurance	1,109	543
Licence fees	700	1,320
Medical supplies	11,659	14,601
Migrant expenses	31,625	5,924
Overseas community programs	-	(1,140)
Postage & courier	316	274
Printing & stationery	11,468	3,090
Professional fees	-	1,890
Refreshment	1,284	1,166
Salaries & bonus	268,724	189,748
Social assistance expense	12,989	11,297
Social Assistance local	3,274	-
Staff allowance	512	306
Staff welfare	3,233	5,481
Telecommunications	3,151	4,264
	<u>570,580</u>	<u>376,577</u>

HEALTHSERVE LIMITED

**DETAILED STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED
31 DECEMBER 2012 (cont'd)**

	2012 \$	2011 \$
Other Operating Expenses		
General expenses	1,118	910
Loss on disposal of fixed asset	3,159	-
Office maintenance	189	357
Promotion & publicity	1,430	5,793
Rental	19,877	18,690
Transport	1,789	1,194
Vehicle expenses	18,048	13,007
Travelling overseas	5,233	2,325
Utilities	5,573	5,839
	<u>56,416</u>	<u>48,115</u>
Finance cost		
Hire purchase interest	627	626
Depreciation	15,550	11,264
	<u>643,173</u>	<u>436,582</u>
Surplus for the year	<u>73,849</u>	<u>299,720</u>

This schedule does not form part of the audited statutory accounts.